Form MR-SMO
(Revised April 21, 2005)

This Section for DOGM Use:
Assigned DOGM File No.: S/021/036
DOGM Lead: DJ
Permit Fee $ 150.00 Ck # 4781

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

RECEIVED
JUL 22 2005
DIV OF OIL GAS & MINING

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

* * * * * * * * *

I. GENERAL INFORMATION (Rule R647-3-104)

1. **Name of Mine:** Quartz Hill

2. **Name of Person or Entity Applying for Permit:** Kerry Holt Hay Cubes, Inc.
Contact (Authorized Officer): Kerry Holt
Address: P.O. Box 249
City, State, Zip: Enterprise, Utah 84725
Phone: 435-878-2721 Fax: 435-878-2721
E-mail Address: msingle@scinternet.net

Company ( ) Corporation (X) Partnership ( ) Individual ( )
Other ( ) – specify type) _____
A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Business License # 87-0440630

Registered Agent (as identified on business license): same
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

3. **Name of Operator (if different from #2)** Quality Rock Products
Address: 113 East 200 North #3
City, State, Zip: St. George, Utah 84770
Phone: 435-673-7703 Fax: 435-674-3711
E-mail Address: _____

If Partnership or Individual:
Name of 1st owner / partner: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd owner / Partner: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Corporation or Limited Liability Entity:
Name of Officers: Kerry Holt Title: President
DeeAnn Holt Title: Vice President
V. Lynn Holt Title: Secretary
_____ Title: _____

4. **Permittee / Operator Representative** (if different from #2):
Name: Same
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name BLM Address 176 E. DL Sargent Dr., Cedar City, UT. 84720
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name BLM Address 176 E. DL Sargent Dr., Cedar City, UT 84720
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):____
UTU-82099 - Sales Contract

BLM Claim Numbers _____

Utah State Lease Number(s):_____

Name of Lessee(s)_____

7. **Have the above surface and mineral owners been notified in writing?**
Yes X No_____

If no, why not?_____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration ***prior*** *to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No_____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): Iron

~~1/4, of~~ Lots 14 & 19	~~1/4, of~~	~~1/4~~	Section: 3	Township: 36 S.	Range: 17 W.
1/4, of	1/4, of	1/4:	Section:	Township:	Range:
1/4, of	1/4, of	1/4:	Section:	Township:	Range:

UTM East 257,760 (if known) UTM North 4,174,960 (If known)

Name of Quad Map for Location: Beryl Jct.

2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **should** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining:** Surface ☒ Underground ☐

2. **Mineral(s) to be mined:** Decorative Rock

3. **Amount of material to be extracted, moved or proposed to be moved:** 5,000 cy.

4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**
   Yes ☐ No ☒ If yes, please describe (add extra pages if needed)

5. **Provide a brief description of the proposed mining operation and onsite processing facilities** (add extra pages if necessary). See attached sheet

6. ☒ **New Road(s):** Length 900 (ft) Width 16 (ft)

7. ☐ **Improved Road(s):** Length_____(ft) Width_____(ft)

8. **Total project surface acreage to be disturbed:** 5 (acres) **PLEASE SPECIFY EXACT ACREAGE - *(this will be used to determine surety bond amount – see #VI).***

9. **Proposed startup date of project** (month, year) Sept. 2005

10. **Proposed completion date of project,** if known (month, year)_____

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*

6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes ☐ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number	Variance Request Justification

VI. SURETY (Act 40-8-7(1)[c])

The surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved *notices* consistent with on-site conditions. The surety amount is based on the nature, extent and duration of operations. These amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.

$5,000 for the 1st acre; and
$3,000 for each additional acre.

Acceptable forms of surety may include: certificates of deposit, letters of credit, surety bonds & cash. Please identify which type of surety you will post so we can provide you with the appropriate forms.

☐ Certificate of Deposit ☒ Letter of Credit ☐ Surety Bond ☐ Cash

☐ Other Zions First National Bank (please identify)

(please be advised that the State Treasurer's office may require additional monies to administer cash sureties).

Check if applicable:

☐ Reclamation surety is already posted with another regulatory agency (**copy must be included as proof**):

$_____ (amount) _____ (Agency name)

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a $150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Kerry Holt
Address: P.O. Box 249
City, State, Zip: Enterprise, Utah 84725
Phone: 435-878-2721 Fax: 435-878-2721
E-mail Address: msingle@scinternet.net

Name: Todd Call
Address: 113 E. 200 N. #3
City, State, Zip: St. George, Utah 84770
Phone: 435-703-0542 Fax: 435-674-3711
E-mail Address:

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

(Please check the box and place your initials on the line provided)

KH ☒ I have enclosed the required permit fee.

____ ☐ I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.

____ ☐ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee/ Operator/ Applicant: Kerry Holt
Name (typed or printed): Kerry Holt
Title/Position (if applicable): Pres.
Date: 7-20-05

OPERATION PLAN FOR
QUARTZ HILL DECORATIVE ROCK QUARRY

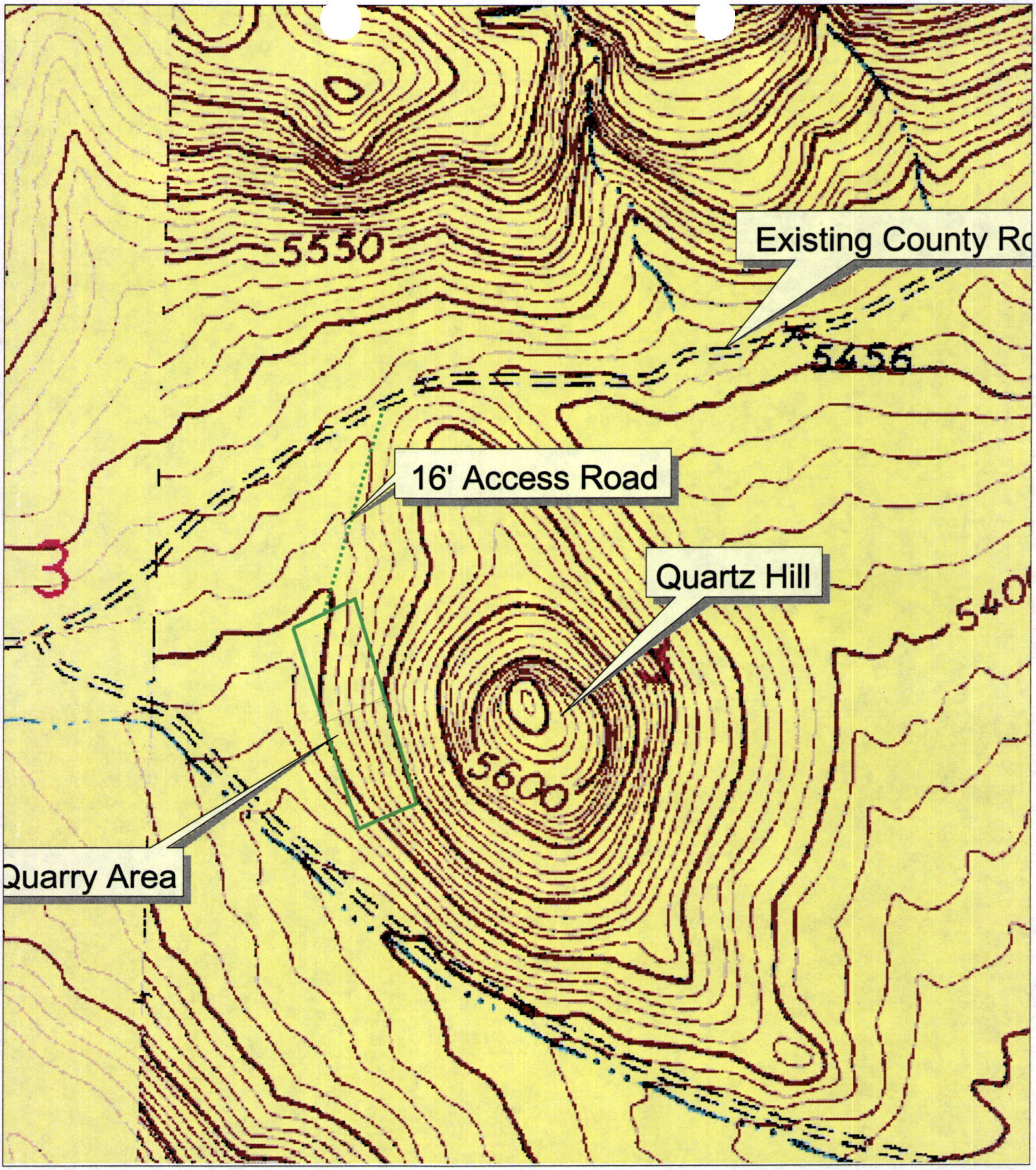
Operations at this site will be intermittent throughout the year.

We propose to grade a 16 ft. road from the existing county road to the quarry site. This road will be approximately 900 ft. in length. We will then use a bulldozer to strip approximately 2 acres of the topsoil, which will be stockpiled. The portable inpactor crusher will be set up in the northwest corner of the site. If the site expands into the whole 5 acres, the remaining topsoil will be stockpiled and used in the reclamation process.

With the top soil removed, we will start drilling and blasting sections on the north side of the quarry to a depth of approximately 8 feet, as needed, to make the rock workable. The blasted site will be worked with a track hoe and the material feed to the impactor crusher by a bulldozer and a loader.

The crushed material will be run through a screen plant to get the desired sizes and conveyed into a product pile and a fines pile. We plan to load out product immediately and haul to sales site.

Operation and reclamation of this site will be preformed ongoing and completed at the closing of this quarry as per the standards set up in Section IV of this plan.



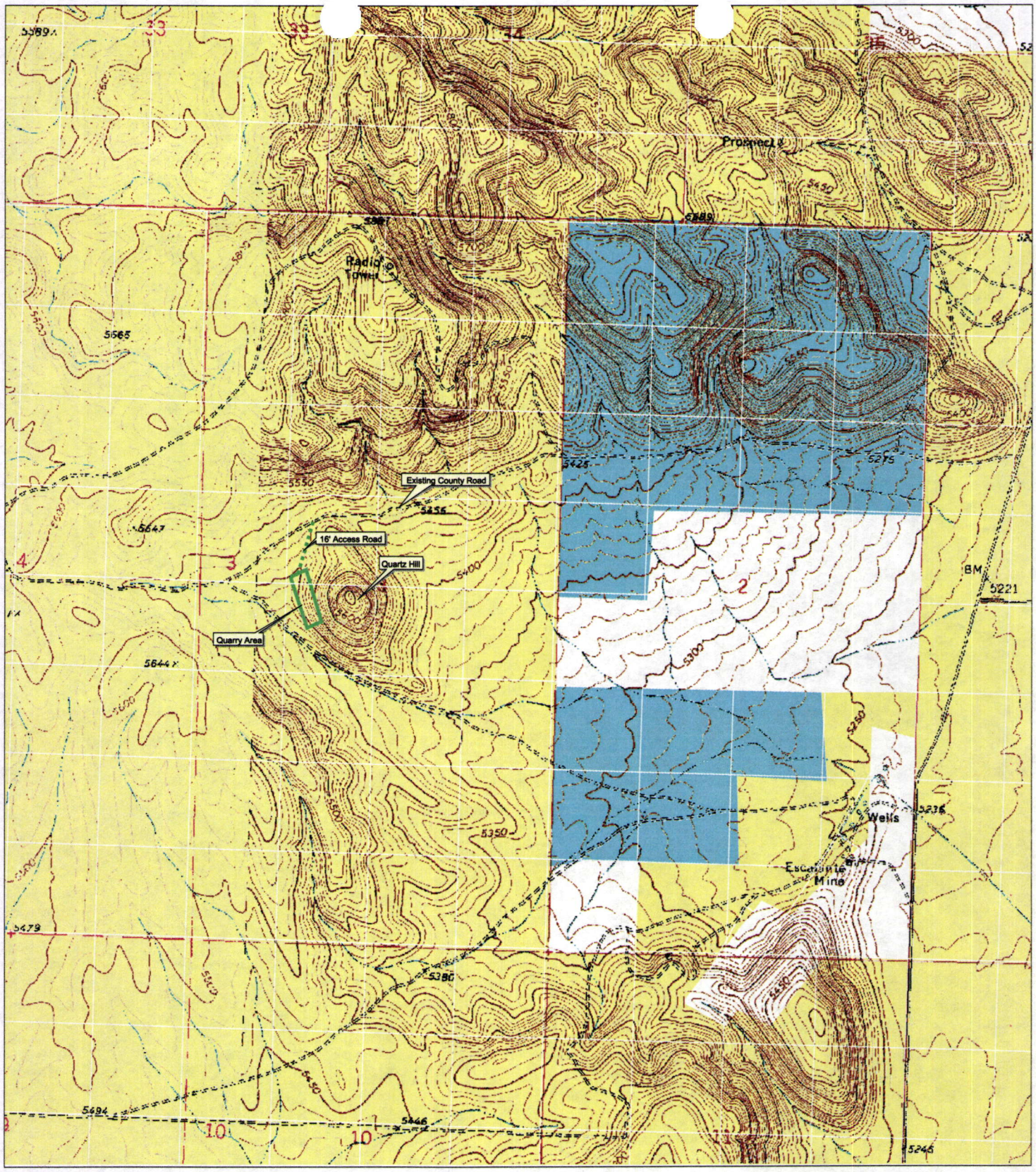
Project: Quartz Hill Decorative Rock Quarry
Operator: Kerry Holt Farms - Quality Excavation
BLM File: UTU-82099
NEPA: UT-040-05-44 CX
DOGM File: S/021/
Date Mapped: July, 2005
Notes: proposed sales contract area for decorative rock quarry

Base Map: USGS Beryl Jct. 7.5' quad
Iron County, T. 36 S., R. 17 W., sec. 3
BLM Oct. 2003 Aerial Photography

82099access.shp
82099quarry.shp
Lsa_simple
BLM Wilderness Area
Bankhead-Jones Land Use Lands
Bureau of Land Management (BLM)
Indian Reservation (IR)
Military Reservations and Corps of Engineers
National Park Service (NPS)
Private
State
State, County, City; Wildlife, Park and Outdoor Recreation Areas
US Fish and Wildlife (USFWS)National Wildlife Refuge
US Forest Service (USFS)
USFS Wilderness Area
Water

N

Scale 1: 6,000
1"= 500'



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82099access.shp
82099quarry.shp
Lsa_simple
BLM Wilderness Area
Bankhead-Jones Land Use Lands
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Indian Reservation (IR)
Military Reservations and Corps of Engineers
National Park Service (NPS)
Private
State
State, County, City; Wildlife, Park and Outdoor Recreation Areas
US Fish and Wildlife (USFWS)National Wildlife Refuge
US Forest Service (USFS)
USFS Wilderness Area
Water

N

Scale 1: 24,000
1"= 2000'