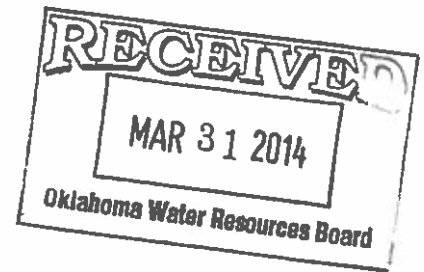


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March 31, 2014

Ms. Julie Cunningham
Mr. Kent Wilkins
Oklahoma Water Resources Board
3800 N Classen Blvd
Oklahoma City, OK 73118
Via Email jmcunningham@owrb.ok.gov
Kent.Wilkins@owrb.ok.gov

**Re: Material Service Corporation
Section 22-T2N-R5E, Pontotoc County
Status/Quarterly Report
4th Quarter 2013**

Dear Ms. Cunningham & Mr. Wilkins:

Please let this letter serve as a status update and for compliance purposes with 82 O.S. §1020.2(E)(1). Material Service Corporation (MSC) submitted a mine permit application to the Oklahoma Department of Mines (ODM) on June 25, 2003, and is still in the administrative process to obtain its permit; no mining permit has been issued. According to §1020.2(C)(2), MSC is considered an exempt mine. Once the mining permit is issued, MSC will report quarterly and annually to the OWRB on the mining status. This will be done in accordance with the §1020.2(E)(1). If the mine permit is issued between reporting periods, MSC will contact the OWRB prior to mining.

For your records, MSC did not produce any mine products or accumulate any pit water during the fourth quarter of 2013.

Sincerely,


Elizabeth C. Nichols