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NEVADA ELECTRIC INVESTMENT COMPANY

September 10, 1996

RECEIVED
SEP 16 1996
DIV. OF OIL, GAS & MINING

Ms. Mary Ann Wright
UTAH DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Suite 1210
Salt Lake City UT 84114-5801

RE: DIVISION ORDER #96A, WELLINGTON PREPARATION PLANT, PERMIT NO. ACT/007/012

Orig. #2

Copy Mary Ann & Joe FAX Steve @ PFO

Dear Ms. Wright:

By letter dated August 15, 1996, Nevada Electric Investment Company (NEICO) states it's intention to select a demolition and salvage contractor for the Wellington property by October 18, 1996. NEICO had also noted that this schedule could change if NEICO enters into a property sales agreement. In response to that letter, you have requested a further breakdown of NEICO's proposed schedule. As of September 1, 1996, NEICO has initiated the development of a demolition contract and request for demolition proposals.

NEICO has also continued promising discussions with potential buyers of the Wellington holdings. Sale of the Wellington property as currently proposed would be conditioned on the buyer's agreement to conduct certain demolition activities shortly after closing. NEICO contemplates retaining Permit No. ACT/007/012 until buyer completes demolition and NEICO reduces the reclamation bond. Title would not transfer until approval of the transfer, assignment or sale of permit rights by the Division.

In order for NEICO to continue negotiations with potential buyers, NEICO requests a 30 day extension on our proposed schedule. NEICO will identify a demolition contractor by Monday, November 18, 1996.

Sincerely,

Dennis J. Schwehr

Dennis J. Schwehr

cc: Denise A. Dragoo, Esq.

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