State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

June 8, 2010

Linda Shun
Zions Bank
International Operations
550 South Hope St., 3rd Floor
Los Angeles, California 90071

Subject: Return of Letter of Credit No. [illegible], Western Clay Co., Bentonite Pits, M/041/0012, Sevier, Utah

Dear Ms. Shun:

Zions Bank is presently holding two Letters of Credit No. ZSB800513 and No. ZSB802245 for the benefit of the State of Utah, Division of Oil, Gas and Mining (Division), as a form of reclamation surety for the Western Clay Company, Bentonite Pit Mine. The Division has been notified by Zions Bank that LOC No. [illegible] ($121,100) will not be renewed. However, the LOC No. [illegible] will be increased to $428,000 for the full-required reclamation surety. Therefore, the Division is returning the original LOC No. ZSB802245.

If you have any questions or concerns about these letters of credit, please contact John Rogers at 801-538-5349 or Penny Berry (bond coordinator) at 801-538-5291. Thank you for your help in this matter.

Sincerely,

Paul B. Baker
Mineral Program Manager

PBB:jcr:pb
cc: Corey Thurston - Western Clay
John Blake – SITLA - jblake@utah.gov
Penny Berry, DOGM
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UTAH DNR OIL, GAS & MINING