State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 21, 1996

CERTIFIED RETURN RECEIPT
P 074 976 522

Russell Feller
Feller Holding Corporation
1203 West Sunset Boulevard
St. George, Utah 84770

Re: Status of Mining Operations, Honey Onyx, S/023/027 (ML-43753); Brown Sandstone, S/053/019 (ML-45109); and Cobblestone, S/053/023 (ML-47175); Washington County, Utah

Dear Mr. Feller:

By letter dated, August 19, 1996, we were notified by the School and Institutional State Lands Administration that your mineral leases to the Honey Onyx, Brown Sandstone and Cobblestone mining projects have been canceled. You were notified that your rights to enter upon these lands for the purpose of extracting any mineral materials has terminated.

Although your rights to extract minerals from these properties is recinded, your obligation to reclaim the lands disturbed by your mining operations remains. Trust Lands has directed you to immediately reclaim any disturbances associated with the mining operations conducted on these state leases. We concur with their directive. If possible, reseeding activities should be conducted concurrently with any regrading/recontouring work. The best time to conduct reclamation and reseeding activities is in the fall of the year (normally late September - November). Upon request, this Division can assist you in recommending an acceptable seedmix for the mine sites. Your failure to reclaim these properties in a timely manner may result in more formal enforcement actions being levied by the Division and/or Board of Oil, Gas and Mining as provided for under the Utah Mined Land Reclamation Act and its administrative rules.

Thank you for your cooperation and prompt attention to this matter. Please contact me or Tom Munson of my staff if you have any questions regarding this letter. We would appreciate two weeks advance notification before reclamation work begins on the mine properties. We would like the opportunity to inspect the reclamation work before you remove your equipment from the project areas to assure compliance with the reclamation performance standards.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: John Blake, SITLA
Feller.ltr