State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 15, 2007

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4530

Robert Steele
1055 North 400 East
Nephi, Utah 84648

Subject: Inadequate Response to Cessation Orders, Robert Steele, Grouse Creek, S0030063, Gardner Canyon Mine, S0230015, Silver Dream, S0270084, Cove Travertine 2, S0270092 , Box Elder, Juab and Millard County, Utah

Dear Mr. Steele:

On June 1, 2007 the Division received your response to the four Cessation Orders that were issued April 24, 2007 on the above-noted mine sites. Your response does not adequately address the abatement requirements of all of the Cessation Orders. The outstanding issues will need to be addressed as discussed below.

Cessation Order #MC-07-01-04 issued on the Grouse Creek #1 mine, permit number S/003/063: You claim that this site is entirely within the boundary of a BLM community pit and is not subject to bonding. The bonding requirement in a community pit is only waived when the operator agrees to pay a reclamation fee along with the sales contract price. When you filed your Notice in November of 2000, you represented that you had valid mining claims. Our investigation has revealed that even though the claims were dropped by 2004, you do not have, nor have had a sales agreement with the BLM for this area. Therefore, the bonding requirement is still in effect and you are still obligated to complete the requirements of the Cessation Order. We will allow you 30 days from the date of receipt of this letter to complete the requirement or be subject to further enforcement action. Because the Cessation Order is in effect you are still required to cease all mining operations at this location. You will also receive a proposed assessment of the penalty associated with the Cessation Order under separate cover.

Cessation Order #MC-07-04-01 issued on the Gardner Canyon Mine, permit number S/023/015: You claim to have a $40,000 bond with the Forest Service. If this is indeed the case, we would be able to vacate the Cessation Order. We are currently checking with the Forest Service to verify the existence of the bond, but you will are obligated to provide the documentation. This includes a copy of the actual bond documents. Rule R647-3-111.2 requires that the Division be named as a co-beneficiary when the bond is held by another governmental agency. This still needs to be done. You also must supply a signed reclamation contract as required by R647-3-

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111.4. The Division will hold this Cessation Order in abeyance for 30 days to allow you to provide the required documentation and reclamation contract. If you provide the required items, the Division will vacate the Cessation Order, however, if the items are not provided the Cessation Order will stand and you will be assessed the appropriate penalty and further enforcement may ensue.

Cessation Order #MC-07-04-02 issued on the Silver Dream Mine, permit number S/027/084:

You indicate that no mining has occurred at this site, because the BLM has not given their permission to operate. Since this site has been in suspension for over 7 years you will need to provide justification as to why the permit should remain open. Alternatively, since no mining has occurred, you may wish to close-out the site, which would alleviate the need for a bond or paying permit fees. The rules at R647-3-113 require the operator to provide data as it may require to evaluate the status of the mining operation when it is suspension or expected to be in suspension for over 2 years. The Division will also hold this Cessation Order in abeyance for 30 days to allow you the opportunity to provide the required justification or the request to close. Once this is provided, the Division will vacate the Cessation order, however, if the information is not provided, the Cessation Order will stand and you will be assessed the appropriate penalty and further enforcement action may ensue.

Cessation Order #MC-07-04-03 issued on the Cove Travertine #2 Mine, permit number S/027/092:

You indicate that this site has been reclaimed and reseeded. The Division conducted an inspection of the site on June 13, 2007 and found that the reclamation has been completed satisfactorily. We have vacated this Cessation Order. Please find the vacation notice enclosed. In the future, when one of your sites is reclaimed you should submit a request for site release (Form MR-SITE) notifying us of the new status of the mine.

Thank you for your help in resolving this situation. Please pay particular attention to the timeframes for complying with the pending Cessation Orders. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock

Daron R. Haddock
Permit Supervisor

DRH/pb
enclosure
Cc: Tom Munson
Lynn Kunzler
P:\GROUPS\MINERALS\WP\M003-BoxElder\S0030063-GrouseCreek1\final\response to CO response.doc

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VACATION / TERMINATION of Notice of Violation / Cessation Order

To the following Permittee or Operator:

Name: Robert Steele

Mailing Address: 1055 North 400 East Nephi, Utah 84648

Mine Name: Cove Travertine #2 Mine Permit Number: S/027/092

Utah Mined Land Reclamation Act, Section 40-8-1 et. seq., *Utah Code Annotated (1953):*

Notice of Violation No _____ dated _____, 20 ___

Cessation Order No: MC-07-04-03 dated _____, 20 ___

Part 1 of 1 is ☒ **vacated** ☐ **terminated** because: The site has been regraded and seeded and a request to release the site has been received and an inspection preformed to confirm the completion of the reclamation work.

Date of service/mailing: _____ Time of service/mailing ☒a.m. ☒p.m.

Robert Steele
Permittee or Operator Representative

Title

Signature

Thomas Munson
Division of Oil, Gas & Mining Representative

Reclamation Specialist III
Title

Thomas Munson
Signature

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