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July 2, 2004

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Via e-mail: joe.lambert@ledcor.com

Joseph Lambert
 Ledcor Industries (USA), Inc.
 5905 S. Virginia Street
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 Reno, NV 89502

W. T. Gorton III
 C/007/0001

RE: Whiskey Creek Reclamation Project Termination

Dear Joe:

As we have discussed on numerous occasions, over the past several months we have been awaiting a resolution of various issues in the United States Bankruptcy Court regarding additional funds that may be payable to the State of Utah Division of Oil, Gas & Mining ("DOGM") for additional work on the Whiskey Creek Reclamation Project. Pending the outcome of those proceedings, DOGM requested that we refrain from remobilizing for the 2004 construction season since, if additional funds become available, the scope of work would change. The matter was resolved in the U.S. Bankruptcy Court which resulted in additional funds for DOGM. Mary Ann Wright has indicated that DOGM is now going to re-design a full reclamation plan for the Whiskey Creek mine.

I have received the attached letter from DOGM, requesting we cease activities under the existing scope of work and terminate the existing contract. The rationale is explained in detail in the letter. Therefore, under Paragraph 16(A) of the Reclamation Contract, Frontier is terminating the reclamation contract effective immediately.

In anticipation of this course of events, you forwarded an e-mail with the attached final progress estimate. I have forwarded it to DOGM for review and approval. Once we receive approval from Mary Ann Wright with the accompanying letter to the escrow agent, we will facilitate the wire transfer immediately.

In regards to further work on the project, Ledcor is certainly invited to bid on the revised scope of work and enhanced reclamation project.

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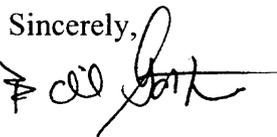
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DIV. OF OIL, GAS & MINING

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Joseph Lambert
July 2, 2004
Page 2

Should you have any questions, please call me.

Sincerely,


William T. Gorton III

WTG:cls
Enclosure

cc: Mark S. Sertic, Esq.
Mary Ann Wright ✓