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 & Mining

JOHN R. BAZA
Division Director

November 21, 2006

Loy D. Crapo
The Bug House
Post Office Box 1113
Delta, Utah 84624

Subject: Division of Oil, Gas and Mining, (DOGM) Request to Change Certificate of Deposit Titling, $5000.00 and $7000.00 and Reclamation Contract Requirements, The Bug House, ML 27618 and Fossil Lease 26068-A Mines, S/025/025 and S/027/012, Kane and Millard Counties, Utah

Dear Mr. Crapo:

Due to a Memorandum Agreement between SITLA and DOGM, the administration of reclamation surety bonds has been transferred to the Division. Since The Bug House has two certificate(s) of deposit in the amount of $5,000.00 and $7000.00 as reclamation surety, it is necessary to take the following action in order to change the titling of the certificate(s) 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 person (i.e. manager) who can work directly with Beth Ericksen to make the necessary changes to the CD account;
- 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. Other requirements may be necessary and will be discussed if titling cannot be changed.

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.

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,

Daron R. Haddock

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE;be
Enc: small mine reclamation contract (MR-RC) x2 – S/025/025 and S/027/012
Cc: Beth Ericksen, OGM
Tom Munson, OGM
Susan White, OGM
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