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SPRUNGER'S MINERALS
P.O. BOX 38054
LEAMINGTON, UT 84638
(801) 857-2572

August 23, 1998

John Holfert
997 N. Chapel Dr. #4
Bountiful, UT 84010

Dear John,

It is good that you agree to a constructive dialogue, but I think you know you don't have a leg to stand on. You can talk about thoroughly researching BLM records, about GPS, videos, and 7.5' topos, and about our corners, claim map or whatever, but I think you know that the Location Notice can be erroneous and corners even missing and yet one can still have a valid claim. I think you know that the single most important thing that defined the location of Cubical #7 was the small group of discovery pits. Even Sherry Wysong (BLM) associated the discovery pits with our claim without our telling her. There is no legal requirement that discovery pits be part of the "public record", as you seem to think, and new claimants may assume old abandoned discoveries as their own (as we did with Cubical #7).

With the same reckless disregard of law that gets you into trouble with the BLM, you expanded our discovery pits with a trackhoe without talking to us first, and then you illegally removed minerals. You said we were 6 to 8 feet off. Come on, John. What else but the discovery pits would we have been claiming with Cubical #7? I believe Tom Munson when he says you told him you used GPS to establish that our claim was off. This is what justified your action. Plain and simple: You acted in bad faith. Good faith would have been checking with us about where our claim lay in relation to the discovery pits <u>before</u> you did the trackhoe work. The procedure should have been (1) overstake the senior claim, (2) nail down the boundaries of the senior claim <u>through discussion</u>, and (3) relinquish that part of your claimed area that intersects the senior claim. What you did is a classic example of claim jumping.

You go on about Russia and pink topaz, probably to convince us that you are in the early stages of developing a market and that you would not be competing with our other bixbyite property (Cubical #2). But again I believe Tom Munson when he says you told him that you had made a lot of money from the <u>big bixbyites/pink topaz combinations</u> and that you were more excited about this than about anything in a long time. You must know that I remember very well the excellent combination you and I found in those same discovery pits some 20 years ago and sold to Wilke. We know what's there. Last year in the discovery pits (I have the samples here) I found bixbyite to almost 3/4" on edge, pink topaz to almost 1/2" wide & over 3/4" long, and several combinations of bixbyite/pink topaz. I'm looking at one specimen consisting of two large bixbyites, one over 1/2", and three pink topaz to 1/4" wide & 3/4" long. It's a nice thumbnail group and would easily fetch $100. I think that you are mainly after the bixbyite/pink topaz combinations and that you have already made a lot of money from these from your trackhoe work.

I think you also know that these combinations would compete with our other bixbyite property even though the two properties would complement each other somewhat. We didn't yet "open up" Cubical #7 as we didn't want two bixbyite properties opened up at the same time. We were planning to open up the two properties in sequence so that we could better control the influx of commercial and recreational collectors.

Finally, the confusion over what happened on our beryl claim last spring does not extend to your work on Cubical #7. The two are separate matters.

I have a proposal. We are thinking about retirement and scaling back. I have heard that you were planning to sell Cubical #7 (Solar Wind?). What do you think about both bixbyite properties (Cubical #2 & #7) for $15,000 plus hand tool privileges? (Cubical #2 has been a steady producer for us using just a small backhoe.) You could work these for awhile and then sell them later (with Maynards?) in a package deal. Any buyer would want both bixbyite properties in order to control the market. I would want payment between Jan 1 & 15, next year, you would then acquire the properties and assume reclamation responsibilities for both claims (the original pit and road of Cubical #2 are "grandfathered" and were documented by the BLM), and I would ask that you not work either property until payment is made. If this is agreeable to you, we will work with you to get the BLM to include your trackhoe work on our Notice for Cubical #7. (We will see if the BLM will accept an amended Notice from us which will take the reclamation responsibility off of you for now.) In return, for now, you would write us a quitclaim deed or write us a note that you will let your claims lapse the end of this year and that there is no contest with our Cubical #7. You have here in writing our offer to sell out and we would have in writing your statement (or quitclaim) that there is no contest.

Well, think about it.

Sincerely,

Mike Sprunger

Sandra Sprunger

Mike Sprunger
Sandra Sprunger