TASK: 4975

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

August 8, 2012

Bill Moeller
Clifton Mining Company
1151 North Grove Drive
Alpine, Utah 84004

Subject: Permit to Commence Small Mine Activities, Clifton Mining Company, Lucky Jim Mine, S/045/0085, Tooele County, Utah

Dear Mr. Moeller:

The Division of Oil, Gas and Mining finds your Notice of Intention to Commence Small Mining Operations (Notice) complete and approves the reclamation surety for the Lucky Jim mine, escalated until 2015. You are now permitted to conduct mining activities as outlined in the Notice provided you have approval from all other appropriate agencies. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. Enclosed please find a copy of the reclamation contract and stamped approved Notice.

The Lucky Jim mine has been recommended as eligible for listing in the National Register of Historic Places. According to the report from Barbara Frank, mineral extraction efforts plan to completely avoid all historic features at this site except for the adit. You must receive Division approval for any disturbance in excess of that shown in the Notice, and the Division will likely need to obtain concurrence from the State Historic Preservation Officer.

Please keep in mind the following regulatory requirements:

- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory surety release.
- Permit fees and annual reports are due by January 31st.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

The Division's web page at http://ogm.utah.gov under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/045/0085. If you have questions or concerns regarding this letter, please contact Paul Baker at 801-538-5261 or Leslie Heppler at 801-538-5257. Best wishes mining!

Sincerely,

Dana Dean, P.E.
Associate Director, Mining

DD: lah: eb
Enclosure: Copy of RC & surety forms
Copy of approved NOI
cc: County - KBeutler@co.tooele.ut.us WShubert@co.tooele.ut.us
P:\GROUPS\MINERALS\WP\M045-Tooele\S0450085-LuckyJim\final\APVL-4975-07252012.doc