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

Michael O. Leavitt
Governor

Robert L. Morgan
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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

September 8, 2003

Subject: **Second Notice - Delinquent Permit Fees, Further Mining is Suspended, Minerals Regulatory Program**

Dear Permittee:

Our records indicate that we have not received your annual permit fee payment(s) for the 2003 fiscal year, which was due July 25, 2003. Your fee is now over 30 days past due. Non-payment of permit fees suspends an operator's authorization to conduct exploration or mining operations until the permit fees have been received by this office. **THEREFORE, YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS HEREBY SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED.**

Exploration or mining operations may resume upon our receipt of the required fees. Please return the enclosed "*Delinquency Notice*" with your payment to insure the money is posted to the correct account. ***If you have already sent in your payment, please accept our thanks and disregard this notice.***

As you are aware, if you have reclaimed the project site and no longer wish to keep your permit active, you may check the box on the enclosed billing notice requesting a Division site inspection. This will suspend your fee payment until we can perform a site inspection. If our inspection shows that the site is stabilized and meets the 70% pre-mining revegetation success standard, then the project can be released and the case file closed. If the site is not satisfactorily reclaimed, you will be notified accordingly and the annual fee must be received within 30 days of the inspection date.

The annual permit fee(s) must be submitted to keep your permit in effect. An operator's failure to pay the required annual permit fee within 30 days of the due date, requires us to forward all delinquent billings to the Utah Office of Debt Collection. Late penalties and interest charges are subsequently assessed to the unpaid balance. This action may also result in permit revocation (cancellation) proceedings before the Board of Oil, Gas and Mining. ***Cancellation of your permit will not release you from any outstanding reclamation requirements on the project area.***

We hope to avoid taking any enforcement action regarding the fee payments. Please choose one of the following options: 1) submit your payment within 30 days; 2) check the box, **if the site is reclaimed**, requesting a site inspection; or 3) contact us immediately to explain the extenuating circumstances for non-payment.

If you have any questions regarding this letter, please contact me at (801) 538-5286 or Joelle Burns at 538-5291. Thank you for your immediate attention to this matter.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program
Division of Oil, Gas and Mining

jb
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801-538-7223 (TDD)

9/8/03

TERRA RESOURCES LLC
2016 SOUTH MONTANA AVE
PROVO UT 84606

ATTENTION: JEFF SAGERS

DELINQUENCY NOTICE

Annual Permit Fees (July 2003 thru June 2004)

PROJECT NAME	PROJECT ID	ACRES	BILLING DATE
RMS 1/MTN SPRING PEAK	S210024	NA	06/27/2003

PERMIT TYPE	PROJECT STATUS	ANNUAL FEE
SMALL MINING OPERATION < 5 ACRES	INACTIVE	$ 150

DUE DATE	AMOUNT DUE
10/08/2003	$ 150

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME	PROJECT ID
TERRA RESOURCES LLC	RMS 1/MTN SPRING PEAK	S210024

DUE DATE	ANNUAL FEE	AMOUNT DUE
10/08/2003	$ 150	$ 150

TAX ID OR SOCIAL SECURITY #

☐ FEE NOT ENCLOSED

Permittee requests an inspection to close out this permit.

Change of Address

Contact _____

Address _____

_____

E-mail address _____

State _____ Zip _____

Phone _____

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

Please make check payable to:

Division of Oil, Gas and Mining