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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

September 17, 1986

CERTIFIED RETURN RECEIPT REQUESTED
P402 459 407

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

FILE COPY

Dear Mr. Smith:

RE: Irrevocable Letter of Credit, Blazon #1 Mine, INA/007/021,
Folder No. 2 and 5, Carbon County, Utah

Irrevocable Letter of Credit No. SB 53623-A, issued to the Division in the amount of \$48,400 will expire on October 25, 1986. In accordance with the regulations, a suitable replacement for this letter of credit must be submitted to the Division within 30 days prior to the expiration date.

Please submit a replacement letter of credit to the Division at your earliest convenience. In the event that the Division does not receive suitable bond replacement, the letter of credit shall be redeemed as bond for the Blazon #1 Mine. A copy of the current letter of credit is enclosed for your reference.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Susan C. Linner".

Susan C. Linner
Reclamation Biologist/
Permit Supervisor

JRH:jvb
cc: L. Braxton
Bond File
1011R-95

Date November 7, 1985	Confirmation of Our Telex Dated <input type="checkbox"/>
Letter of Credit No.: SB 53623-A	
Beneficiary State of Utah Division of Oil, Gas and Mining 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180	Applicant North American Equities, Ltd. 1401 17th Street, Suite 1600 Denver, Colorado 80202 INA/007/021 Attn:
Advising Bank	Letter of Credit Amount: U.S. Dollars Forty Eight Thousand Four Hundred and No/100----- \$48,400.00
Attn:	Expiry Date: October 25, 1986 (At our Counters at 3:00 p.m. Denver time)

We hereby issue in your favor our IRREVOCABLE LETTER OF CREDIT which is available against presentation of your drafts on us at sight.

~~Drafts must be accompanied by~~

~~Your signed statement reading precisely as follows:~~

It is a condition of this letter of credit that it will be automatically extended for additional periods of up to one year from the then relevant expiry date unless 60 days prior to the relevant expiry date, we, First Interstate Bank of Denver, notify the division the we, First Interstate Bank of Denver elect not to extend this letter of credit, whereupon you, Utah Division of Oil, Gas and Mining may elect to obtain cash collateral by drawing your first sight draft on us for the amount not to exceed the unused balance of this letter of credit or to let the letter of credit expire.

Partial drawings are not permitted.

THE ORIGINAL CREDIT MUST ACCOMPANY FINAL DRAFT.

DRAFTS DRAWN HEREUNDER MUST INDICATE THIS LETTER OF CREDIT NUMBER.

WE HEREBY AGREE WITH THE DRAWERS, ENDORSERS AND BONA FIDE HOLDERS OF THE DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT THAT THE SAME SHALL BE HONORED UPON PRESENTATION AND DELIVERY OF DOCUMENTS SPECIFIED ABOVE TO THE DRAWEE IF DRAWN AND NEGOTIATED ON OR BEFORE THE EXPIRATION DATE STATED ABOVE.

Prepared by: kss

Mary G. Mercer
Mary G. Mercer, Assistant Vice President
Authorized Signature

Except so far as expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits" (1973 Revision), International Chamber of Commerce (Publication No. 400) 1983