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

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July 7, 1999

Daniel C. Sheppard
GoldTerra, Incorporated
4088 East Airport Road
Price, Utah 84501

Re: Proposed Disturbance Exceeding Five Acres, Notice of Intention to Commence Small Mining Activities, GoldTerra Inc., Black Butte Mine, S/015/080 (ML-47708), Emery County, Utah

Dear Mr. Sheppard:

Thank you for your Notice of Intention, received by the Division on June 21, 1999, describing your proposed small mining project located on State managed lands in NE /14 SE 1/4 Section 2, T20S, R14E, SLBM, Emery County, Utah. The notice does not satisfy the requirements of Rule R647-3 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code Annotated.

The issue of concern is that this project will disturb more than five acres of surface area as described by the notice. Disturbance at the mine site is described as an area 450 feet square, or approximately 4.5 acres. Disturbance for the portion of new access road on state lands is 16 feet wide by 4,193 feet long or approximately 1.5 acres. Combining these two figures gives a total of approximately 6.0 acres. **Please amend the notice to describe a maximum total surface disturbance of five acres, or submit a large mine operation notice of intention (LMO).** A LMO may take up to six months to process.

Based on information from a site inspection by Will Stokes of the School and Institutional Trust Lands Administration, the portion of access road leading from U.S. Highway 6 to the power line in section 27 is an existing road. An old remnant of a road leading from the power line to the dam area was also existing. Although this is an existing road, the notice proposes a road 16 feet wide with a graveled surface. The widening and gravel surfacing would be considered as improvements to the old road which would require reclamation; therefore, this road disturbance will be included in the total project disturbance. The Division is aware of the possible historical significance of the portion of access road near the earthen dam identified in the Cultural Resource Inventory. The final decision on the actual routing of the access road may alter the actual disturbance from the figure of 1.5 acres described above.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a $100.00 fee which must be received prior to initiating any mining activities. **In addition to resolving the acreage issue you will need to pay the $100.00 fee before this notice can be considered in effect.**

Please find enclosed a copy of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a mine site (SMO-1). Since no variances were requested your operations is expected to comply with all applicable operation and reclamation practices. Mr. Stokes inspection of the project area noted the minimal amounts of vegetation on the area to be mined. Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the mine site. 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.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands under state mineral leases/school sections administered by the School and Institutional Trust Lands Administration, or federal lands managed by the Bureau of Land Management (BLM) or United States Forest Service (USFS). Before conducting mining operations on these lands, the operator must provide written notification, meet bonding requirements, and obtain written approval from the appropriate agency. The School and Institutional Trust Lands Administration can be reached at: 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100. You will need to contact the appropriate BLM Resource Area or USFS Ranger District for their requirements for activities on their lands.

The Division will suspend review of this proposal and await your amended Notice of Intention. In reply, please refer to our file number S/015/080. Thank you for your cooperation.

Sincerely,

Anthony A. Gallegos
Senior Reclamation Specialist

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Enclosure: Operation and Reclamation Practices
cc: Kiran Bhayani, DWQ w/NOI
Roger L. Bon, UGS
Will Stokes, SITLA
Tracking File
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