M0530034 cc: Doug Beth

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO:
3809
(UT-924-OA)
UTU-66868

RECEIVED
AUG 28 2006
DIV. OF OIL, GAS & MINING

August 25, 2003

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

| | | | |
|---|---|---|---|
| Obligor/Operator:<br>Ken Brown<br>Western Hills<br>288 W. Center<br>Kanab, UT 84741 | : | Notice Operation:<br><br>Bond Amount:<br><br>Project: | UTU-66868<br><br>$2,000.00<br><br>Sandstone Mountain |
| Financial Institution:<br>Zions Bank<br>41 E. Center<br>Kanab, UT 84741 | : | | |

Financial Guarantee Accepted
Notice Extended

On January 17, 2003, you filed a notice extending the above-mentioned notice with the St. George Field Office, Bureau of Land Management (BLM). The reclamation cost estimate is determined to be $2,000 for the above-mentioned notice operation.

On August 19, 2003, this office received a Surface Management Personal Bond contract and evidence of a certificate of deposit (CD) account as the financial guarantee for the bond in the amount of $2,000 to secure a bond for the notice identified above. The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of August 19, 2003, and accordingly, the above-mentioned notice is extended until January 20, 2005.

The bond covers operations conducted by or on behalf of the obligor/operator on the above-mentioned notice.

The pledge for the bond is a CD written by the financial institution named above. The CD will be retained in this office until all terms and conditions of the operations have been fulfilled or until a satisfactory replacement bond has been accepted. If the term of the CD expires prior to release or replacement of the bond, the obligor may request the return of the certificate only by providing a replacement certificate made payable to the Department of the Interior-BLM, and bearing interest payable to the obligor or some other party. Otherwise, the certificate will be redeemed or retained for potential redemption to guarantee fulfillment of the obligor's obligations on the above-mentioned notice.

Please be advised that release of the funds in the account to any party will be allowed only after Secretarial approval is given to the financial institution through the BLM Utah State Office. Also, any penalties for early redemption of the CD account will be paid from the obligor's interest earned and not from the principal amount of the CD.

Per telephone conversation with Sandra Kitchen of Zions Bank, the CD may be redeemed by BLM without approval from Ken Brown or Western Hills; and the CD will automatically renew at the end of its term. If you have any questions, please contact Opolonia Abeyta at (801) 539-4123.

Robert Lopez
Chief, Branch of
Minerals Adjudication

cc: Rick Rymerson, St. George Field Office, UT-100
Terry Snyder, Utah State Office, UT-923
Wayne Hedberg, UDOGM, File No. S/053/034

Form 3809-2
(August 2002)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0194
Expires: November 30, 2003

# SURFACE MANAGEMENT PERSONAL BOND

*Act of May 10, 1872, as amended (30 U.S.C. 22-54)*
*Act of October 21, 1976, as amended (43 U.S.C.1732-35, 1782)*
*Act of September, 13, 1982 (31 U.S.C. 9301 et seq.)*
*Act of September 27, 1988 (102 Stat. 1776)*
*Act of April 16, 1993 (43 U.S.C. 299)*

Plan of Operations/Notice UTU066868 Statewide UTAH (Name of State, if applicable) Nationwide _____ ("Yes" - if applicable)

KNOW ALL MEN BY THESE PRESENTS, THAT Ken Brown / DBA / Western Hills (name)
of 288 W Center, Kanab, UT 84741 (address)
as principal; is held firmly bound unto the United States of America in the sum of Two Thousand and NO/100 dollars ($ 2000.00 ).
lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash, letters of credit, savings accounts, certificates of deposit, or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond, the plan of operations/notice, must be paid to the principal. The principal hereby, for any heirs, executors, administrators, successors, and assignees, jointly and severally, ratifies and confirms whatever the Secretary will do by virtue of these presents.

The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR Subpart 3809 and Subpart 3802. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default

## BOND CONDITIONS

1. WHEREAS the principal has an interest in a mining claim(s), millsite(s), or tunnel site(s) and/or responsibility for operations and/or reclamation on the mining claim(s), millsite(s), tunnel site(s) or public lands under the Acts cited in the bond; and

2. WHEREAS the principal has filed an acceptable notice with the United States Department of the Interior and/or received approval from the United States Department of the Interior of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions; and

3. WHEREAS the principal hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:

   a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations/notice further agrees to remain bound under this bond as to the interests in the plan of operations/notice retained by the principal; and

   b. Any modification of the plan of operations/notice or obligations thereunder; and

4. WHEREAS the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), millsite(s), or tunnelsite(s) covered by this plan of operations/notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations/notice, and obligations covered by this bond; and

5. WHEREAS the principal agrees that in the event of any default under the plan of operations/notice and/or reclamation plan the bond may be forfeited and, the United States, through the Bureau of Land Management, may commence and prosecute any claim, suit, or other proceeding against the principal without the necessity of joining the owner(s) of the mining claim(s), millsite(s), or tunnelsite(s) covered by the plan of operations/notice; and

6. WHEREAS if the principal fails to comply with the provisions of 43 CFR 3809.595, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, *as amended* (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

*(Continued on reverse)*

## BOND CONDITIONS (Continued)

7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the plan of operations/notice referenced herein.

8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations/notice referenced herein, any amendments thereto, and the rules and regulations contained in 43 CFR Subpart 3809 or Subpart 3802, as applicable, then this obligation will be null and void; otherwise it will remain in full force and effect.

Signed this 5th day of Aug. , 2003 :

By [signature]

Title Ken Brown, Sec.

Business Address 288 W. Center
Kanab, UT 84741

ACKNOWLEDGEMENT:

Subscribed and sworn to before me this 5th day

of August , 2003

[signature]
(Notary Public)

11.28.04
(Date Commission Expires)

NOTARY PUBLIC
S.K. KITCHEN
41 East Center
Kanab, Utah 84741
My Commission Expires
November, 28 2004
STATE OF UTAH

[SEAL]

(Principal EIN or SSN No.)

[SEAL]

**If this bond is signed by a corporation, it must bear the seal of the corporation**

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56 (d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:
BLM collects this information to grant the right to conduct exploration and mining activities on public lands.
Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

### BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Washington, D.C. 20240.

# ZIONS BANK

Account Number: _____

Date: August 12, 2003

## TIME DEPOSIT CONFIRMATION

Ownership: Kenneth R Brown AND U.S. Department of the Interior - BLM

"The Secretary of the Interior - BLM MUST authorize the redemption of the CD by ANY party."

Purchase Amount: $2,000.00 Term: 60 ☒ Months ☐ Days

Interest Rate: 3.100% Annual Percentage Yield: 3.140% Maturity Date 08/12/2008

Interest Payment Frequency: ☐ At Maturity ☐ Annually ☒ Quarterly ☐ Monthly

Interest Payment Method: ☒ Add to Deposit ☐ Issue Check ☐ Transfer to Account Number: _____

☐ Checking/MMDA ☐ Savings

Zions Bank Representative Signature: _____

This confirmation is not negotiable. This confirmation is not transferable except on the records of Zions Bank. The Certificate of Deposit is issued in accordance with Zions Bank Rules and Regulations.

205-0019 12/94

## ZIONS BANK
*Transaction Receipt*

Deposits and payments received after regular business hours and on Saturdays will be receipted as "Next Bus Day" and credited the following business day. This transaction receipt should be retained until you have verified it with your statement. The validation hereon displays the date, location, type and amount of transaction. All items received are subject to terms and conditions furnished by Zions Bank.

Zions Bank has been serving Utah since 1873. Thank you for being our client.

GL Credit GL Ticket 08/13/03 N
Serial Number
Account Number 529-35351-8
Credit Amount $2,000.00
052 07 3077

99-0166 4/96

Member FDIC

ACCOUNT AGREEMENT AND SIGNATURE CARD

I/we, the undersigned authorized individual(s), agree to the terms and conditions of this account as contained in the Zions First National Bank (hereafter "Bank") Deposit Agreement, which has been received and is incorporated herein, as it may be amended, including but not limited to those concerning arbitration and venue.

**CERTIFICATION** - Under penalties of perjury, by my signature below on this signature card, I certify that:

1. The number shown on this form is my correct taxpayer identification number (TIN) (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

**Certification Instructions.** You must cross out item "2" above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. The Internal Revenue Service does not require your consent to any provision on this document other than the certifications required to avoid backup withholding.

Account # 1 Type CD Ownership Individual

Title KENNETH R. BROWN & U S DEPT INTERIOR - BLM

Date 08/12/2003 This Account Agreement is agreed to by:

| | |
|---|---|
| 1. KENNETH R BROWN<br>TIN: 528-82-2317 | |
| 2<br>TIN: THE SEC OF | THE INTERIOR - BLM |
| 3.<br>TIN: MUST | AUTHORIZE THE REDEMPTION |
| 4<br>TIN: OF THE C.D | BY ANY PARTY |
| 5.<br>TIN: | |
| 6.<br>TIN: | |

Opened by: Sandra Kitchen

09-01