GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2010

Zions Bank
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Subject: Authorization for Partial Release of Reclamation Surety, Irrevocable Letter of Credit #[redacted] Western Clay Company, Aurora Clay Mine, S/041/0033, Sevier County, Utah

Dear Sir or Madame:

Zion's Bank is presently holding Letter of Credit #ZSB801123 for $14,000 for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Western Clay Company's Aurora Clay Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter will authorize the partial release of LOC #[redacted] of sufficient principal to reduce the face value of the Letter of Credit to no less than $4,000 dollars

When this transaction has been accomplished, please furnish us with written confirmation that appropriate funds have been released and that the balance of retained funds will remain at no less than $4,000.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:lk:pb
cc: Brad Boyter, Operator
Penny Berry, DOGM
Bob Miller, Zions Bank Branch Manager, 155 West Main, Salina, Utah 84654
P:\GROUPS\MINERALS\WP\M041-Sevier\S0410033-AuroraClay\Final\bank-2829-04142010.doc