State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

June 26, 2001

Daniel Sheppard
GoldTerra, Inc
4088 East Airport Road
Price, Utah 84501

Re: Acceptance of Amended Notice of Intention to Commence Small Mining Operations, GoldTerra Inc., Black Knight Mine, S/015/078, Emery County, Utah

Dear Mr. Sheppard:

Thank you for your amended Notice of Intention to Commence Small Mining Operations, received by the Division on June 25, 2001. The application for the proposed Black Knight Mine project, located in Section 16, T17S, R14E, SLBM, is complete and no additional information is required by the Division at this time. **You may commence with your proposed operations as outlined provided you have received written approval from the School and Institutional Trust Lands Administration.**

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices", and the statutory penalty for failure to reclaim a minesite (SMO-1 and SMO-2). Please give special consideration to item #10 of the "Operation and Reclamation Practices" (SMO-1). Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

Doug Jensen
Senior Reclamation Specialist

jb
Enclosure
cc: Will Stokes, SITLA (ML47718)
S15-78-amd.doc