

AMAX EXPLORATION, INC.

A SUBSIDIARY OF AMAX INC.

222 S.W. HARRISON STREET · SUITE G-10 · PORTLAND, OREGON 97201 · (503) 243-1022 OR 1023

February 25, 1975

Mr. Peter E. St. George
St. George Drilling Co.
701 So. 45th Ave.,
West Richland, Washington 99352

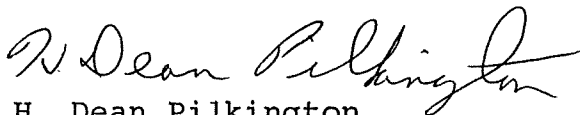
Dear Pete:

Thank you for your letter of February 20, 1975. I will arrange for an advance payment for the first 100 hours payable at the time we commence drilling. I will bring a check for \$5,000.00 with me when I meet you at La Grande, Oregon.

As far as the number of hours worked we are agreeable to the 10 to 12 hour shifts.

As soon as the permits are issued I will telephone you regarding the starting date.

Sincerely,


H. Dean Pilkington

HDP:mf