This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S/023/0078 Mine Name GREEN MILE MINE
Operator AMY SABEY Date SENT JANUARY 3 2012
TO _____ FROM _____

__CONFIDENTIAL (X BOND CLOSURE) __LARGE MAPS __EXPANDABLE
__MULTIPUL DOCUMENT TRACKING SHEET __NEW APPROVED NOI
__AMENDMENT _OTHER _____

Description YEAR-Record Number

__NOI __Incoming X Outgoing __Internal __Superceded
NOTICE OF FILE CLOSURE AND RELEASE OF RECLAMATION SURETY 2012-01032012

___NOI __Incoming __Outgoing X Internal __Superceded
BOND FILE 2012-01032012

CONFIDENTIAL

__NOI __Incoming __Outgoing X Internal __Superceded
★ BOND FILE 2012-01032012

__NOI __Incoming __Outgoing __Internal __Superceded

__TEXT/ 81/2 X 11 MAP PAGES __11 X 17 MAPS __LARGE MAP

COMMENTS: _____

CC: _____

FORM MR-RC (SMO)
Revised August 9, 2006
RECLAMATION CONTRACT

Mine Name: *Green Mile Mine*

Other Agency File Number: *UTU-079465*

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
(801) 538-5291
Fax: (801) 359-3940

NOT COMPLETE

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ***Sabey, Amy*** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. ***S/023/078*** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.

2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

    A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.

3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.

4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.

5. If the Surety expressly provides for cancellation or termination for non-renewal:

   A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or

   B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.

7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.

8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.

9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.

11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.

13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.

14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.

15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.

16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

_____
Operator Name

By _____
Authorized Officer (Typed or Printed)

_____
Authorized Officer - Position

_____
Officer's Signature Date

STATE OF _____)
) ss:
COUNTY OF _____)

On the _____day of _____, 20 ___, _____ _____ personally appeared before me, who being by me duly sworn did say that he/she is an _____ (owner, officer, director, partner, agent or other (specify)) of the Operator _____ and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

_____
Notary Public
Residing at _____

_____
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By_____ _____
John R. Baza, Director Date

STATE OF _____)
) ss:
COUNTY OF _____)

On the____ day of _____, 20 __, _____ personally appeared before me, who being duly sworn did say that he, the said _____ is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.

_____
Notary Public
Residing at:_____

_____
My Commission Expires:

FACT SHEET

Commodity: Rock- Boulders
Mine Name: Green Mile Mine
County: Juab
Disturbed Acres: 1.00 (one)

Operator Name: Sabey, Amy
Operator address: CALLAO RT BOX 335 CALLAO UT 84083
Operator telephone: (435) 693-3139
Operator fax: (435) 693-3139
Contact: Amy Sabey
Operator email: _____

Surety Type: CD
Bank Name: Zions Bank
Surety Amount: $1000.00
Account number: _____
Contact: _____

Escalation Year: _____

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report
Minerals Regulatory Program
July 19, 2011

Reviewed: PBB

Mine Name: Green Mile Mine	**Permit Number**: S/023/0078
Operator Name: Amy Sabey	**Inspection Date**: 07/13/2011
Inspector(s): Wayne Western	**Time**: 2:40 -3:20 pm
Other Participants: none at mine site, met with Amy Sabey off site	**Mine Status**: Active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	☒	☒	☐
2. Public Safety (shafts, adits, trash, signs, highwalls)	☒	☒	☐
3. Protection of Drainages / Erosion Control	☒	☒	☐
4. Deleterious Material	☒	☒	☐
5. Roads (maintenance, surfacing, dust control, safety)	☒	☒	☐
6. Concurrent Reclamation	☒	☒	☐
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	☒	☒	☐
8. Water Impoundments	☒	☒	☐
9. Soils	☒	☒	☐
10. Re-vegetation	☒	☒	☐
11. Air Quality	☐	☐	☐
12. Other	☐	☐	☐

Purpose of Inspection:

The purpose of this inspection was to contact the Permittee to see if they wanted bond release and to conduct a bond release inspection. Wayne Western was able to meet with Amy Sabey at her home in Callao. They filled out the bond release request.

Inspection Summary:

The BLM holds a bond for $1,000.00 on the permit. The Permittee has requested bond release.

There are no shafts, adits or highwalls on the site.

The site is protected from erosion by proper backfilling and grade in addition to vegetation cover.

There was no deleterious material or trash on the site.

There are no roads on the site.

The site has been backfilled, graded and seeded.

There are no water impoundments at the site.

The soil is adequate to support vegetation.

The vegetation is similar to that of the surrounding area.

Conclusions and Recommendations:

The Division should proceed with final bond release at the site.

Inspector's Signature Wayne White

WHW:
cc: Amy Sabey
Jerry Mansfield, BLM
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Callao, Utah

Surrounding area vegetation

Mine site vegetation similar to surrounding area.

Surrounding area vegetation

(Task #)

Bond Release Findings

July 19, 2011

Mine Name: Green Mile Mine
Operator: Amy Sabye

I.D. No.: S/023/0078
Mineral Ownership: BLM
Surface Ownership: BLM

Disturbed and Bonded Area: 1 Acre
Acres Requested for Full Release: 1 Acre
Acres to be Release with this Action: 1 Acre

Surety
Total Surety Amount: $1,000.00
Form: Held by BLM
Amount Requested for Release: $1,000.00
Amount Recommended for Released: $1,000.00

Operations

The Permittee was going to mine rock boulders. The operation consisted or removing surface rocks.

Reclamation

General: The site was reclaimed and reseeded.

Public Safety: The Permittee only removed rocks at or near the surface. There were no underground openings or highwalls at the site. There are no public safety issues at the site. The site is in a remote area and there is nothing at the site that is a hazard or would attract visitors.

Slopes, Highwalls, and Pits: No such items on or near the site.

Plugging of Drill Holes and Closing Adits, Shafts, Etc.: No drill holes or underground openings at or near the site.

Dams, Impoundments, and Drainages: No dams or impoundments at the sire. Drainages are overland flow.

Roads: No roads have been left at the site.

Revegetation. The reclaimed site has vegetation that is similar to the surrounding area.

Recommendation

The Division should support full bond release..

Wayne Western

Permit Lead

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Beth

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

April 10, 2007

Ms. Amy Sabey
Callao RT Box 335
Callao, Utah 84083

Subject: Request for Small Mine Reclamation Contract and Surety, Amy Sabey, S/023/078, Juab County, Utah

Dear Ms. Sabey:

Please take immediate action to re-title the certificate of deposit (CD) with Zions Bank and return the original, signed and notarized reclamation contract. Communication and correspondence occurred from December 2006 to March 2007, specific to the surety requirements and the Division has not received a response nor action. We also note that permit fees for this year have not been paid.

The Utah Administrative Code at R647-2-111 requires posting a reclamation surety and supplying a reclamation contract (MRRC). Failure to furnish and maintain reclamation surety may, after notice and opportunity for a board hearing, result in a withdrawal of the Notice of Intention.

If the retitle of the reclamation surety and contract are not provided within fifteen (15) days, the Division will take action to have the permit withdrawn.

Please direct inquiry and correspondence to Ms. Beth Ericksen at bethericksen@utah.gov or (801) 538-5318.

Sincerely,

Daron R Haddock

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb
#2 fed ex
cc: Beth Ericksen, DOGM
Tom Munson, DOGM
Opie Abeyta, BLM (opie_abeyta@blm.gov)
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Beth

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Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

March 7, 2007

Ms. Amy Sabey
Callao RT Box 335
Callao, Utah 84083

Subject: Request for Small Mine Reclamation Contract and Surety, Amy Sabey, S/023/078, Juab County, Utah

Dear Ms. Sabey:

In December 2006, the Division received notification from Mr. Jay Finlinson of Zions Bank that there was a certificate of deposit (CD) in the amount of $1000.00 administered by the BLM. Mr. Finlinson kindly agreed to inform you that the BLM must be contacted in order to obtain the paperwork identifying the existence of the CD. To date, the Division has not received documentation from the BLM (i.e., deposit, BLM Decision letter) or you. In addition to the documentation requirements the Division must be named on the CD. Please contact the bank and obtain information on how to complete this requirement.

Furthermore, a completed small mine reclamation contract must be received. Please find it enclosed for completion and notarized signature. Please return it in original form to the Division, attention Minerals Regulatory Program.

Please direct inquiry and correspondence to Ms. Beth Ericksen (801) 538-5318.

Sincerely,

Daron R. Haddock

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb
#1
Enclosures: small mine reclamation contract, partially completed
cc: Beth Ericksen, DOGM
Tom Munson, DOGM
Opie Abeyta, BLM (opie_abeyta@blm.gov)
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