



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 19, 1985

Mr. Alan W. Smith
North American Equities, NV
1401 17th Street, Suite 1510
Denver, Colorado 80202

Dear Mr. Smith:

RE: Bond Reduction, Blazon #1 Mine, INA/007/021, #2 and #5,
Carbon County, Utah

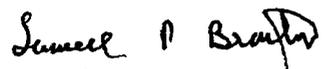
The Division has received both a signed copy of the reclamation permit for the Blazon #1 Mine and an executed Irrevocable Letter of Credit as a collateral bond. The Division has taken steps to release the cash bond currently held by First Interstate Bank of Utah, and you should be hearing from the bank soon regarding release of the funds.

The letter from Claire M. Curlander dated November 7, 1985, transmitting the permit and letter of credit also included a request to reduce the amount required for the reclamation bond based on a reduction in the postreclamation monitoring period. The Division will consider this request. However, there can be no actual reduction in required bond amount until North American Equities (NAE) submits a complete and accurate Final Closure and Reclamation Plan (FCRP) as required in the Division's permit transmittal letter of October 10, 1985 (copy enclosed). This required that an updated FCRP be submitted within 30 days after receipt of the letter. Since NAE picked up the certified letter on October 17, 1985, this draft submittal is already overdue.

Page 2
Mr. Alan W. Smith
INA/007/021
November 19, 1985

Please contact me or Susan Linner as soon as possible to indicate when the draft updated FCRP will be submitted.

Sincerely,



Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

SCL/btb
Enclosures
cc: Ken May
Randy Harden
Sue Linner
0020R-11