ORBD 70212 DRILL

CONTRACT: COATES DRILLING, 1991

60008630

1991 Core Specs.

JOB SPECIFICATIONS

ROSEBUD PROJECT
PERSHING COUNTY, NEVADA

JOB SIZE: 8,000 - 10,000 feet of core; hole depths will range from 500 to 1200 feet; average ~800′; vertical and angle(±60 degrees) holes; moves will be less than ~1/2 mile.

STARTUP DATE: ~ April 16, 1991; 10 & 4 work schedule.

LOCATION: ~50 miles north of Lovelock or ~50 miles west of Winnemucca, NV.

TOPOGRAPHY: Moderate to gentle.

ACCESS: Good - county road & dozer trail.

ACCOMODATIONS: Lovelock (~1 hr) or Winnemucca (~1hr)

GROUND CONDITIONS: Good. Clay altered to locally silicified volcanics; gravel overburden = 0-50 feet (avg = <10 feet); ground water at 100 to 200 feet; Water flows avg 15 to 20 gpm (locally +75 gpm). Lost circulation locally a problem especially with UDR pre-collared holes last year (HQ string inside uncased RCD portion).

WATER AVAILABILITY: Approx. 8 miles by county road to pond at Barrel Springs; and ~10 gpm well at site within ~2,000 feet of most drill holes.

DRILLING HISTORY: +40,000 feet core drilled to date. Footage drilled per shift has averaged about 100 to 150 feet (depending on driller and contractor). Deepest core hole = 1247′ (UDR 650 angle hole). A few hundred feet of HQ rod lost in only one hole last year, partially due to driller's mistake. Lost circulation is generally the main drilling problem.

DRILLING REQUIREMENTS: HQ preferred to T.D. but NQ tools requested for ability to reduce if necessary.

HOLE PLUGGING: As per Nevada Regulations: Heavy bentonite pumped from T.D. to 50 feet, then plugged and cemented to collar.

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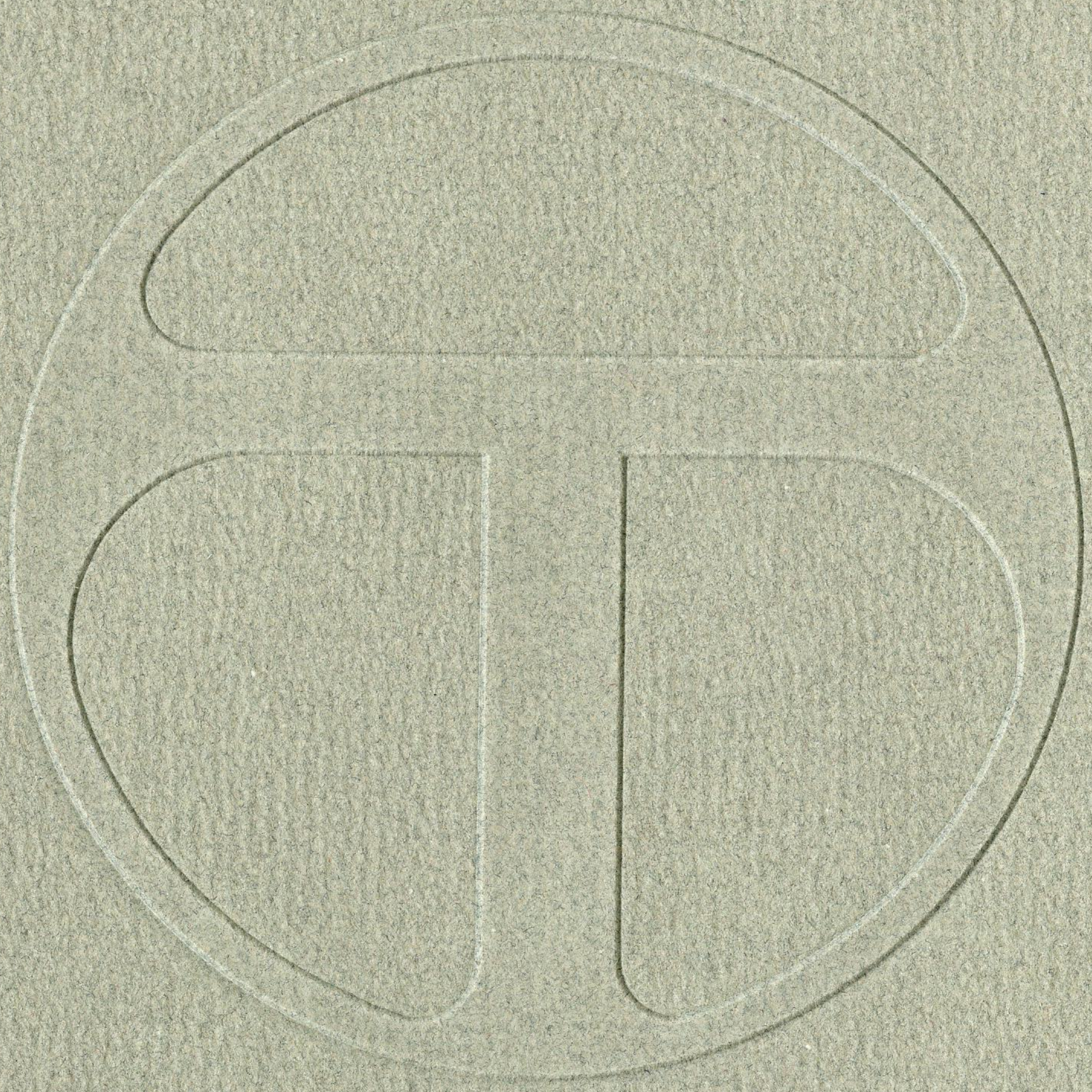

TONTO®
DRILLING SERVICES, INC.

A Division of Dynatec International Limited

TONTO®
DRILLING SERVICES, INC.

JOE HALABURDA

CORE DRILLING DIVISION
P.O. Box 25128 / 2200 South 4000 West
Salt Lake City, Utah 84125-0128
Toll Free: 1 (800) 453-8290, (801) 974-0645, Fax: (801) 973-2994

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TONTO®
DRILLING

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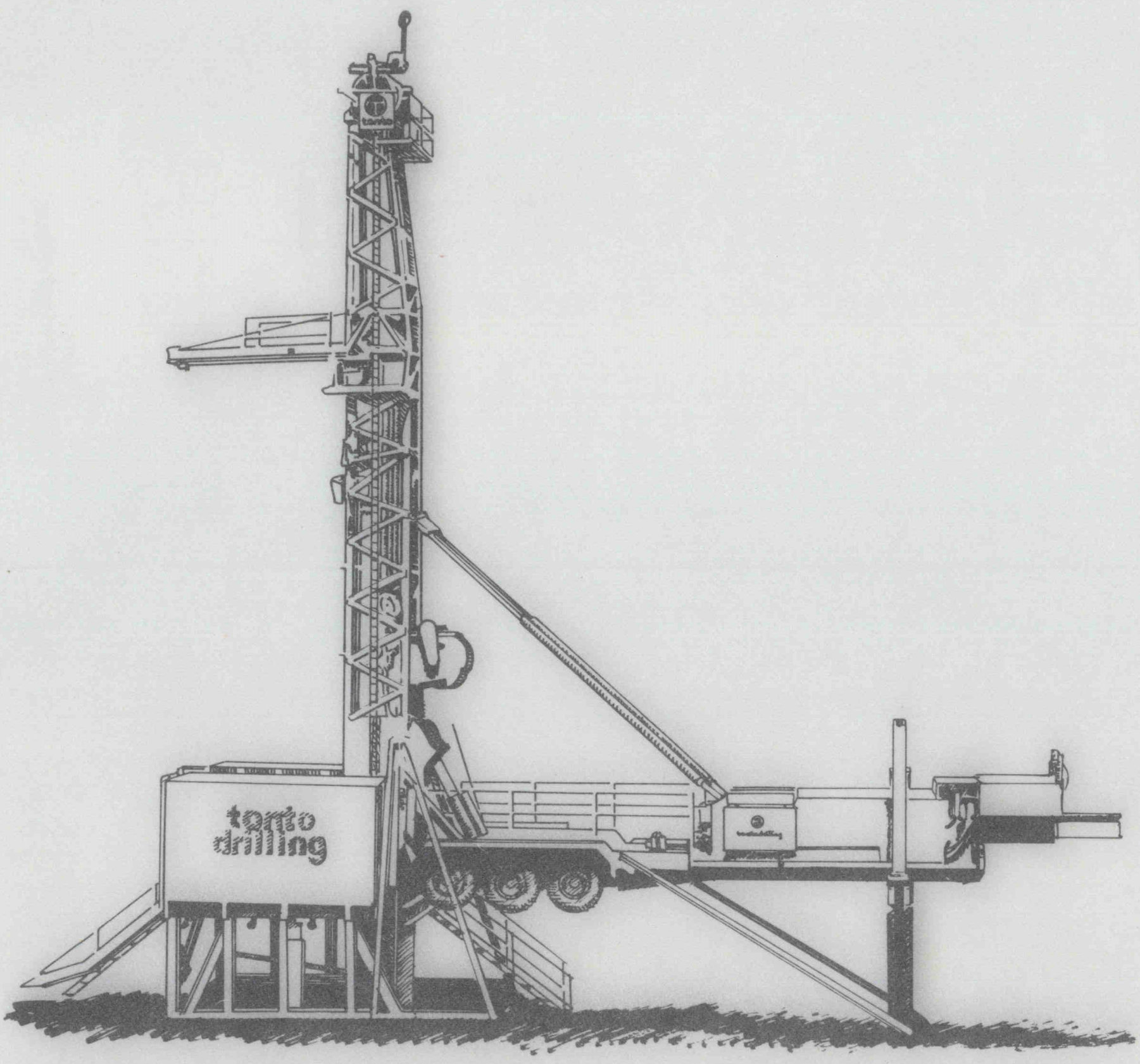
TONTO DRILLING

- Burnaby, British Columbia, Canada
- Salt Lake City, Utah, U.S.A.
- Redlands, California, U.S.A. (Pioneer Drilling)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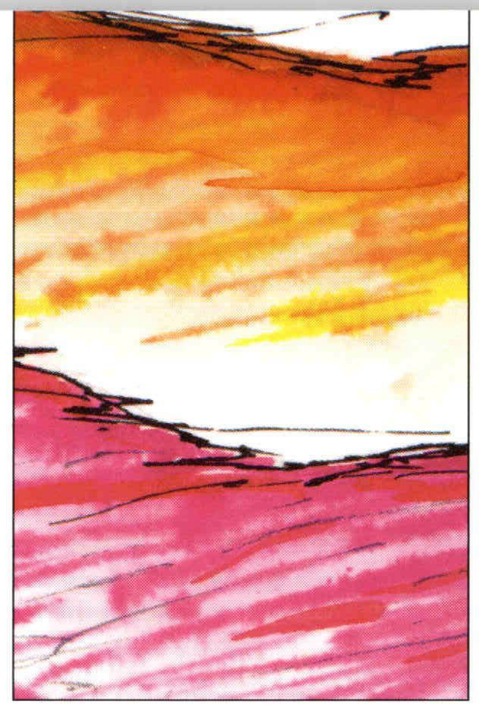
tamrock
drilling



TONTO DRILLING

From a small Canadian operation to an international corporation . . . Tonto now confidently enters its third decade of business.

Tonto exists today because of its energetic and dedicated people. Professional people who make up a solid infrastructure with a comprehensive branch office network.

Our area of operation encompasses nearly every North American and many international locations. The scope of our services ranges from a single test hole to a full spectrum mine drilling program.

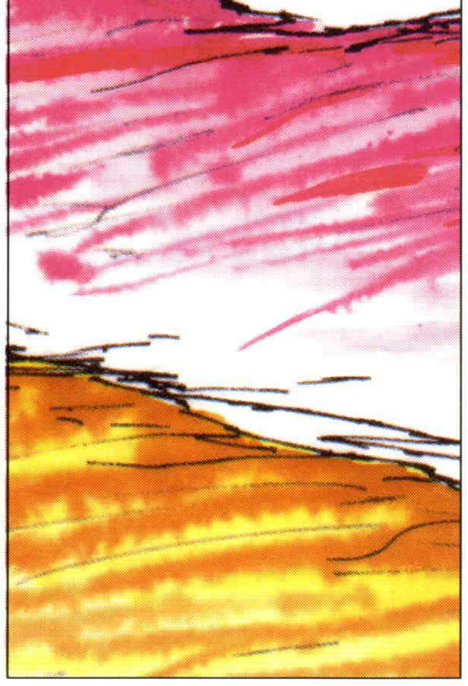
Your entire drilling needs will be met by an integrated management team, backed up and reinforced by field and maintenance personnel whose calibre reflects Tonto's worldwide reputation for excellence.

Measured steady growth has been a consistent feature of Tonto's progress since inception; growth that has taken place not only in size and geographical location but also in expertise, state-of-the-art equipment and overall performance.

This growth, together with our serious commitment to safety and training enables us to pass on a distinct advantage to you, our customer. With Tonto, you get a 'no hassles' drilling program and the security of knowing that the best people for the job are doing their best on your job.

We at Tonto look forward to working with you on your next project.

Noble Larsen
President



Expertise, Experience, and Equipment

Our expertise starts at the senior management level and follows through — from head office right out into the field. Tonto managers were responsible for the design and development of our successful systems and techniques.

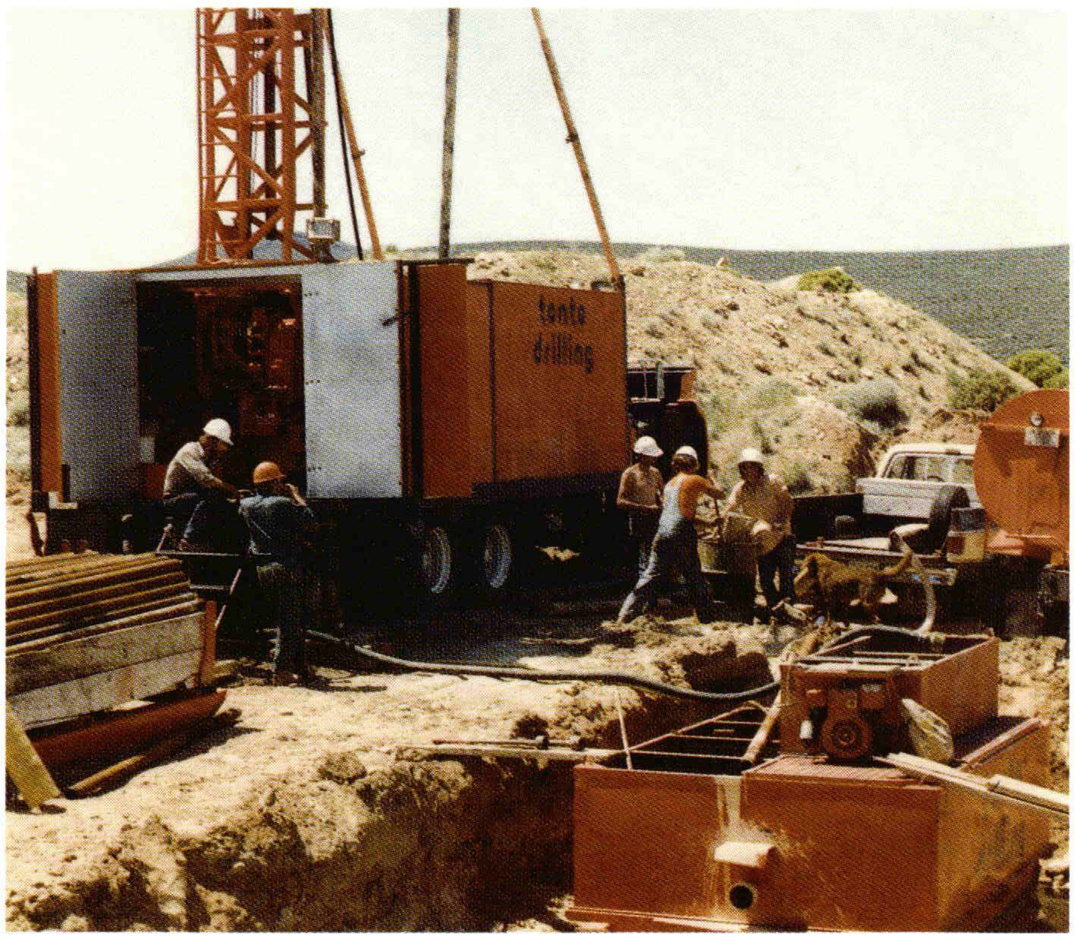
Management continues to be active in day-to-day operations of Tonto Drilling. Our clients can deal directly with key personnel. Efficient policy and operational decisions are made quickly.

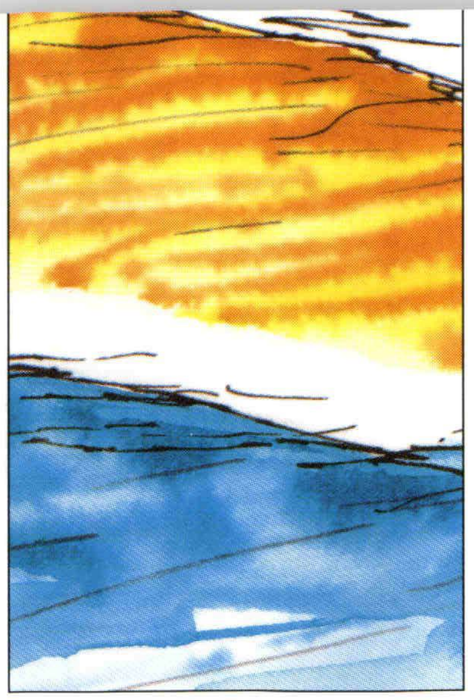
Our experience is the key to our success. It's that simple: if you've done it before, you can do it better next time.

Our field managers, supervisors and crews are renowned as the best in the industry. They're well respected in their field, known throughout the industry and, at Tonto, we know they are our most important asset.

Tonto equipment is the best in the business. The systems our people have developed give us the competitive edge.

Tonto has pioneered performance technology in many fields to strive for better results. We continue to design and fabricate equipment to meet special needs.





Multi-Purpose Drills

Our fleet of drills includes the sophisticated and advanced 'Universal' drills.

Without modification, these drills are capable of:

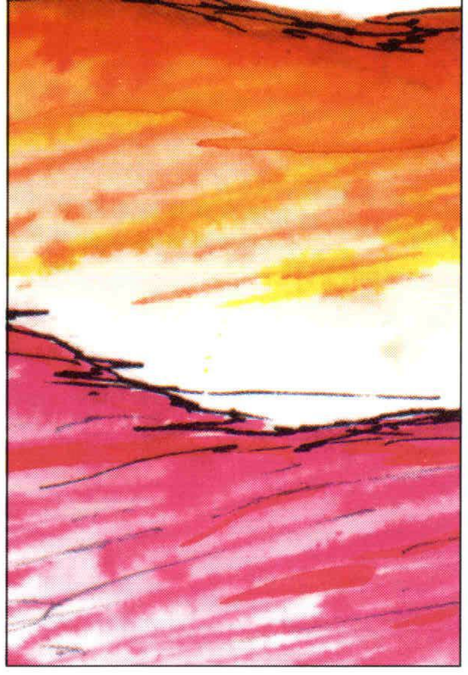
- down-hole hammer drilling
- reverse circulation drilling
- air or mud rotary drilling
- auger drilling
- diamond core drilling

All these methods can be interchanged within the same drill hole or project. This gives our clients the flexibility of designing and changing their programs to maximize their information and the speed at which they achieve it — thus reducing overall costs.

MULTI-PURPOSE DRILLING CAPACITIES

Drilling Technique	Hole Dia.	Rod Dia.	UDR 650	UDR 1000	UDR 1500	UDR 5000
Down-hole Hammer	5 in.	2⅞ in.	920 ft.	1570 ft.	2675 ft.	7800 ft.
Rotary Non-Core	6½ in.	3½ in.	750 ft.	1280 ft.	2175 ft.	6230 ft.

Diamond Core (refer to table on diamond drilling capacities)



Diamond Drilling

Unsurpassed in core drilling expertise and our use of specialized drills, Tonto offers:

- full range of core sizes
- drills for specific sizes and depth capabilities
- fully winterized equipment
- skid, track or truck mounted rigs and helicopter transportable options
- electro-hydraulic and diesel hydro-static drives for underground drilling

Our geographical areas of core drilling experience range from almost inaccessible areas in Alaska down through Canada, the United States, Mexico, Central and South America, Africa and the Pacific Rim.

Core drilling experience includes:

- base and precious metals
- thermal and metallurgical coal
- tar sands and diatomites
- geothermal
- scientific (on-shore and off-shore)
- bulk sampling

A tightly run integrated support system and on-site parts inventory ensure minimal downtime on any project.

Directional Drilling

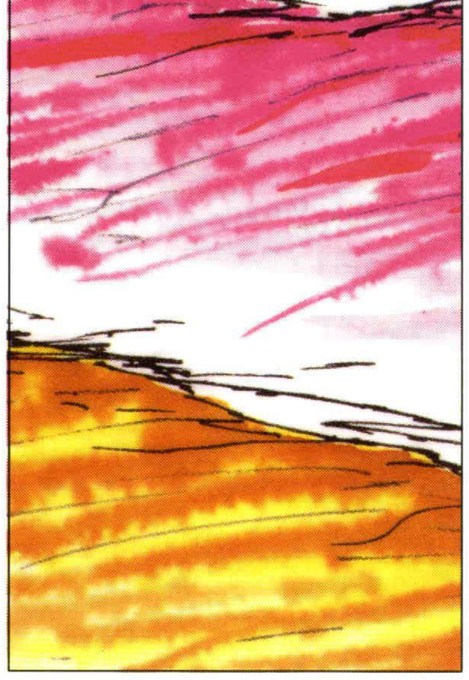
Another cost saving technology is our extensive use of slim-hole positive displacement motors for deflections and hole steering.

- Several deflected holes can be drilled off the pilot hole at different depths.
- Holes can be steered to intersect very tight target zones.

CORE SIZES AND DEPTH CAPACITY

Drill Rod Size	BQ	NQ	HQ	PQ	SHR
Core Diameter (in.)	1.43	1.875	2.50	3.3	4.1
Hole Size (in.)	2.36	3.04	3.90	4.83	5.65
SURFACE DRILLS					
Longyear 38	2500	2000	900	600	
Tonto TDS-1	4000	3000	1400	800	700
Longyear 44	5000	3600	2800	1500	1100
Hydro 44	*6500	6000	4000	2400	*1400
BBS—56 HD	*6500	6000	4000	2400	*1400
CP—50	*6500	11000	7000	4500	*1400
UDR 650	3000	2000	1400	800	650
UDR 1000	4400	3450	2300	1700	1100
UDR 1500	*6500	7500	4500	2400	*1400
UDR 5000	*6500	15000	11000	6000	*1400
UNDERGROUND DRILLS					
Diamec 262	1600	800			
Hagby Onram 1000	2000	1100			
Tonto 20HH	3500	2500	1300		

*Depth limited to drill string tensile strength.



Rotary and Reverse Circulation Drilling

Tonto's Rotary Division operates a fleet of high performance rotary drills. Each drill is equipped with a high-pressure, high-volume air package for maximum efficiency.

Our services include:

- Reverse Circulation
- Conventional Mud/Air Rotary
- Large Diameter Coring
- Directional and Horizontal Drilling
- Drilling and Grouting
- Water Wells
- Injection Wells for In-Situ Leaching
- Methane Extraction and Recovery Drilling

Our drill options are track, truck, or all terrain vehicles. Each project is backed with a full supply of on-site spare parts.

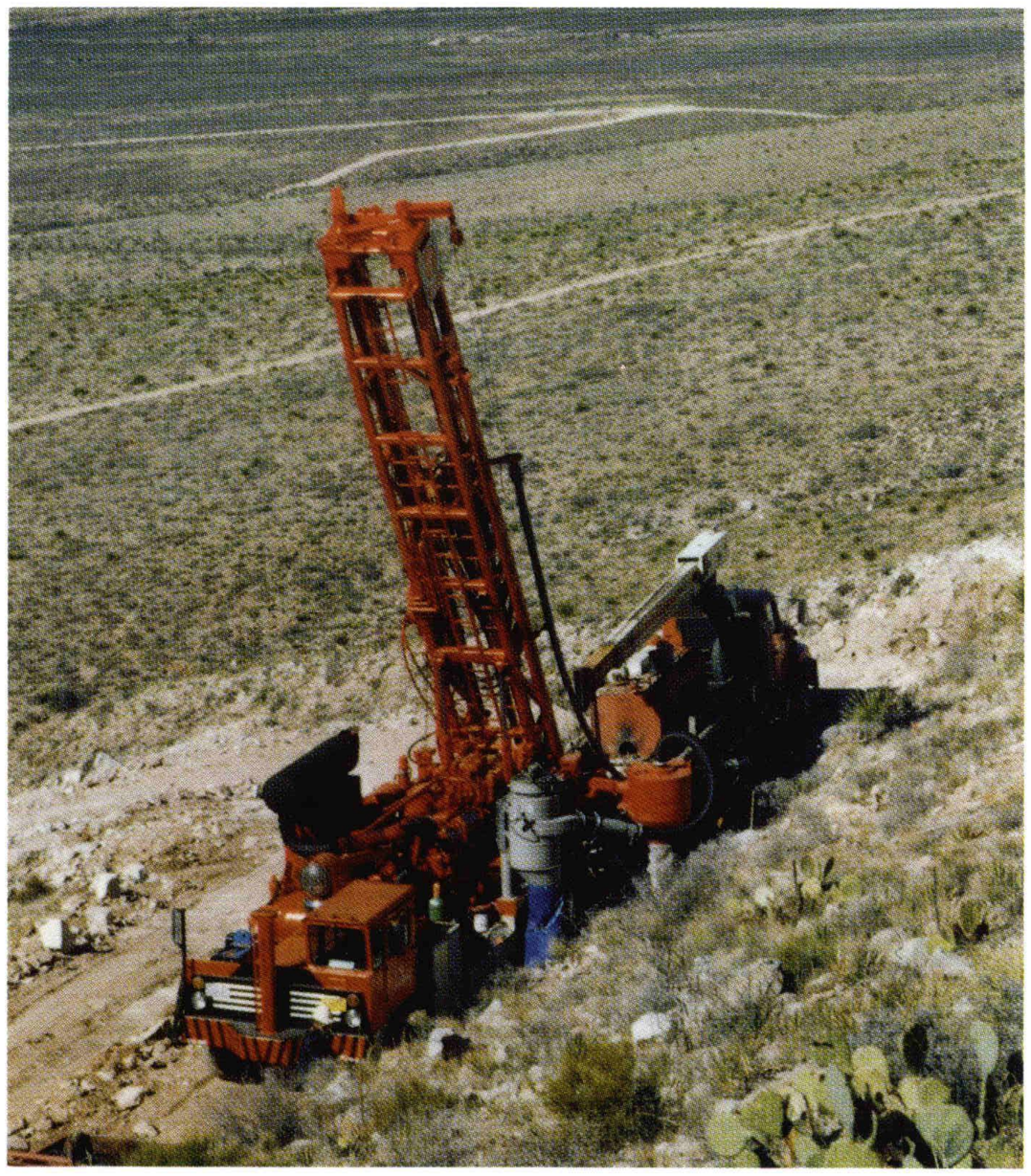
Tonto's auxiliary air packages and air pressure boosters allow us to drill deep reverse circulation and conventional rotary holes. In-house engineering has developed innovative drilling equipment and techniques including "Fines Recovery Equipment", and down-hole tools to alleviate high water flow problems. Specially designed dust collection systems are also available.

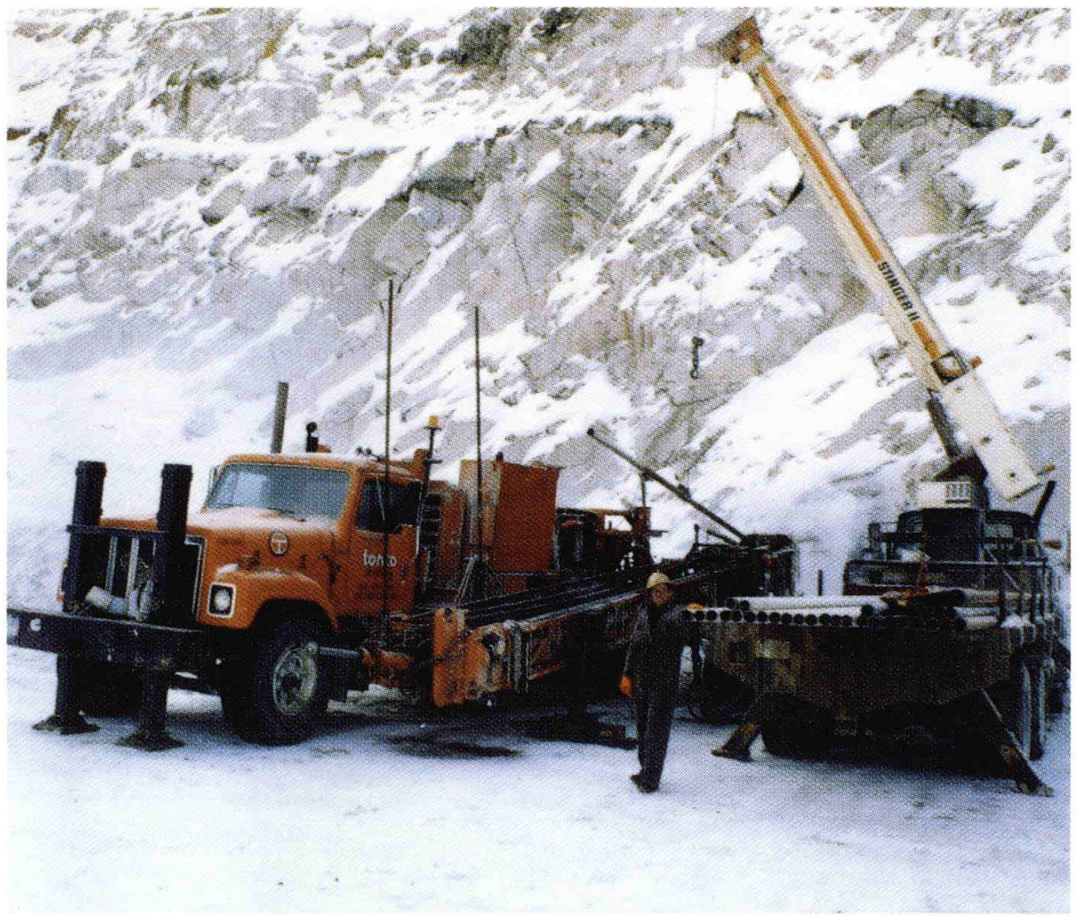
Our crews are fully experienced in all aspects of rotary drilling, with emphasis on sampling procedures, production, and a commitment to safety.

DEPTH CAPACITY

Drill Rig	Reverse Circulation	Conventional Rotary (6″)
Ingersoll-Rand TH60A	1000 ft.	1500 ft.
Schramm T685DHH	2000 ft.	3000 ft.
Ingersoll-Rand T-4W VHP	2500 ft.	4000 ft.

Note: These capacities apply to either vertical or angle holes.

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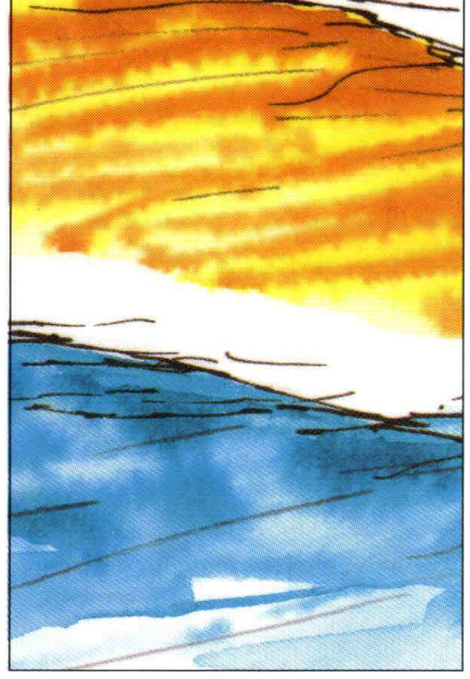


Geothermal and Geoscientific Drilling

Tonto offers an advanced and efficient method of diamond core drilling for exploration of geothermal resources. Many advantages exist for using diamond core drilling as a drilling method for geothermal exploration.

- Faster
- more economical
- more scientific

Continuous core samples provide useful data on:

- lithology
- fracture density and orientation
- geochemistry
- chemical and physical nature of mineral precipitates
- alteration of original mineral assemblages
- confirmation of logging data

Core drilling also provides for:

- better control with lost circulation problems
- faster temperature equilibration
- easier hole completion
- minimal environmental impact

Tonto's geoscientific drilling experience includes both on-shore and off-shore applications. We work together with our customers' engineering staff to develop new drilling techniques and equipment. Our customers include universities, university research centers and national research laboratories.

Loading the mast section of the wireline core drill developed by Tonto and Ocean Drilling Program onto SEDCO/BP 471. Successful in coring the ocean floor under 5250 ft. of water.

Lost circulation of fluids

Diamond drilling has the distinct advantage of being able to advance through lost circulation zones. The ability to run consecutively smaller drill strings inside each other provides the option of reducing the hole size and using the previous string as casing without involving a trip.

Down-hole testing and completion

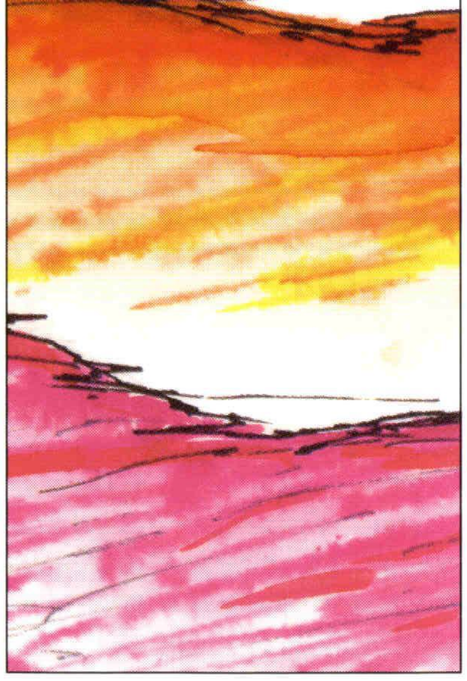
The relatively large inside diameter of wireline drill rods allow geophysical logging to take place without removing the drill string. Liner pipe can be set before tripping the drill string.

Access

Environmental legislation makes the smaller and highly maneuverable diamond drill rigs very popular with licence granting agencies. These drills which can also be helicopter-lifted pose very little risk of damage to sensitive areas.

Calibration

Because of the smaller volumes of circulating fluids present in the system, in-situ temperatures of surrounding wall rock are minimally disturbed, reducing equilibration time. BOP equipment — annular preventers, pipe and blind rams, high-speed rotation heads — are fully developed and proven for use with diamond core drills.



Geotechnical and Environmental Drilling

Pioneer Drilling in the U.S. and Tonto Drilling Ltd., Canada, have 20 years of experience in rotary, environmental and geotechnical drilling.

Our fleet of sophisticated drills, cone penetrometers, and service units range from small indoor-sized drills that operate in confined work spaces to large rotary machines capable of 12-inch holes to depths up to 1000 feet.

Services include:

- hollow stem auger
- air and mud rotary
- air and mud coring
- odex drilling
- penetration testing
- down-hole packer testing
- monitor well installation

All our personnel have a minimum of 40 hours training in health and safety.

Covering ever-increasing areas of the United States, Tonto's teams of drilling experts and experienced field personnel, assures your company of safe and efficient drilling programs.

Auger drilling capacities:

- 3¼″ I.D. by 6″ O.D.
- 3⅜″ I.D. by 8″ O.D.
- 4¼″ I.D. by 8¼″ O.D.
- 6⅝″ I.D. by 10″ O.D.
- 8¼″ I.D. by 12″ O.D.

Rotary drilling:

Includes air, fluid and foam drilling.

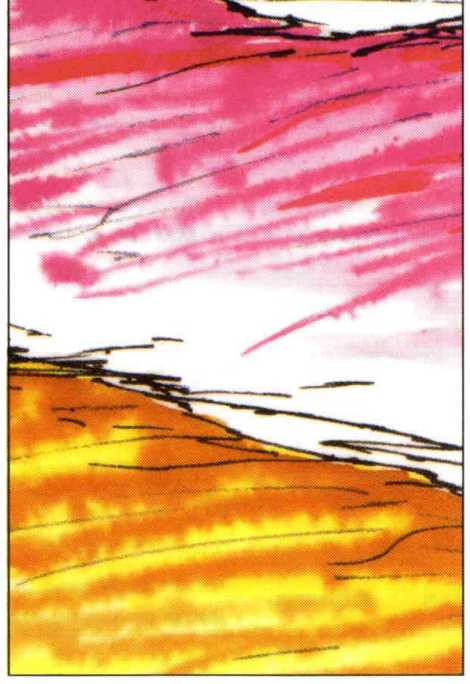
- holes ranging from 2 inches to 12 inches
- spot coring – wireline or conventional
- continuous coring
- casing advancers

Soil sampling tools:

- undisturbed samplers
- penetration samplers
- MOSS (mobile open spindle sampler)
- split spoon
- Shelby tube
- pitcher barrel

Other equipment

- Tierra Tigre “banger” casing driver
- Dutch cone penetrometers
- hydro punch – used for performing in-situ ground water sampling
- packer testing



Tar Sands, Oil Shale and Diatomite Drilling

Tonto teams have drilled the largest deposits in existence:

- wireline tar sands coring (obtaining undisturbed samples averaging better than 94% core intact, delivered in sealed ABS plastic tubes)
- pilot-hole projects
- slope indicator installations

We have developed specialized equipment for tar sands work:

- track mounted, completely enclosed rigs
- explosion-proof electrical systems
- automatic fire extinguishers
- geolographs
- diverter valves
- rotating heads
- independent casing puller retrieves casing after geophysical logging is complete

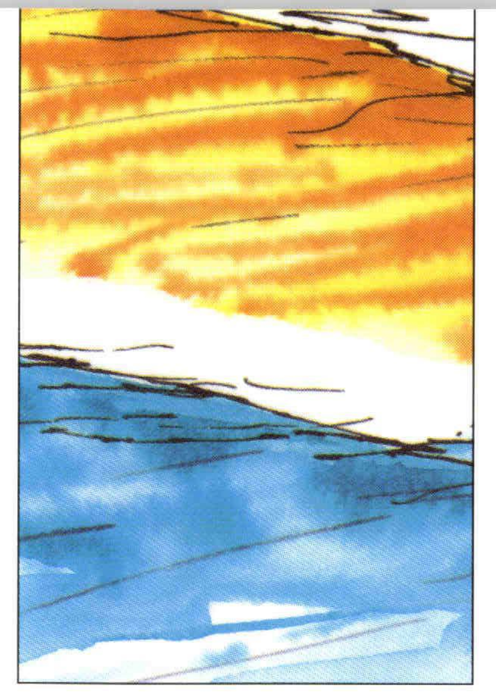
Other applications:

- oversize holes to accommodate large diameter logging tools
- conventional core hole conversion to groundwater observation or depressurization wells

In 10 years of winter work on the Athabasca tar sands, Tonto crews cored over 750,000 feet.

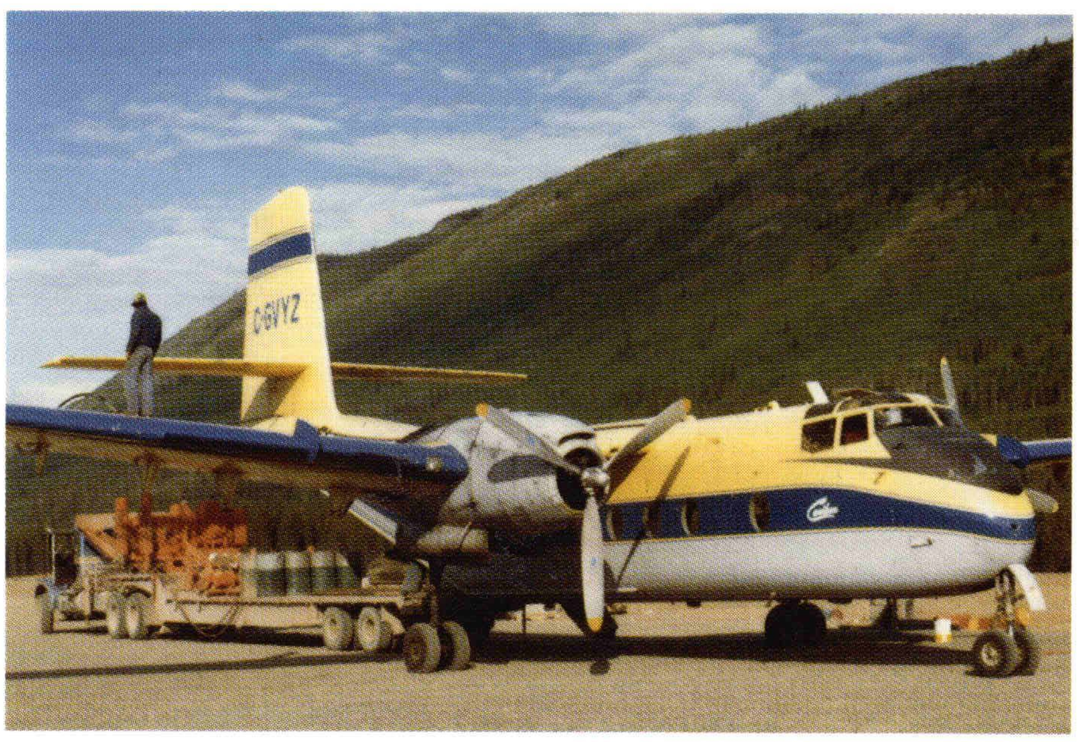
On a two-drill project in Zaire, Tonto cored 25,000 feet in six weeks.

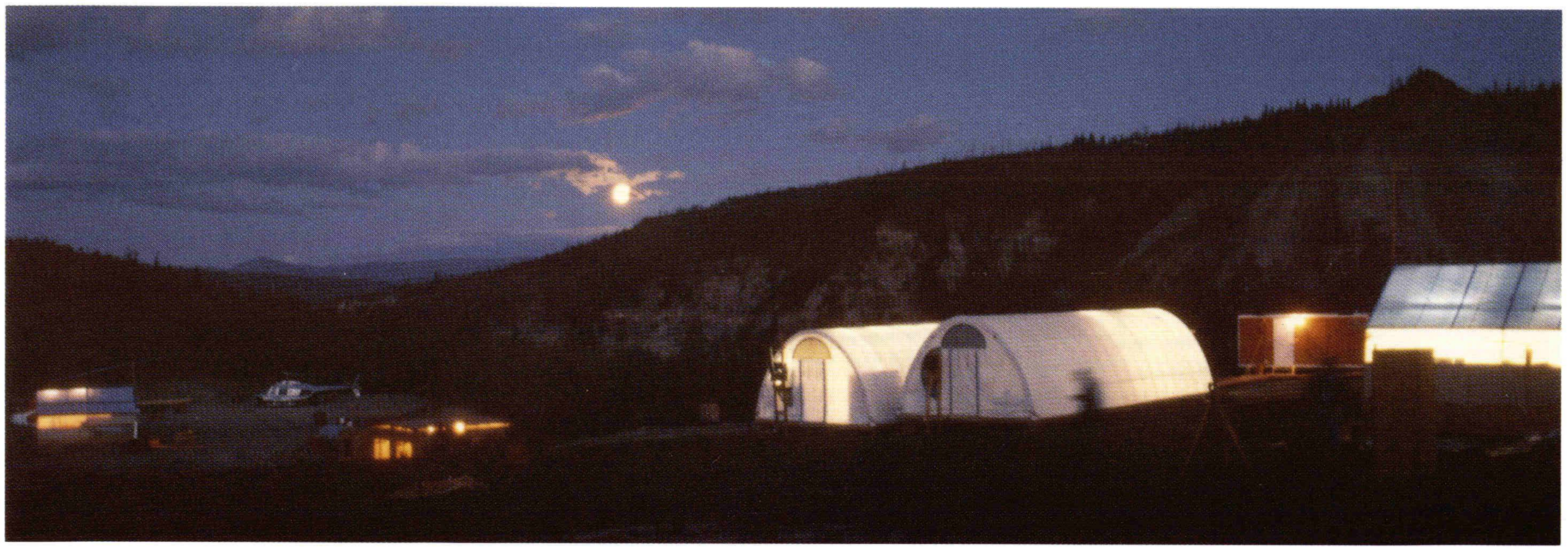
From the frozen north to the tropics, Tonto remains the industry leader in this specialized drilling technique.

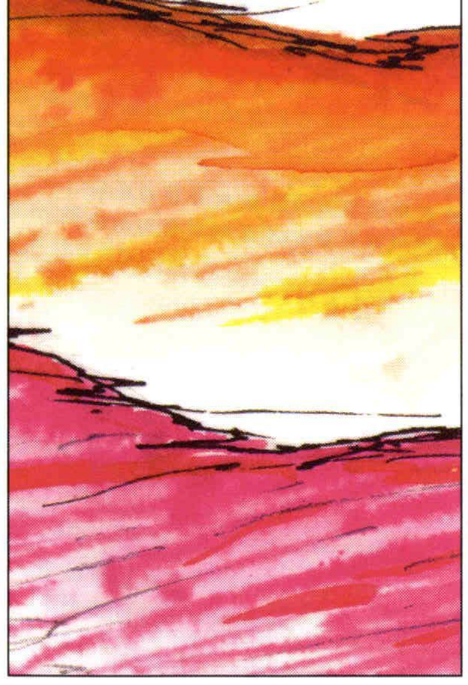


Support Services

- heavy trucks for highway transport of all drilling equipment
- a fleet of water trucks, utility vehicles and service trucks
- leased air transport for inaccessible projects or emergency parts supply







Maintenance Facilities

- Salt Lake City, Utah
- Kamloops, British Columbia
- North Bay / Sudbury, Ontario
- Redlands / Sacramento, California

These centers are responsible for fabrication and repair of our drill rig and support equipment fleet. Each facility is stocked with a full complement of spare parts and back-up equipment.

Inventories are computer controlled and parts allocated to job sites are individually packaged in weatherproof containers.

Our shop personnel are professional mechanics with a sound knowledge of drilling applications and requirements.

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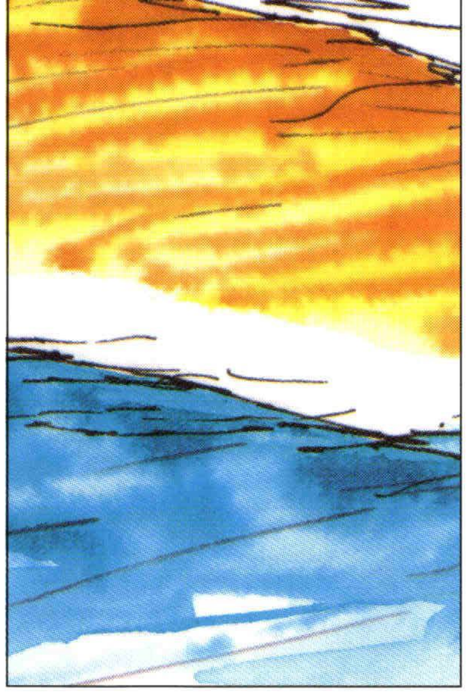
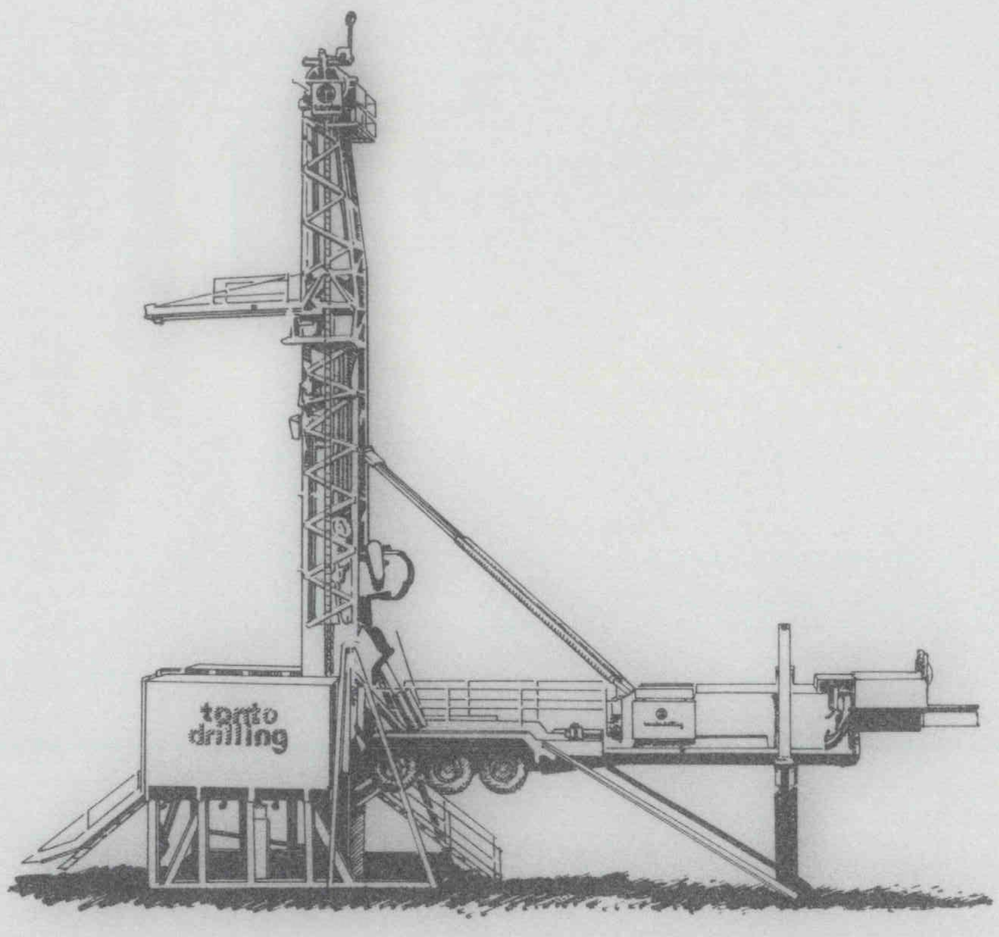


Communication and Computer Links

- mobile VHF equipment for constant contact between rigs, service vehicles, base camps and field supervisors
- facsimile data transfer between jobs and head offices
- computer networking between all branch offices and head office

Tonto's integrated communications system controls a complete information package for each project. It assures efficient cost control and provides statistical analysis at any phase of every job.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drilling

CANADA

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TONTO DRILLING

A DIVISION OF DYNATEC INTERNATIONAL LIMITED

UNIVERSAL DRILL RIGS

Universal 650 Drill

Universal 650 Drill

Description — Specifications

Type All hydraulic top head drive.

Drill Mast 6 m (20 ft) Rod Pull Capacity. 9.2 m (30 ft) long. Designed for drilling angles between vertical and 45°. 720 mm (2 ft 6 in) hydraulic mast dump to ground level at 60° drilling angle.

Diesel Motor 90 kW (115 HP) required at 2200 rpm to power hydraulics (GM 3-53T).

Rotation Head Top drive direct coupled. High-low manual gear change. High precision helical gears, case hardened and ground. 5-1700 rpm. Stepless speed control 5-380 rpm in low gear and 380-1700 rpm in high gear.

Actual output torque:
- Max make or break
  4610 Nm (3400 ft lbs) low gear.
- At 90 rpm
  4310 Nm (3180 ft lbs) low gear.
- At 1000 rpm
  368 Nm (270 ft lbs) high gear.
- At 1700 rpm
  210 Nm (154 ft lbs) high gear.

Fully automatic torque-speed control for diamond drilling running the bit always at maximum possible rpm using maximum available horsepower.
50 mm ID hollow spindle floating 50 mm. Jet-lubricated gears and bearings. Water to oil heat exchanger fitted in sump.

Head Traverse Hydraulic cylinder over chain 2:1 ratio 6.66 m (22 ft) traverse, with maximum traverse speeds of 37 m (120 ft) per minute up and 26 m (85 ft) per minute down. Hydraulic head rack back.

Pull Down 4600 kg (10000 lbs).

Pull Out 7000 kg (15400 lbs).

Rod Pull 6 m (20 ft).

Main Hoist Mast top mounted for best spooling and rope life. Single line 4700 kg (10300 lbs) pull at 45 m (150 ft) per minute — 2400 kg (5300 lbs) pull at 90 m (295 ft) per minute. Fully automatic pull-speed control pulling the rodstring always at maximum possible speed using maximum available horsepower.

Water Pump FMC W1122 BCD-132 LPM at 7000 kPa (35 USGPM at 1000 psi).

Rod Break-Out Hydraulic 36 in Rigid Stillson.
4750 Nm (3500 ft lbs) make-up torque at 85 bar (1250 psi).
5400 Nm (4000 ft lbs) break-out torque at 55 bar (800 psi).

Rod Clamps & Slips Table 44.5 mm (1¾ in) to 168.3 mm (6⅝ in) rod clamp jaws hydraulically operated and self energizing. 320 mm (12⅝ in) mast bottom opening. 224 mm (8¾ in) rod clamp body opening. Casing and Rod Slips, Hammer Spanners, Bit Breaker Baskets, are optional.

Wireline Winch 700 m (2300 ft) of 5 mm (3/16 in) wire rope. 340 kg (750 lbs) full drum pull at 700 m (2300 ft) per minute. 750 kg (1650 lbs) bare drum pull at 300 m (1000 ft) per minute.

Hydraulics Highest quality axial and radial piston pumps and motors used in three independent open loop circuits (Main — Water — Cylinders). Full flow 10 micron Beta rated return oil filtration. Larger than average hose and control valve sizes used to achieve highest possible circuit efficiency. Proven reliability over thousands of hours can be demonstrated.

Rod Carry Rack Tray type for 6 m (20 ft) lengths of drill pipe situated on the right hand side of the drill tray. Nominal capacity 20 × 6 m (20 ft) lengths of 89 mm (3½ in) pipe. Capacity depends upon truck axle capacities.

Pipe Boom Hydraulic fully variable and swivelling pipe handling boom for all angles from vertical to 45°. Loads and unloads from rod carry rack or from back up truck.

Maximum Main Hoist Depth Ratings (Traverse pull-out ratings are higher)

Drilling Techniques	Hole ø	Rod ø	Depth
1. High pressure down the hole hammer drilling and	127 mm 5 in	73 mm 2⅞ in	280 m 920 ft
Rotary non core, mud or air flush	165 mm 6½ in	89 mm 3½ in	230 m 750 ft
2. Diamond core	122.6 mm 4.8 in	PQ 117.5 mm 4⅝ in	300 m 1000 ft
	96 mm 3.8 in	HQ 89 mm 3½ in	400 m 1310 ft
	75.7 mm 3.0 in	NQ 70 mm 2¾ in	600 m 1970 ft
	60 mm 2.4 in	BQ 55.6 mm 2 3/16 in	800 m 2620 ft

Note: Depth ratings are based on straight, clean holes and fluid filled for diamond coring.

Approximate Weight and Dimensions
Bare drill on hydraulic jack-up tray

Weight:	8000 kg	(17600 lbs)
Length:	9.2 m	(30 ft 2 in)
Width:	2.5 m	(8 ft 2 in)
Height:	3.5 m	(11 ft 6 in)

Specifications are as at 31 July, 1989 and are subject to changes or modifications which are made from time to time by U. D. R. and its suppliers in accordance with their policies to update and improve their products.

U.D.R.

UNIVERSAL DRILL RIGS, INC.

JKS BOYLES INDUSTRIES INC.
BOX 460
ORILLIA, ONTARIO
L3V 6K3
TELEPHONE:(705) 325-6131
TELEX:06-875586

TONTO®
DRILLING SERVICES, INC.

P. O. Box 25128
2200 South 4000 West
Salt Lake City, Utah 84125-0128
Telephone: (801) 974-0645 / Fax: (801) 973-2994

March 11, 1991

Mr. Nate Brewer
LAC Minerals (USA), Inc.
1395 Greg Street, Suite 107
Sparks, Nevada 89431

Re: Core Borings - Rosebud Project
Pershing County, Nevada

Dear Nate,

We submit this proposal with the intention of using similar drilling procedures that were used for this project on the previous contract. The one difference in that procedure is, we will set casing in the upper portion of the boring. We will utilize a Universal 650, multi-purpose drill rig set up for the air hammer drilling as well as the HQ and NQ coring. We will supply 1,500 feet of HQ drill rod and 1,500 feet of NQ drill rod on site at all times in case hole size reduction is necessary.

We will also supply a 300 psi, 750 CFM air compressor, or larger, to facilitate the hammer drilling in the top portion of the drill hole.

Our procedure will be, hammer drill the upper portion of the hole to a predetermined depth to start coring, or until excessive ground water forces the cessation of hammer drilling. We will then set 4" I.D. casing in this portion of the drill hole. The cost of the casing will be born by Tonto. Casing left in hole will be the responsibility of Tonto.

Due to the quantity of coring estimates on this project, we would like to schedule our program to run two 12-hour shifts per day, seven days per week until the job is complete. If quantities are increased and you feel a need to change this schedule, I am sure we can work something out to our mutual satisfaction.

Thank you for this opportunity to bid on this project and if you have any questions, please call Larry Pisto or myself at (800)453-8290.

Sincerely,

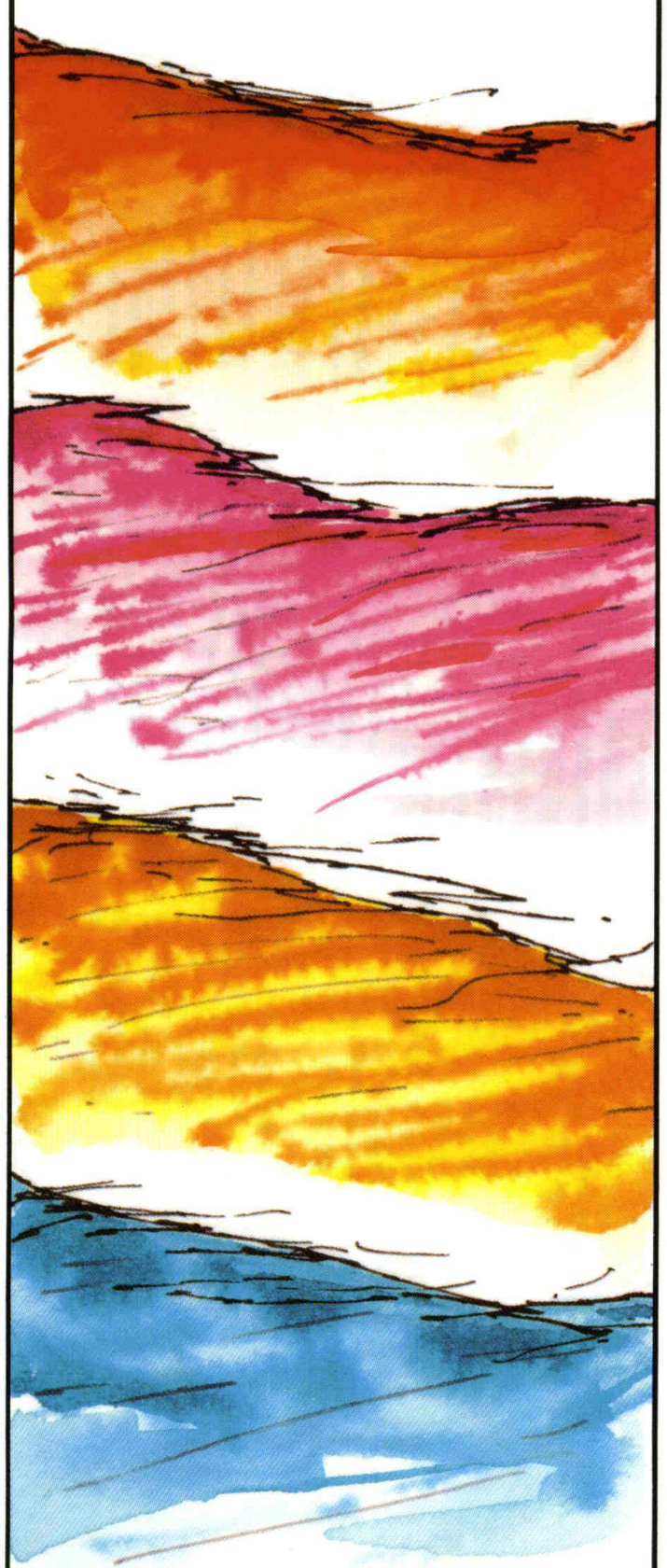
TONTO DRILLING SERVICES, INC.

Joe Halaburda

Joe Halaburda

JH/lss

TONTO®
DRILLING



LAC MINERALS, USA
Core Borings

Rosebud Project
Q91-143CS

TONTO®
DRILLING SERVICES, INC.

P. O. Box 25128
2200 South 4000 West
Salt Lake City, Utah 84125-0128
Telephone: (801) 974-0645 / Fax: (801) 973-2994

March 11, 1991

LAC Minerals (USA), Inc.
1395 Greg Street, Suite 107
Sparks, Nevada 89431

ATTENTION: Mr. Nate Brewer

Q90-143CS
CORE DRILLING PROJECT
Rosebud Project

We are pleased to submit our proposal number Q90-143CS for your core drilling project near Pershing County, Nevada.

1. **SCOPE OF THE PROGRAM**

A. The work entails the drilling of 10 - 12 holes (vertical and angled) to a maximum depth of 1,200 feet.

B. The approximate footage of the project is 8,000 to 10,000 feet of HQ/NQ wireline drilling.

C. The work would commence approximately mid April 1991.

D. The work would be carried out with one truck mounted drill operating two 12-hour shifts per day, seven days per week.

2. CLIENT'S RESPONSIBILITIES

A. Drill roads, drill sites, and supply pump sites are to be constructed and maintained accessible to a truck mounted drill rig free of cost to Tonto. Any environmental responsibility relating to the construction, use, or reclamation of same shall be the responsibility of the client. Tonto will, however, remove all trash and loose materials, leaving drill sites in a clean and orderly condition.

B. All licenses, land and water use permits, environmental reports, reports relating to hole plugging, etc. shall be the responsibility of the client. Tonto shall cooperate with and give technical assistance if requested for compliance with these regulations.

C. The client will hold Tonto harmless for any liability claims which may arise from normal activity related to this contract, including pollution of ground water or surrounding land from discharge of drill water and wastes, save if Tonto's employees act in an irresponsible manner.

D. The client will provide suitable equipment at no cost to the contractor for the purposes of:

1. Moving the drilling equipment from the staging area, including loading and off-loading.
2. Moving the drilling equipment from site to site.

Note: This section applies only if access proves too difficult for contractor's wheeled equipment.

E. The client will provide or be responsible for the following items; alternatively, the contractor will provide and charge back to client at Tonto's list price plus ten percent (10%). Any items not covered by Tonto's list price will be charged at supplier's list price plus ten percent (10%).

1. Drilling mud and additives.
2. Cement.
3. Rod grease or other hole stabilization materials.
4. Special tools or drilling accessories required for testing purposes or which may be left in the hole upon client request.

Note: Costs for above items will be F.O.B. site basis.

3. CONTRACTOR'S RESPONSIBILITIES

A. Equipment and Supplies.

Contractor will provide the following equipment to carry out the work.

1. One (1) unitized truck mounted Universal 650, multi-purpose drill rig with 20 ft. pull mast and rod handling tools.
2. Two (2) water supply tanks.
3. Two (2) 4 x 4 pickups.
4. One (1) mud circulation unit.
5. One (1) mud mixing unit and tank.
6. One (1) mud pump.
7. Water supply pump and 4,000 feet of waterline.
8. Sufficient spares for the job.
9. One (1) 7.5 K.W. generator.
10. One (1) 300 psi, 750 CFM air compressor, or larger.

B. Crew Transportation and Travel Time.

Contractor will provide means of crew transportation from accommodation to sites and return. (See Bid Prices, Section 5 for any applicable travel time costs.)

C. Water supply.

If water must be hauled, contractor can supply water truck at specified rates (see Bid Prices, Section 5). Cost of water that must be purchased will be the responsibility of the client.

D. Personnel.

Contractor will provide crew consisting of 1 Driller and 1 Helper per shift. All drill operators will have a minimum of five years drilling experience.

One of the crew shall be designated as runner foreman to supervise and coordinate the work and to prepare daily reports of the drilling activity. If a non-drilling foreman is supplied, he will have a minimum of five years experience in running and being responsible for drill jobs.

E. Accommodation.

Contractor shall provide room and board for the crews at no cost to the client.

F. Equipment Down Time.

Standby due to equipment repair is to the contractor's account.

4. GENERAL PROVISIONS

A. Lost Materials.

In the event that drill rods, or other equipment become lost, broken or stuck in the hole while drilling at the footage rates, the client agrees to reimburse he contractor at field cost rates, for time and materials expended in recovery attempts. If materials are unrecoverable, the contractor shall be reimbursed for same at replacement cost.

B. Unsatisfactory Progress In Hole and Hole Abandonment.

In the event that excessive water flows, cavities, loose, swelling, or caving materials or hole stability problems are encountered of a nature as to prevent the completion or satisfactory progress of a hole, then the contractor does not guarantee to drill to a predetermined depth. If it becomes necessary to abandon said hole, the contractor shall charge the client for those holes abandoned, at the depth of abandonment, and at the rates specified. If the client wishes the contractor to proceed in the hole, the contractor has the option to revert to the operating field cost rate, plus all materials, supplies, and equipment required at replacement cost plus ten percent (10%), subject to client's approval.

C. Field Cost Definitions.

1. Operating.

It is agreed that the operating rates shall include the labor of the regular two man crew per shift, and shall include drill and support equipment rental. The cost of rods, casing, below-the-chuck consumables and other materials and supplies consumed in the work shall be charged to the client at cost plus ten percent (10%).

In the event that extra labor over and above the regular two man crew per shift is utilized, the contractor agrees to supply such additional labor at the rates specified in Bid Prices, Section 5.

2. Non-Operating (Standby).

It is agreed that the non-operating rates shall prevail when work is interrupted due to delays not caused by the contractor, or delays beyond his control.

5. **BID PRICES**

A. Mobilization.

Move in charge for all equipment and personnel to the staging area. $2,500.00

B. Demobilization.

Move out charge for all equipment and personnel from the staging area. $2,500.00

C. Coring. **PRICE PER FOOT**

	HQ Vertical +	NQ Angle
0 - 500 Feet	$20.60	$17.75
500 - 1,000 Feet	$21.32	$18.32
1,000 - 1,500 Feet	$22.15	$19.00

E. Air Hammer Drilling From Surface. **PRICE PER FOOT**

0 - 400 Feet	$11.30

Conventional Rotary

F. Field Cost - Operating.

Includes hourly functions such as, but not limited to:

1. Regaining circulation.
2. Hole stabilization/conditioning.
3. Down-hole equipment recovery.
4. Hole reduction.
5. Cementing.
6. Wedging operations.

OPERATING RATE: $85.00/Rig Hour

G. Field Cost - Non-Operating.

Includes times when rig is not operating, such as, but not limited to:

1. Awaiting instruction.
2. Cement setting time.
3. Waiting for dozer.
4. Hole logging by others.
5. Site or access delays.
6. Waterline installation/removal and maintenance.
7. Water delays if haulage cycle time is excessive or not arising from contractor's equipment.

NON-OPERATING RATE: $75.00/Rig Hour

H. Engineering Work.

It is agreed that the engineering work rates shall prevail when work functions defined as engineering in Bid Prices, Section 5 is undertaken.

ENGINEERING WORK RATE: $85.00/Hour

I. Extra Labor Rate, if additional to the drill crew and client approved. $25.00/Man Hour

J. Rental of Sperry Sun or other hole orientation devices. 3rd Party Rental Plus 10%, or Client May Supply.

K. Water Truck Rental.

Tandem axle, 3,500 gallon capacity (charges commencing upon arrival at staging area) N/A

L. Water Truck Driver Labor

If additional to the 2 man crew, or if additional to the normal shift. N/A

M. Cat Rental. N/A

N. Accommodation - Per Diem
Room and Board N/A

We wish to thank you for considering this proposal, and we look forward to working with you on this project.

Sincerely,

TONTO DRILLING SERVICES, INC.

Joe Halaburda

Joe Halaburda

JH/lss

TONTO DRILLING

A DIVISION OF DYNATEC INTERNATIONAL LIMITED

PRINTED IN CANADA

SDS DRILLING COMPANY
Mailing Address: P.O. Box 796 • Sparks, NV 89432
Street Address: 500 Dermody Way • Sparks, NV 89431
(702) 331-7878

February 26, 1991

Mr. Nate Brewer
Lac Minerals USA Inc.
1395 Greg Street
Sparks, Nevada 89431

Dear Mr. Brewer:

It was a pleasure to speak with you regarding your drilling project, Rosebud, near Lovelock, Nevada.

Our bid for this job is ~~$23~~ 21.00 per foot from 0-1200 feet HQ. This footage price includes the following: ← As per Phone Conv. W/RDT

1. Mobilization and demobilization
2. Set up and tear down
3. Moving between holes
4. Mud and chemicals
5. Core boxes
6. Bits
7. Per diem

Should it become necessary to reduce to NQ the footage price remains the same. There will be additional charges for the following:

1. Casing hole if necessary	$	55.00 p/hr
2. Pulling casing		55.00 p/hr
3. Cementing hole		55.00 p/hr
4. Drilling cement		55.00 p/hr
5. Cement bags		7.50 p/bag
6. Bean pump and generator		50.00 p/day
7. (A) water truck if needed		50.00 p/load – Hycroft
(B) no charge is not in use		
8. Camera		1600.00 p/month
9. Casing lost in hole		cost plus shipping

We require reasonably level drill pads and access to same. Should you have any questions, please feel free to contact us any time. I thank you for the opportunity to work with you.

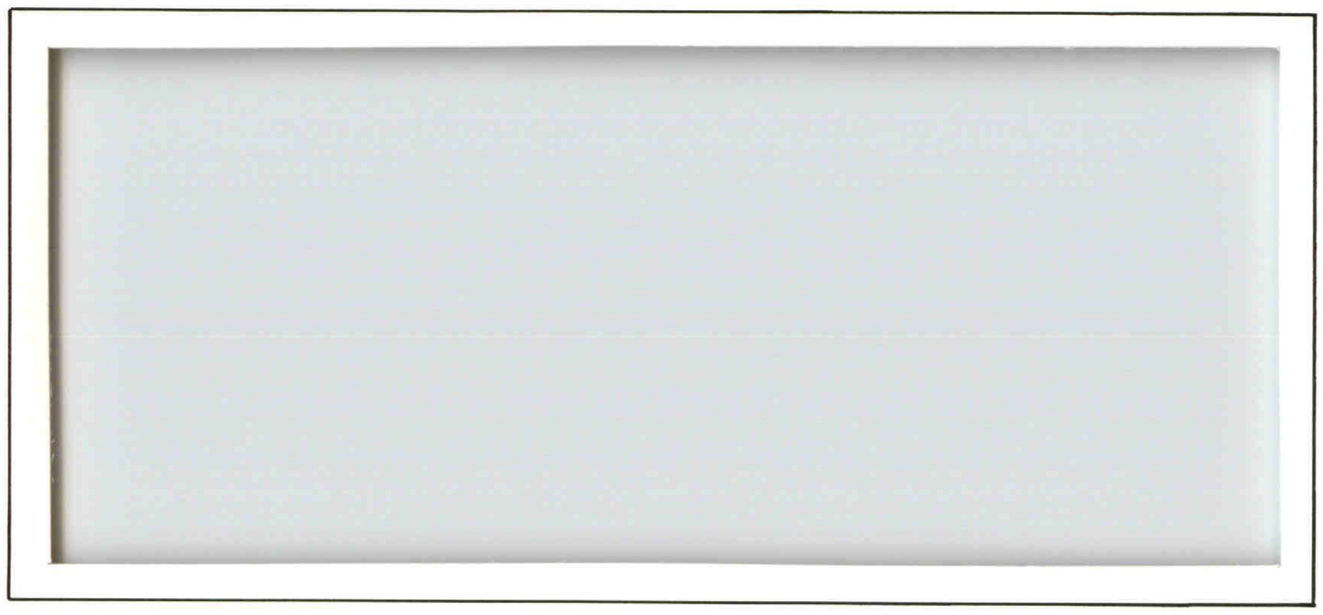
Sincerely,

SDS DRILLING COMPANY

Calvin R. Shatto
Owner/Field Manager

CRS:ld

CORE BID



DSC™

DRILLING SERVICES COMPANY

SPECIALIZED DRILLING FOR THE MINING INDUSTRY

OFFER OF DRILLING SERVICES
TO

MR. NATE BREWER
FOR

LAC MINERALS
1395 Greg street
Suite 107
Sparks, Nevada

(Hereinafter referred to as Client)

FROM

DRILLING SERVICES COMPANY
Division of Layne-Western Company, Inc.

12030 EAST RIGGS ROAD
CHANDLER, ARIZONA 85249
(602) 895-9336

(Hereinafter referred to as Contractor)

Drilling Services Company
Offer of Drilling Services
Quotation No.8914
Date: March 13,1991

IN CONSIDERATION OF THE MUTUAL PROMISES, CONDITIONS AND AGREEMENTS HEREIN CONTAINED AND THE SPECIFICATIONS, SPECIAL PROVISIONS SET FORTH IN SCHEDULES "A" THROUGH "G" ATTACHED HERETO AND MADE A PART HEREOF, CONTRACTOR OFFERS TO UNDERTAKE THE WORK ON A CONTRACT BASIS:

1. **THE CONTRACTOR PROMISES AND AGREES:**

1.1 To furnish equipment as per Schedule "A" attached.

1.2 To furnish personnel as per Schedule "B" attached.

1.3 To provide a board and room allowance for the personnel furnished by the Contractor.

1.4 To provide parts, supplies, materials, fuels, lubricants, etc. pertinent to the efficient performance of this undertaking.

1.5 To procure, at the request of the Client and/or Client's representative, cement, drilling mud, additives, rotary, down-the-hole-hammer bits and such other additional supplies, materials, personnel and equipment as may be necessary for the efficient operation and completion of the drilling assignment. Compensation for the procurement of such additional supplies, materials, personnel and equipment shall be at the rates set forth in Schedule "G" attached.

1.6 To leave the drill site free of all debris resulting from the work performed by the Contractor excepting drill cuttings.

1.7 To conduct all operations hereunder in full compliance of all rules and regulations adopted by any legal government ordinance whether Federal, State, Municipal or City.

1.8 To prepare a daily drill log (Schedule "C") summarizing in detail the days activities including consumable and chargeable items. One copy of the daily drill log will be provided the Client and/or the Client's representative on a daily basis.

1.9 To provide and maintain insurance coverage with an insurance company or companies authorized to do business in the State where the work is to be performed and satisfactory to the Client, insurance coverage of the kind and in the amounts set forth in Schedule "D". Contractor will, if requested to do so by the Client, procure from the company or companies writing said insurance a certificate or certificates satisfactory to the Client that said insurance is in full force and effective and that the same shall not be cancelled or materially changed without ten (1Ø) days prior written notice to the Client.

1.1Ø To operate the Contractor's equipment on a double shift basis up to twentyfour (24) hours per day, on a ten (1Ø) days on, four (4) days off schedule, or at some other schedule mutually agreeable to Contractor and Client.

1.11 To commence drilling operations as scheduling and rig availability permits and to diligently continue the work until it is completed or until the assignment is terminated as hereinafter provided.

1.12 To render an invoice for services performed within five (5) days after the end of the month or alternately within ten (1Ø) days of the conclusion or termination of the assignment, if such assignment is commenced and concluded within a calendar month.

1.13 To conduct drilling and sampling operations in accordance with the procedures detailed on Schedule "E".

2. **THE CLIENT PROMISES AND AGREES:**

2.1 It is recognized that the Client has superior knowledge of the location of the work, the access routes to the location of the work, surface and sub-surface conditions, weather patterns, etc. and Client is obligated to advise Contractor of all or any of the conditions that may affect Contractor's performance of this undertaking. Additionally, prior to the commencement of drilling at the drilling location named

herein, the Client shall have determined and marked the locations of the bore holes and shall have made provisions for right-of-way, reasonable maintained access roads, sound locations, adequate in size and capable of properly supporting the drill unit. The Client shall procure all entry permits and hold harmless the Contractor for claims of trespass or damage to property required in carrying out the work contemplated by the Client hereunder, except where Contractor is negligent or has violated the Client's specific written instructions. The Client will provide a bulldozer and/or some other suitable machine and/or vehicle to provide towing and other assistance as may be required for the satisfactory performance of the undertaking.

2.2 The Client shall be responsible for all underground utilities, the plugging of bore holes and the refurbishing of the ground surface as may be required.

2.3 That should it direct, in writing, the Contractor to furnish supplies, materials, personnel and equipment other than those items specifically furnished by Contractor in Schedules "A" and "B" of this quotation, the Client will reimburse Contractor for those items as detailed in Schedule "G" attached.

2.4 The Client agrees to pay Contractor for the mobilization and demobilization of personnel and equipment, for services provided and for materials supplied at the rates as detailed in Schedule "G" herein upon receipt of the Contractor's invoice.

2.5 The Client shall be responsible for the handling transporting, and safekeeping of the geological samples and will provide all sample bags and/or containers for the storage of the samples.

2.6 That the information detailed on Schedule "F" hereto reasonably and adequately describes the conditions of the work to be undertaken.

3. **OTHER SPECIAL CONSIDERATIONS:**

3.1 Contractor's invoices for services provided are net, due and payable upon receipt. Invoices unpaid thirty (3Ø) days after date of the invoice will be subject to a delinquency charge of one and one half percent per month (18 percent per annum).

3.2 All the information and data obtained by reason of, or in connection with, the work shall be the exclusive property of the Client. The Contractor will keep all such information and data strictly confidential and will not divulge or use, or permit its employees to divulge or use any information or data so obtained.

3.3 All risk and damage to Contractor's tools, machinery, appliances or equipment shall be at all times borne and assumed by the Contractor unless Client expressly agrees to reimburse Contractor for such loss or damage.

3.4 It is specifically understood that the Contractor is not the agent of the Client and is not authorized to act for or on behalf of the Client or to bind the Client in any manner whatsoever, and that this agreement shall never be construed as creating a joint venture or other relationship whereby either party hereto shall be held for the acts either of omission or commission of the other party hereunder. Contractor agrees that the services provided herein will be performed as an independent Contractor. The exclusive direction, management and control of the employees of Contractor and of the work to be done under the provisions of this contract shall always reside in Contractor.

3.5 That neither party to this agreement shall be liable for any loss or damage caused by reason of strikes, accidents, acts of God, action of the elements, or of any other caused beyond its control.

3.6 That this assignment is based upon Contractor performing this assignment with his regular drill crew and under a non-union operation. Should local unions require Contractor or its employees to join their local union against Contractor's will, this agreement shall terminate and shall be open for renegotiation.

3.7 It is fully understood and agreed that none of the requirements of this contract shall be considered as waived and/or modified unless the same is done in writing, and then only by the persons executing this contract, or other duly authorized agent or representative of the party.

3.8 Contractor may employ other Contractors to perform the work detailed in Schedule "F" provided that the Contractor obtains written consent from the Client.

3.9 This agreement shall continue in force until the drilling assignment is completed or until cancelled by either party hereto, such cancellation to be effective by giving written notice (by mail or telegram) to the other party at the addresses given herein not less than three (3) calendar days prior to date of termination; **PROVIDED HOWEVER,** upon the breach of any substantial provision of this agreement, the party not guilty of such breach, may if it elects, cancel this agreement without the written notice provided for above. In the event of termination under this provision, the Client shall compensate Contractor in accordance with the schedule of compensation as detailed in Schedule "G" herein.

3.1Ø This agreement will be governed by and construed in accordance with the laws of the State of Nevada

3.11 This offer of drilling services is valid for acceptance through March 1991. After this date, the honoring of this quotation would be subject to the availability of personnel and equipment and any extension of this offer would be entirely discretionary by the Contractor.

Drilling Services Company
Offer of Drilling Services
Quotation No.8914
Date: March 13,1991

The foregoing offer of drilling services is made by:

DRILLING SERVICES COMPANY
DIVISION OF LAYNE-WESTERN CO., INC.

By: _____
Mitchel Daniels
Title: Core Drilling Manager

The foregoing offer of drilling services is accepted by:

By: _____

Title: _____

Date of Acceptance _____

Compensation Plan Selected: N/A

SCHEDULE "A"

SCHEDULE OF EQUIPMENT TO BE SUPPLIED

ITEM	QTY	DESCRIPTION OF EQUIPMENT
1.	1	Diesel Powered Longyear 38 Diamond Core Drill mounted on a F-700 Truck with Diesel Powered Bean 37 Mud Pump.
2.		Feet of Wireline Drill Rod.**(As required)**
3.	2	Pickup truck.
4.		Core barrels, casing, bits, drill subs, adaptors, tools and all other necessary tooling.
5.	1	Combination pipe, service and water truck.

SCHEDULE "B"

SCHEDULE OF PERSONNEL TO BE FURNISHED

DRILLER (S)	2
DRILL HELPER (S)	2
SUPERVISOR	As Required

SCHEDULE "E"

PROPOSED METHOD OF DRILLING AND SAMPLING

The standard Q Wireline method of core drilling will be employed, drilling and a maximum of ten foot intervals before extracting core, or whenever core blockage in inner tube occurs.

Surface casing maybe necessary to stabilize upper portion of drill hole. Drilling mud and/or drilling fluid additives maybe required to stabilize hole and prevent or minimumize lost circulation. Should the drill hole begin caving or lose circulation that drilling fluid additives cannot control, it maybe necessary to cement and/or ream the hole and install casing.

SCHEDULE "F"

INFORMATION RELATIVE TO THE WORK TO BE UNDERTAKEN

1. **Location of the Work:**

   Rosebud Project, Pershing Co., Nevada

2. **Formation to be drilled:**

   Various

3. **Hole Size and Angle: [HQ]**

   The bore holes shall be drilled a minimum diameter of 3 inches and a core size of 2 inches. The bore holes shall be drilled -90 degrees to -45 degrees.

4. **Hole Depth:**

The bore holes shall be drilled to a maximum of **1200** Feet.

Should down-the-hole conditions be such as to preclude the drilling of the bore hole to the desired maximum depth, the driller, in consultation with the Client and/or Client's representative, would jointly decide the maximum safe depth and their decision would be binding upon the Contractor and the Client.

5. **Scope and Purpose of this Undertaking:**

Approximately **10,000** feet of exploratory drilling.

SCHEDULE "G"

COMPENSATION SCHEDULE

1. **Mobilization & Demobilization:**

For the supply of equipment and the furnishing of personnel, as per Schedule "A" and "B", there will be a one-time mobilization/demobilization charge of **$2,000**

2. **Daily Travel Time: N/A**

The first one (1) hour of daily travel time from the nearest available source of accommodation and fuel supply is included in the compensation plans set forth herein. However, daily travel in excess of one (1) hour per day per shift would be chargeable at the hourly rate of forty five dollars ($45.00).

3. **Drilling Services:**

The job site drilling and ancillary services will be provided at one of the following plans. Prior to the commencement of drilling operations, Client will have the option of selecting the plan best suited for their requirement and the Contractor will perform the drilling and ancillary services in accordance with the plan selected for the drilling program.

PLAN "A" - HOURLY RATE:**N/A**

For all hours consumed at the job site commencing and ending with the shift in the field, drilling and ancillary services would be chargeable at the following rate:

$ per hour

PLAN "B" - FOOTAGE/METER RATE:

For all footage drilled calculated from the surface of the bore hole to the depth penetrated by the drill bit the footage charge would be at the following rate:

SEE ATTACHMENT

4. **Breakdown and Servicing Equipment Time:**

No charge for down time would apply for the time consumed repairing Contractor supplied equipment. Breakdown is defined as that breakage occurring above the ground.

5. **Compensation for Abandoned and/or Broken Drill Pipe and/or Drill Tools: N/A**

In the event that Contractor would be required to drill without fluid circulation, (lost circulation) or through old mine workings (shafts, stopes and drifts) which results in stuck and/or broken drill pipe and tools, Contractor will exert his best effort to extract the stuck and/or broken drill pipe and tools for a period of thirty two (32) hours. At the end of that period, should recovery not be achieved, the drill pipe and/or casing and/or drill tools would be considered lost and/or abandoned and Contractor would be entitled to receive payment according to the following Schedule:

Within the first feet/meters of drilling at seventy five (75) per cent of the replacement cost. Thereafter, liability would be decreased by five (5) per cent for each increment of feet/meters drilled.

The current replacement cost of the drill pipe and drill tools F.O.B. job site are:

- HQ Drill Rods X 10'	$ 168.00
- NQ Drill Rods X 10'	124.00
- BQ Drill Rods X 10'	109.00
- HQ Core Bbl X 10'	1,963.00
- HQ Core Bbl X 5'	1,796.00
- NQ Core Bbl X 10'	1,328.00
- NQ Core Bbl X 5'	1,234.00
- BQ Core Bbl X 10'	1,091.00
- BQ Core Bbl X 5'	1,028.00

Impregnated Diamond Core Bits:

- HQ	$ 781.00
- NQ	574.00
- BQ	390.00
- HQ Casing X 10'	112.00
- NQ Casing X 10'	68.00
- BQ Casing X 10'	51.00
- HQ Casing Shoe	375.00
- NQ Casing Shoe	305.00
- BQ Casing Shoe	245.00

6. **Compensation for Extracting Stuck and/or Broken Drill Pipe and/or Drill Tools, etc.: N/A**

Hours consumed in the recovery and/or attempted recovery of drill pipe and/or drill tools, etc. on any one bore hole would be chargeable at an hourly rate of $140.00 for the first eight (8) hours and at an hourly rate of $110.00 for all hours consumed after the first eight (8) hours. The maximum chargeable on any one bore hole would be thirty two (32) hours.

7. **Standby Time:**

Hours consumed per shift on a standby basis at the convenience and/or request of the Client will be chargeable at the following rates:

a. With drill crew @ $ 60 per hour
b. Without drill crew @ $40 per hour (Provided the drilling supervisor and/or crew driller is notified at least eight (8) hours in advance that standby will be required.)

All standby charges would be limited to eight (8) hours per shift in any one day.

8. **Providing Additional Supplies, Equipment, Personnel, etc.:**

The Contractor will, at the request of the Client, provide drilling mud, drilling additives, cement, supplies, equipment, etc., and engage subcontractors, and provide such additional services as may be required at Contractor's cost, plus fifteen (15) percent handling.

ATTACHMENT "A'

SCHEDULE OF CHARGES'

	HQ	NQ	BQ
Ø-5ØØ'	$17.5Ø	$15.ØØ	
5ØØ-1ØØØ'	$18.25	$16.75	
1ØØØ-15ØØ'	$19.75	$18.5Ø	

HOURLY CHARGES

Move and set-up between holes	$7Ø.ØØ per hour
Install and remove casing	$8Ø.ØØ per hour
Reaming	$8Ø.ØØ per hour
Hole conditioning (cementing, lost circulation)	$8Ø.ØØ per hour

---

WATER TRUCK CHARGES

MONTHLY RENTAL	4X4	$12ØØ.ØØ
MONTHLY RENTAL	2X4	$8ØØ.ØØ
WATER TRUCK MILEAGE		$1.5Ø
WATER TRUCK DRIVER (if required)		$25.ØØ per hour

DSC™

DRILLING SERVICES COMPANY

A Division of *Layne-Western Company, Inc.*

LW-511
Printed in U.S.A.

ROSEBUD PROJECT: DOZER HILL AREA
BID COMPARISONS
CORE DRILLING: 8,000 - 10,000 FEET
3/21/91

COMPANY	RIG	RANGES	$/FT HQ	$/FT NQ	OP COST $/HOUR	$ RCD	PER DIEM	MOB-DEMOB	OTHER CHARGES	$/FT MODEL #1
TONTO	UDR-650	0-500'	20.60	17.75	85.00	11.30/FT	0.00	5000.00	LABOR: $25/HR (SAMPLER)	19.05
		500-1000'	21.32	18.32		(0-400')			CAMERA: ~$1650/MO	
		1000-1500'	22.15	19.00					BELOW CHUCK CONSUMABLES	
COATES	UDR-650	0-1000'	20.45	18.80	RIG: $37	195.00	0.00	1000.00	WATER TRUCK:$2500/MO + $30/HR	17.19
		1000-1500'	21.50	19.95	CREW: $27/M.	(MAX 600')			DOZER:$3000/MO + $75/HR	
									LABOR: $20/HR (SAMPLER)	
									CAMERA: $1500/MO	
									MUD, CEMENT, ETC.	
SDS	LY-44	0-1200'	21.00	??	55.00	N/A	0.00	0.00	WATER HAUL: ~~$50~~/LOAD (HYCROFT)	23.15
									CAMERA: $1600/MO	
									PUMP & GENERATOR: ~~$50~~/DAY	
									CEMENT	
DRILL SERVICES	LY-38	0-500'	17.50	15.00	80.00	N/A	0.00	2000.00	WATER TRUCK: $800/1200/MO + $1.50	21.62
		500-1000'	18.25	16.75	(70.00)				DRIVER: $25/HR	
		1000-1500'	19.75	18.50					TRAVEL: $45/DAY??	
									CAMERA:??	
									CEMENT, CASING	

MODEL ASSUMPTIONS:
10,000' = ~4 MONTHS
RCD TO 400' = 4800' IN 12 HOLES
~12 HRS FOR 0-400' RCD
~10 HRS PER HOLE OP. COST

~19.43 ~~19.89~~ + 86¢ Assays = 20.30/ft +

± 21.57/ft +

SIIS | State Industrial Insurance System
515 East Musser Street • Carson City, Nevada 89714 **Telephone** NORTHERN OFFICE
702 687-5250

CERTIFICATE OF INSURANCE
FOR
CAMPBELL SAUNDERS LTD, RECEIVER

LAC MINERALS (USA) INC

PRIME NR 107317.9
CERTIFICATE ISSUED
MAY 22, 1991

PO BOX 21390
RENO NV 89515

THIS IS TO CERTIFY THAT CAMPBELL SAUNDERS LTD, RECEIVER HAS COVERAGE FOR HIS EMPLOYEES UNDER THE NEVADA WORKER'S COMPENSATION ACCOUNT # 175322.2 WHICH BECAME EFFECTIVE MARCH 20, 1991 AND SHALL REMAIN IN FORCE UNTIL NOVEMBER 21, 1991 OR UNTIL YOU HAVE BEEN NOTIFIED OTHERWISE.

THIS DOES NOT RELIEVE YOU OF THE RESPONSIBILITY OF PREMIUM PAYMENT ON THIS SUBCONTRACTOR IN THE EVENT HE FAILS TO PAY PREMIUM DURING THIS PERIOD. IN ORDER TO CLEAR THIS SUBCONTRACTOR FOR FINAL PAYMENT, CONTACT THIS OFFICE FOR A FINAL CERTIFICATE. WHEN YOU RECEIVE THE FINAL CERTIFICATE RETAIN IT IN YOUR FILE UNTIL THE STATE INDUSTRIAL INSURANCE SYSTEM AUDITS YOUR ACCOUNT.

THIS EMPLOYER ALSO DOES BUSINESS AS: COATES DRILLING INC

NAME AND ADDRESS OF INSURED
CAMPBELL SAUNDERS LTD, RECEIVER
DBA COATES DRILLING INC
3051 NORTH DEER RUN ROAD
CARSON CITY NV 89701

State Industrial Insurance System

Dated at
Carson City, Nevada _____ By _____ Title _____

PHS-326 (REV. 10/86)

SIIS | State Industrial Insurance System
515 East Musser Street • Carson City, Nevada 89714

Telephone NORTHERN OFFICE
702 687-5250

CERTIFICATE OF INSURANCE
FOR
CAMPBELL SAUNDERS LTD, RECEIVER

ANY OUT-OF-STATE CONTRACTORS MEETING THE DEFINITION OF NRS.624 WORKING TEMPORARILY IN NEVADA MUST OBTAIN NEVADA WORKERS' COMPENSATION INSURANCE PRIOR TO THE START OF ANY PROJECT IF THEY ARE:

1. COMING INTO NEVADA FROM A NON-RECIPROCATING STATE
   OR
2. COMING FROM A RECIPROCATING STATE AND THE PROJECT AS A WHOLE EXCEEDS $250,000.

NEVADA EMPLOYERS PLANNING TO WORK TEMPORARILY OUT OF NEVADA SHOULD CONTACT THE WORKERS' COMPENSATION AUTHORITY IN THE STATE WHERE THE WORK IS TO BE PERFORMED, PRIOR TO THE START OF ANY PROJECT, TO ASSURE COMPLIANCE WITH THE STATES' LAWS.

State Industrial Insurance System

Dated at
Carson City, Nevada 5/22/91 By Linda Tulley Title WCT III

PHS-326 (REV. 10/86)