State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
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Division of Oil Gas and Mining

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Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 8, 2007

O. Jay Gatten
North American Holding Inc.
447 North 300 West Ste 3
Kaysville, UT 84037-4203

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Sierra Madre Mineral Exploration, LLC, Danny Boy Mine S/021/040, S/021/035, Iron County, Utah

Dear Mr. Gatten:

The Division is declining to process the Notice of Intent to Commence Small Mining Operations (NOI), received by the Division June 5, 2007. The Division is also returning the permit fee check of $150.00.

During our review, it was determined that this proposed operation is in very close proximity to the Highland Mist Mine (S/021/035). As per R647-1-106, "A series of related properties under the control of a single operator but separated by small parcels of land controlled by others will be considered a single site," it will be necessary to amend the NOI for the Highland Mist Mine to include this area. Since the Highland Mist mine is currently approved for 4 acres of disturbance, adding the proposed 4 acres of disturbance for the Danny Boy will make this operation larger than 5 acres, thus requiring the submittal of a NOI to Commence Large Mining Operations (LMO). Please visit our web page at http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm to download Form MR-LMO.

Before you may begin operations at the proposed Danny Boy Mine, you will need to submit the LMO, submit a revised reclamation surety (amount to be determined after receiving a complete reclamation plan) and contract, and receive Division approval of the LMO, form and amount of surety and the reclamation contract.

In reply, please refer to file number S/021/035. If you have any questions, please don't hesitate to call me at (801) 538-5258 or Lynn Kunzler at 538-5310. Thank you for your cooperation.

Sincerely,

Susan M. White

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:lk:pb
cc: Will Stokes, SITLA
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1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

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