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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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RECEIVED

MAY 17 1991

DIVISION OF
OIL GAS & MINING

May 10, 1991

CERTIFIED RETURN RECEIPT

P 879 596 649

P 879 596 650

Alan W. Smith, President
North American Equities Ltd.
15851 Dallas Parkway #675
Dallas, Texas 75248

Lydia O. Sletvold
United Bank of Denver
1700 Broadway
Denver, Colorado 80274-0085

Dear Mr. Smith and Ms. Sletvold:

Re: Blazon Mine, North American Equities, INA/007/021, Carbon County, Utah. Irrevocable Standby Letter of Credit No. S 43865, Dated 91/Feb/08.

On May 8, 1991, the Utah Division of Oil, Gas and Mining received notice through the law offices of Irizarry & McCall that North American Equities, Ltd., has closed its offices and ceased all operations due to insolvency.

On the basis of that notification and in accordance with Utah Admin. R. 614-301-880.900, the Division hereby notifies you of its determination to forfeit the entire amount of the reclamation bond (\$38,000) for the above-referenced property. The reclamation bond is in the form of an Irrevocable Standby Letter of Credit No. S 43865 with the United Bank of Denver.

The reason for forfeiture, in accordance with Utah Admin. R. 614-301-880.911 includes, but is not limited to, the Operator's

1. Refusal or inability to conduct reclamation of an unabated violation;
2. Inability to meet the terms of the permit;