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DIV OF OIL, GAS & MINING

2300 SHAWN COURT
CARLSBAD, CA. 92008

11-16-94

Mr. Tony Gallegos
Division of Oil Gas & Mining
355 West North Temple, Suite 350
Salt Lake City, Utah 84108

Reference: Blue Cap Mine - Lady Ann Co.
San Juan County, Utah

Dr. Mr. Gallegos:

One of your staff recently called me to inquire about the status of the Blue Cap Mine and our future plans for the property.

My partner in the mining business died in the spring of 1993. I am now residing in California and have dropped my interest in the property mentioned above.

The Lady Ann Company has been dissolved and the leases held by the company were not renewed when the fees were increased by the Bureau of Land Management. The ~~[illegible]~~ A.E.C.

lease which adjoined the property expired and was not renewed by the Federal Government.

We decided the economics of attempting to maintain the property for what appeared to be a very uncertain demand for Uranium and Vanadium, made the project hopeless.

We made no attempt to mine the property while we owned the Lady Ann Company.

I assume this explains that we make no claim on the property in question.

Cordially,

Keith C Cannon