Please see note at bottom of letter

Mike Sprunger

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 25, 2006

cc: Daron
Beth

RECEIVED
OCT 02 2006
DIV. OF OIL, GAS & MINING

Mike and Sandra Sprunger
Sprungers Minerals
Post Office Box 38054
Leamington, Utah 84638

Subject: Division of Oil, Gas and Mining, (DOGM) Request to Change Certificate of Deposit Titling, $1250 and Reclamation Contract Requirements, Sprungers Minerals, ML 47821&46956/CUBICAL2 Mine, S/023/057, Juab County, Utah

Dear Mr. And Mrs. Sprunger:

Due to a Memorandum Agreement between SITLA and DOGM, the administration of reclamation surety bonds has been transferred to the Division. Since Sprunger Minerals has a $1250.00 certificate of deposit as reclamation surety, it is necessary to take the following action in order to change the titling of the certificate of deposit from SITLA to DOGM:

- Contact the Division Bonding Coordinator, Beth Ericksen, 801-538-5318, and provide account detail pertaining the CD (i.e. account number, branch and telephone number);
- Contact the bank that is holding the CD and advise them a titling change is required. Obtain a bank contact who can work directly with Beth Ericksen to make the necessary changes to the CD;
- If the terms of the CD do not allow a title change, obtain information regarding the specific terms of the CD and provide the information to Beth Ericksen or have the bank contact provide the information

In addition, a reclamation surety contract is enclosed for your notarized signature. Please complete the missing information contained in the fact sheet, sign, notarize and return the original to the Division, attention Minerals Regulatory Program.

Additional reclamation surety bond requirements may be necessary. Please contact the reclamation specialist for Juab County, Tom Munson, 801-538-5321, to obtain assistance in the determination of potential additional surety and permitting requirements.

As a reminder, the deadline to complete this process (approved reclamation surety and reclamation contract) is December 8, 2006

If you have any questions or require further discussion, please contact any of the mentioned persons in this letter or myself at 801-538-5325.

Sincerely,

for Susan M. White

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE;be
Enc: small mine reclamation contract (MR-RC), copy of Feb. 2, 2006 SITLA letter
Cc: Beth Ericksen, OGM
Tom Munson, OGM
Susan White, OGM
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9/29/06

Dear Mr. Haddock:
The bond amount ($1250) in this letter is incomplete. Should be;

ML 47821 (SITLA) $1250 beginning of lease
+ $1250 amended notice for expansion (2001)
$2500

ML 46956 (SITLA) $500 beginning of lease

Cubical 2 (BLM) $1110

$4110 total bond for above 3 properties under permit S/023/057. (These then are 4 separate CD's @ Wells Fargo.)

(I was unable to reach anyone at your phone or Beth Ericksen's 9/29 aft.)