United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE
35 East 500 North
Fillmore, UT 84631

In Reply Refer to:
3809
(U-010)
UTU-070660 S/27/024
UTU-075877 S/27/096
UTU-075878 S/27/073
UTU-078293 S/27/093

RECEIVED
JUN 27 2002
DIV. OF OIL, GAS & MINING

June 21, 2002

DAVE PENNEY
PENNEY'S GEMSTONES
PO BOX 312
BEAVER UT 84713

Dear Mr. Penney:

Our records show that you have active notices on file with this office. The notice numbers are UTU-070660, UTU-075877, UTU-075878, and UTU-078293. Please refer to these numbers in any future correspondence.

New Surface Management regulations, 43 CFR 3809, regarding notices were effective January 20, 2001. Under the final rule, existing notices expire in 2 years, on January 20, 2003. If you wish to extend your notices beyond this date, you must notify this office in writing. In addition, you must post a financial guarantee for reclamation of your notice operations as required under 43 CFR 3809.503(a) and 3809.552 on or before January 20, 2003. If you do not extend your notices, you must cease operations and promptly reclaim all your disturbances.

Please be aware that we believe the mineral(s) being mined under your notice to be common variety. We will initiate actions to determine the locatability of your deposit in accordance with BLM policy.

The financial guarantee must cover the cost to reclaim your operation as if BLM were hiring a contractor to perform the reclamation. The amount of your financial guarantee must include the cost to reclaim existing disturbance as well as any areas you will disturb under the notice. A detailed reclamation cost estimate must accompany your request to extend your notice. An example of how to calculate your reclamation cost estimate is enclosed (Example Reclamation Cost Estimate Summary Sheet). However, prior to finalizing your reclamation cost estimate, please call this office to arrange a field inspection of your project area to be sure the cost estimate includes all necessary reclamation activities.

Once the reclamation cost for your operation is determined, an appropriate financial guarantee must be posted with the Utah State Office. See the enclosed information on Surface Management Bond Requirements.

You may request an extension of your existing notice as long as you do not need to modify the notices on file. If you need to modify your notices on file with us to describe the existing operation, outstanding reclamation work, or to change the reclamation plan, a modification is necessary. This is described in the regulations as a material change. "Material changes are changes that disturb areas not described in the existing notice; change your reclamation plan; or result in impacts of a different kind, degree or extent than those described in the existing notice" (43 CFR 3809.331). A material change would require the filing of a new notice for exploration activities or a plan of operations for mining or exploration activities over 5 acres. Please consult with us to determine the appropriate filing for your mining activity.

If you do not extend your notices on file with us, please contact this office to arrange a field inspection. We will review your reclamation plan with you to ensure that it is current. All reclamation activities must be completed as soon as possible. Your reclamation obligation continues beyond the expiration or any termination of your notice (notices) until you satisfy them.

If you have any questions regarding your notices on file with this office, please call Jerry Mansfield at (435) 743-3125, or Larry Garahana at (435) 743-3126. Thank you for your assistance in bringing your operation into compliance with the new 3809 regulations.

Sincerely,

Rex Rowley

Rex Rowley
Field Office Manager

Enclosures:

1. Example Reclamation Cost Estimate Summary Sheet (pp. 6)
2. Surface Management Bond Requirements (pp. 4)

cc: Tom Munson, UDOGM (S/027/024, S/027/096, S/027/073, S/027/093)

bcc: Snyder (UT-923)