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RECEIVED
AUG 31 1998
DIV. OF OIL, GAS & MINING

August 27, 1998

Dear Tom,

Here's copies of our correspondence. Hope you don't mind my quoting you.

I made several calls yesterday regarding GPS systems. In all but the more expensive units, the error in one's position is 300 feet. About $3,000 is needed for a "Post Processing Unit" to get the error to 3 feet. Ross Workman of the BLM cadastral or cartographic section told me the BLM is spending $50,000 for a unit to reduce the error to 1 or 2 cm. The cheaper hand-held units sold at K-Mart or Wallmart are therefore not satisfactory for surveying.

On page 2 of Holfert's letter are a couple interesting sentences (highlighted). In both sentences Holfert acknowledges that our claim posts are there. This means our posts erected in '89 survived through Holfert recognizing their presence this year, a period of 9 years. Why aren't the corner posts there now? (The Discovery Monument is still there and it substantiates that the discovery pit is in the center of our claim.) You mentioned on the phone that Holfert told you that he used our posts. Utah mine claim law states that interfering with claim stakes or monuments is punishable by fines or imprisonment or both. This is in addition to a penalty for removing ore of 3 times the value of the ore removed. (A court appointed professional geologist could determine through sampling, appraisals, and yardage removed the ore value taken out.)

Holfert's "good faith" arguement on next to last page (highlighted) is interesting. The responsibility for posting the reclamation bond was after he dug the hole without a Notice and got caught by the BLM. Is a bank robber who gets caught and is forced to return the money showing that he acted in "good faith" when he robbed the bank? I'm not calling Holfert a bank robber, but isn't that the logic?

Holfert misquotes our first letter "a lot of money" into "thousands of dollars". Was it the latter?

Well, enough of this.

Sincerely,

Mike