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DIVISION OF
OIL, GAS & MINING

January 14, 1993

Mr. Lowell Braxton
Acting Director
Division of Oil, Gas & Mining
355 West North Temple
3 Triad, Suite 350
Salt Lake City, Utah 84180

RE: Meeting January 13, 1993, at Your Office

Dear Lowell:

In November of 1992 I indicated to you that we would increase the reclamation bond on our Wellington property to cover the increased costs of reclamation by January 21, 1993, if your staff and my consultants could arrive at a dollar amount.

When this dollar amount was given to me in the first week of January, I asked our Treasurer to get an amended reclamation bond. At that time we discovered we had a serious problem in obtaining the bond. Let me outline the problem.

1. The State Lands Department required that we get a bond in perpetuity for our royalties at Genwal. Only a very few companies offer these, and the company that we obtained the bond in perpetuity from required that all our bonds must be transferred to them.
2. We are at our bond limit because of the large number of bonds we are required to maintain. As a result of this, our new bonding company requires that our parent company must act as a cosignor or guarantor of the bond.
3. The Nevada Public Service Commission has ordered that our parent company, Nevada Power Company, not guarantee loans or bonds for NEICO without Nevada Public Service Commission approval, which would be difficult to obtain.

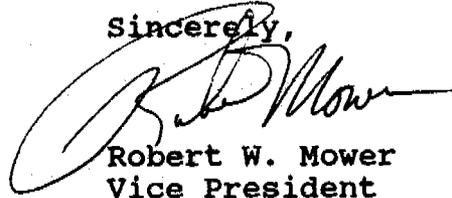
Because of this, I am asking for a four-month extension before the bond amount is revised. As you are aware, we are going to submit a revised permit that changes the reclamation plan from a final use of grazing to industrial. We believe this would lower the amount of money required to reclaim the

Mr. Lowell Braxton
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Wellington property. We believe that we can have the revision completed in the four-month time.

I appreciate your cooperation in helping us resolve this matter which will greatly aid us in resolving an impasse.

Sincerely,

A handwritten signature in black ink, appearing to read "R. W. Mower", written in a cursive style. The signature is positioned above the typed name and title.

Robert W. Mower
Vice President

/ab

cc: Rick Collins, Mt. Nebo Scientific