



Abalone Unlimited Inc.

960 Guadalupe Street
P.O. Box 730
Guadalupe, Ca, 93434
(805) 343-2800

October 15, 1986

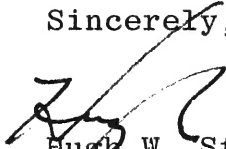
Mrs. Kathleen G. Jones
2360 Halcyon Road
Arroyo Grande, California 93420

Dear Mrs. Jones:

At your convenience, we would like to meet with you to discuss the reservoir placement. At the time of my last discussion on this subject with Bill D., he stated that he would talk to you about the moving of the proposed reservoir a short distance so that it would not interfere with the major Golden Girl area (possibly 200 ft. or so) and that if we could be a little flexible in our plans, any problems might be able to be worked out .

We are still in the flexible stage and would like to meet with you in this regards.

Sincerely,



Hugh W. Staton
President