State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
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Division Director

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S/025/027

August 23, 2002

Joseph M. Caruso
HC 65 Box 221
Pipe Springs, Arizona 86022

Loy D. Crapo
350 East 300 South
P.O. Box 1113
Delta, Utah 84624

Re: Transfer of Notice of Intention, Small Mining Operations, Caruso Mine Project ML 27618 (S/025/025), ML 26996 and ML 41354 (S/025/027), Caruso Mine Project, Kane County, Utah

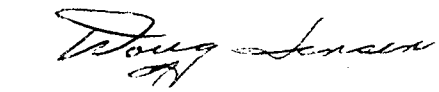
Dear Mr. Caruso:

On August 14, 2002, we received the completed Transfers of Notice of Intention of Small Mining Operations to transfer the Caruso small mining project from Joe's Rock Shop (c/o Marie Caruso) to Joseph M. (Mike) Caruso and Loy Crapo. The project entails three leases (ML 27618, ML 26996 and ML 41354). Two of the leases (ML 26996 and ML 27618) are located in Section 36, T40S, R8W, Kane County, Utah. Each of you has 50% ownership in each of these two leases, which allows both of you to mine on either lease. However, it is agreed that Mike Caruso is solely responsible for reclamation of ML 26996, located in the NE/14 NE1/4 of Section 36, and Loy Crapo is solely responsible for reclamation of ML 27618, located in the NW1/4 NW1/4 of Section 36. Mike Caruso is also solely responsible for mining and reclamation of the third lease (ML 41354), located in the SW1/4 NW1/4 of Section 2, T41S, R8W.

The Acting Division Director signed and executed the transfer documents on August 22, 2002, *which effectively transfers the responsibility of this mining operation and reclamation to Loy Crapo and Joseph M. Caruso.* A copy of the each respective transfer forms is enclosed for your files. **Marie Caruso is officially released from any further reclamation responsibilities of the Caruso Mine.**

Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5321. Best of luck with your mining ventures.

Sincerely,



For D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure: Executed Transfer form
cc: Will Stokes, SITLA
Marie Caruso, Joe's Rock Shop
O:\M025-Kane\S025025-ML27618\Final\transfer-approve.doc
O:\M025-Kane\S025027-ML26996&41354\Final\transfer-approve.doc