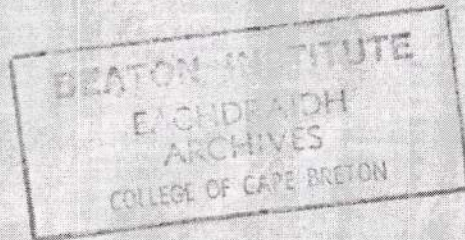


January 30th, 1969

Edward R. Lacey
P.O. Box 119
Bay Roberts
Newfoundland



Dear Mr. Lacey:

Pardon me for my delay in replying to your letter of January 6th. I have been away part of the time and other matters have also prevented me from answering earlier.

Replying to your letter by paragraph I would refer to paragraph # 4. I believe \$100,000.00 one hundred thousand dollars may do what you have in mind but in any case I will want to have a definite assurance that more would be available if required.

Re the next paragraph in which you suggest forwarding a list of all known methods that have been thought of by the new company or myself or known to me to date. This would take a considerable amount of referred reference back to correspondence over the past number of years and the number would run into a figure probably over one hundred.

By the way the parties who are now getting lined up for work in 1969 have their ideas and objective definitely settled and will be carrying it out.

Re the last paragraph of your letter in connection with the pages from Reader's Digest, I would say in the main this story of Oak Island has a considerable amount of fact in it but some of it is the writer's imagination. I have noted the various points you have questioned by numbering them in the blue ink.

Re # 1 - I do not think the term torrents of water suddenly surged into the shaft is quite the right term. The water came in from the bottom taking a number of hours to fill the pit up to tide level.

Re # 2 - The time is now 174 years ago, the balance of the paragraph I believe is correct.

Re # 3 - Re authentic records do refer to some of the layers of timber having some coconut fiber on them and also a material that looked like putty which may possibly have been the bluish-grey clay which is impervious to water and when damp works something like putty. Regarding the stone it is a fact there was a stone taken out at the 90 foot timber level but there seems to be a question as to any intelligent markings on it. Someone who claimed to be able to read Spanish stated that two million pounds was buried ten feet below. So far as I am concerned this may be correct or it may be somebody's imagination as to the writings on the stone, if any.

Re # 4 - The records still state that the crowbar was punched down between the timber at the 90 foot level and encountered a box, barrel or a chest or some other obstruction about 5 feet below the platform. This was never uncovered due to the water having come in during the following week-end and after that the bottom fell out of the pit due to close by shafts being sunk and tunnelled in under the original pit.

Number 5 is what I referred to in the previous # 4.

Re # 6 - I am of the opinion that the writer of this article became confused and placed as 98 feet the level which my father in 1897 bored through oak, loose material, more oak, more loose material and finally more oak.

Re # 7 - This paragraph I believe is correct according to records made at the time. The only difference being the 154 feet should be 145 feet.

Re # 8 - This I believe is according to records.

Re # 9 - This is supposed to be a report of my father's experience in 1897 at 153 feet encountered oak timber and bored through it five inches then 2 feet of loose material, ten inches of oak, two more feet of loose material, 5 inches of oak, then into clay and further down at 171 feet encountered iron.

I may say that my father's experience is what gives me my belief in Oak Island.

I may say that since the first of the year I have received two communications from parties, one of which intimates that he knows exactly what was done on Oak Island and knows the solution in how to recover the treasure. I might say I have dozens of letters along the same line. This party offers to sell me his information but has not yet set a price on it.

Thanking you for your continued interest,

Yours very truly,

M.R. CHAPPELL

MRC/jh

P.S. - I am enclosing leaves from Reader's Digest which you so kindly forwarded.