JON M. HUNTSMAN, JR.
*Governor*

GARY R. HERBERT
*Lieutenant Governor*

# State of Utah

**DEPARTMENT OF NATURAL RESOURCES**

MICHAEL R. STYLER
*Executive Director*

**Division of Oil, Gas and Mining**

JOHN R. BAZA
*Division Director*

March 9, 2010

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 9314

Andre Zeitoun
Atlas Mining Company
630 East Mullan Avenue, #D
P. O. Box 968
Osburn, Idaho 83837

Subject: Notice of Cancellation/Termination of Reclamation Surety Bond Number 52BSBDI9929, Atlas Mining Company, Dragon Mine, S/023/0080, Juab County, Utah

Dear Mr. Zeitoun:

Please review the enclosed Notice of Cancellation from the Hartford Insurance Company indicating the surety bond in the amount of $31,500.00 is being cancelled in accordance to the provisions of the bond. According to the terms of the surety bond, the insurance company may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective June 7, 2010, the surety bond will be cancelled. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before May 3, 2010 or the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number 52BSBDI9929
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

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*

UTAH DNR OIL, GAS & MINING

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb
Cc: jblake@utah.gov
Jason Valle, Hartford Fire Insurance Company
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