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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 22, 2014

CERTIFIED RETURN RECEIPT
7011 2970 0001 8828 9845

Kim Wilson
Martinique Mining Corporation
P.O. Box 204
Hanksville, Utah 84734

Subject: Review of Reclamation Surety, Martinique Mining Corporation, Gold Queen/Million Dollar Gulch, S/017/0035, Garfield County, Utah

Dear Mr. Wilson:

The last surety estimate for the Gold Queen/Million Dollar Gulch mine was done in 2011 and escalated to 2014 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from $12,000.00 to either $16,900.00 for a three year escalation or $17,600.00 for a five year escalation. The average reclamation costs are outlined below:

Small Mine Operation Bond
Calculation Worksheet S/017/0035
3-year escalation (2016)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	$8,000.00	$8,000.00
Add'l Acres Disturbance	1	$5,000.00	$5,000.00
Mob/demob over 151-200 miles	1	$3,900.00	$3,900.00
TOTAL			$16,900.00

5-year escalation (2018)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	$8,300.00	$8,300.00
Add'l Acres Disturbance	1	$5,200.00	$5,200.00
Mob/demob over 151-200 miles	1	$4,100.00	$4,100.00
TOTAL			$17,600.00

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of certificate of deposit and cash. You may increase the amount in the certificate of deposit, or the cash deposit. Bonding forms are available on the Internet at http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm.

The Division of Oil, Gas and Mining suggests that a portion of the surety being held for the May Day Mill/Crescent Creek operation, S/017/0043, could be applied toward this increase. Another alternative would be to decrease the reclamation liability by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801 538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than July 31, 2014.

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions concerning this letter.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:whw:pb
cc: Sue Fivecoat, Hanksville BLM (sfivecoa@blm.gov)
John Reay, Hanksville BLM (johnreay@blm.gov)
Opie Abeyta, BLM SO (oabeyta@blm.gov)
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