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October 22, 1987

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DIVISION OF
OIL, GAS & MINING

State of Utah Natural Resources
Oil, Gas and Mining
355 West North Temple
3 Triad Center
Suite 350
Salt Lake City, Utah 84180-1203

Attention: Randy Hardin

RE: North American Equities,
Blazon No. 1 Mine
Carbon County, Utah

Randy:

The following is in confirmation of our telephone conversation today regarding the completion of the reclamation work at the mine referenced above. As I told you, the stalemate between N.A.E. and property owner Jack Otani has now ended. Yesterday, Mr. Otani's attorney, Keith Chiara, advised me that N.A.E. now has permission to enter the Otani property to perform the subject reclamation work.

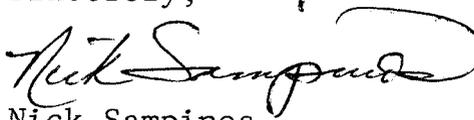
In view of the permission to enter, N.A.E. is in the process of securing the requisite proof of liability insurance. In addition, Mel Coonrod is making arrangements for the reclamation work to begin.

We are hopeful that the weather will now cooperate to provide sufficient time to complete the necessary reclamation work. It is definitely N.A.E.'s intent to complete the project once and for all and as soon as possible!

If you have any questions or if any problems arise in which I can be of assistance, please call.

Thanks for your assistance and cooperation.

Sincerely,


Nick Sampinos

NS/mn

xc: Dick Stuckey
Mel Coonrod