State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
http://www.trustlands.com

Olene S. Walker
Governor

Kevin S. Carter
Director

5/053/019

RECEIVED
APR 19 2004
DIV OF OIL GAS & MINING

April 13, 2004

CERTIFIED MAIL NO. 7106 4575 1292 2028 4638

Mr. Allen Feller
Feller Holding Company
708 East, 1100 South
St. George, UT 84790

RE: TREPASS UPON STATE TRUST LANDS

Dear Mr. Feller:

I have received information from the Utah Division of Oil, Gas & Mining that Feller Holding Company is conducting mining operations for building stone upon trust lands in T43S, R15W, SLB&M, Section 21, E2SE4, Washington County. The mineral lease that Feller Holding Company held upon this land, ML 45109, was cancelled by the Trust Lands Administration on August 14, 1996, because the lessee failed to post a required lease bond. All operations occurring upon the property since the lease was cancelled are in trespass of State Trust Lands and in violation of Utah Code 53C-2-301.

You are herewith requested within the next thirty (30) days to provide the Trust Lands Administration with a complete accounting of all building stone and materials removed from the above described lands by Feller Holding Company or its contractors or agents. Such accounting information must detail tonnages of rock sold or stockpiled from the lands and the prices and sales revenues received from the sale of the stone. Also within the next thirty days please provide the Trust Lands Administration with a complete description of all disturbances caused to the lands by said mining activities, including topographic maps marking the locations and extent of the disturbances.

Failure of Feller Holding Company to comply with this request within the next thirty (30) days may result in legal action by the Trust Lands Administration to recover damages to the trust.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Doug Jensen
Tom Faddies