S/027/0024
Peter

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Fillmore Field Office
95 E 500 N
Fillmore, UT 84631
http://www.blm.gov/ut/st/en/fo/fillmore.html

RECEIVED
MAR 19 2014
DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
3809 (UTW02000)
UTU-85881

March 14, 2014

CERTIFIED MAIL # 7012 3460 0000 6633 1103
RETURN RECEIPT REQUESTED

David Penney
Penney's Gemstones
P.O. Box 312
Beaver, Utah 84713

43 CFR 3809 - Surface Management
Plan of Operations

Plan of Operations Revision Incomplete

Your proposed mining Plan of Operations (Plan) revision for the Littel Spot Project was received by the Fillmore Field Office (FFO) of the Bureau of Land Management (BLM) on December 20, 2013. Your proposed Plan site is located in aliquot parts of section 05, Township 11 South, Range 17 West, Salt Lake Meridian. The new Plan is a revision to the Plan previously submitted to the BLM on October 17, 2007. The proposed Plan was previously assigned BLM case file number UTU-85881. Please refer to this number in future correspondence. The corresponding Utah Division of Oil, Gas and Mining (UDOGM) case file number is S/027/0024.

As required in the Code of Federal Regulations (CFR) at 43 CFR §3809.411(a), the BLM has performed an initial review of your proposed Plan of Operations. As stated in 43 CFR §3809.401(a), the BLM does not require that the Plan be on a particular form, and therefore the form used by UDOGM in Utah is an acceptable format.

Please note that the BLM case file number on the submitted UDOGM form, UTU-70660, refers to an exploration Notice at the same location which expired on January 20, 2005. Once a BLM Notice has expired, it cannot be renewed or amended, and the only allowed activity is reclamation. A BLM case file was established on October 17, 2007 for a pending Plan of Operations to mine at the same location. The correct number for your pending Plan of Operations to mine at the site is UTU-85881.

Based on our initial review of your filing, we have determined your Plan contains most elements required for completeness, but it does not contain all information items required by the BLM

surface management regulations in 43 CFR §3809.401(b). The following additional information must be provided in order for your Plan revision to be complete:

1. Maintenance and Public Safety – as indicated in 43 CFR §3809.420(13), hazardous sites or conditions resulting from operations shall be marked by signs, fenced, or otherwise identified to alert the public in accordance with applicable Federal and state laws and regulations. The mine site, both during periods of operation and non-operation, should be marked with signs and warnings to indicate hazards to the public.

2. Interim Management Plan – as specified in 43 CFR §3809.401(b)(5)(*i*), your information must include descriptions of measures to stabilize excavations and workings. Your revision includes generic specification that soil and vegetative cover will be pre-stripped and placed adjacent to, and uphill from, the quarry site, but does not address interim stability of soil piles, stockpiles, and waste rock piles;

3. Interim Management Plan – as specified in 43 CFR §3809.401(b)(5)(*v*) and (*vi*), you must describe plans for monitoring site conditions during periods of non-operation, a schedule of specific anticipated periods of temporary closure, and provisions for notification to the BLM for unplanned or extended closure periods. You have stated that this operation will be seasonal. Please provide a schedule for regular site visits during closure periods. Please also describe steps to be taken if degradation such as excessive erosion is found;

4. Description of Operations – as specified in 43 CFR §3809.401(b)(2)(*viii*), describe the access road and reclamation methods. The access road has been in existence for some time, but reclamation measures will be required because it leads only to your mine site and is used primarily to reach the mine from the maintained gravel road;

5. Description of Operations – as specified in 43 CFR §3809.401(b)(2)(i), you should submit maps of the project area at an appropriate scale showing the location of exploration activities, mining activities, waste rock disposal areas, and access routes;

6. Reclamation Plan – As specified in 43 CFR §3809(b)(3), you must provide a comprehensive Reclamation Plan with your Plan of Operations proposal. The Reclamation Plan must include detailed information:

    a. As required in 43 CFR §3809(b)(3)(ii), for your regrading and reshaping plans. Will be the reclamation earthwork be accomplished entirely with the excavator, and if so, how will the surfaces be contoured and regraded? If other equipment will be used for reclamation, please describe that equipment;

    b. As required in 43 CFR §3809(b)(3)(ii), for your topsoil and waste rock handling plans. You have specified that the topsoil and waste rock will be placed adjacent to the quarry and uphill from the quarry. However, your Plan submittal does not include maps or diagrams for a 'stockpiled topsoil' location and does not describe the stockpile and waste rock pile dimensions or redistribution plans;

c. As required in 43 CFR §3809(b)(3)(iii), for your mine reclamation plans. You have specified that the pit will be backfilled using 'side cast' waste rock placed downhill from the quarry, and the waste rock would thus require transportation uphill to accomplish the quarry backfill. As required by this section, please include information on the feasibility of pit backfilling that details economic, environmental, and safety factors;

d. As required in 43 CFR §3809(b)(3)(vii), for your revegetation plans. For example, you have specified that you plan to re-seed by the broadcast method, but do you plan to scarify or rip your regraded surface disturbance areas to enhance plant growth establishment?

e. As required in 43 CFR §3809(c)(2)(d), for your Reclamation Cost Estimate (RCE). You must submit an estimate of the cost to fully reclaim your operations. As described in 43 CFR §3809.552, your RCE must cover the estimated cost as if the BLM were to contract with a third party to reclaim your operations according to the reclamation plan, including construction and maintenance costs. After receiving your RCE, the BLM will consult with UDOGM to determine a final reclamation cost and will notify you of the results.

Until a complete Plan revision with the additional information is filed with this office, BLM is unable to determine if your proposed operations will result in unnecessary or undue degradation as defined under 43 CFR §3809.5.

Please submit the required information at your earliest convenience. Until we receive this information, your Plan revision cannot be completely processed and mining activity is not to take place. The submitted Plan information must be complete to BLM standards before subsequent steps such as an interim authorization may be considered.

Please also note that under 43 CFR §3809.101, special provisions apply to materials that may be common variety minerals. As specified in 43 CFR §3809.101(a), on mining claims located on or after July 23, 1955, you must not initiate operations for minerals that may be "common variety" minerals until the BLM has prepared a mineral examination report, unless you have met the specific conditions for an interim authorization.

Under authority of 43 CFR §3809.101(b)(3), the BLM may allow interim approval of a Plan of Operations proposal to remove possible common-variety materials if you establish an escrow account in a form acceptable to the BLM. If you wish to pursue this option, you must make regular payments to the escrow account for the appraised value of possible common variety minerals removed under a payment schedule approved in advance by the BLM. You must receive approval from the BLM for an interim authorization prior to conducting operations.

If you have any questions, please contact Duane Bays, BLM-FFO Natural Resource Specialist, at (435) 743-3115.

Sincerely,

Michael D. Gates
Field Manager

Enclosure: CFR §3809 Regulations

cc:
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