State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 9, 1991

Mr. Robert A. Franden
Chairman and Chief Executive Officer
American Gilsonite Company
136 East South Temple Street, Suite 2350
Salt Lake City, Utah 84111-1104

Dear Mr. Franden:

Re: **Change in Corporate Ownership, American Gilsonite Company, Bonanza Operations, M/047/010, Uintah County, Utah**

The Division is in receipt of your letters dated July 31 and August 8, 1991, regarding the recent change in ***corporate*** ownership of the Bonanza Gilsonite Mine Operations from Chevron Corporation to Stratford Enterprises Company. From your letter and a review of the Division files for this operation, we have determined that a formal permit transfer process of the Notice of Intent to Conduct Mining (NOI) will not be necessary. However, because our permitting records show an apparent overlap of Chevron Resources Company (Chevron) and American Gilsonite Company (AGC) as owners and/or operators of this mine, we require some additional information for the purpose of clarification and chain of responsibility.

Our files for this operation currently contain commitments to our rules and reclamation of the operation which are signed by officers of Chevron and/or AGC. We request that the enclosed Reclamation Contract (FORM MR-RC) be completed with the current information and executed by the appropriate corporate personnel. Please provide the name of your registered agent here in Utah and a list of the principal corporate officers as requested in the Reclamation Contract form. In addition, we request the name, title, address, and phone number of the company representative whom we should consider our primary contact for the Bonanza mine operations.

The Reclamation Contract must be filled out as is, while the additional information may be provided in the form of a letter. Please provide the information requested even if the data is essentially unchanged under the new corporate ownership.

Your August 8, 1991, letter indicates that American Gilsonite Company is both the owner and operator of the mining and processing facilities in Bonanza, Utah. Pursuant to my telephone conversation with Mr. Clark Christensen on July 31, 1991, we assume that a new reclamation surety will need to be posted by American Gilsonite Company, to enable us to release the existing surety back to Chevron Corporation (?). If this is inaccurate, please advise us accordingly. The existing surety bond estimate is due for reevaluation by the Division. This should be completed before we process a replacement surety. We will need to schedule a field inspection to confirm current mine site disturbances and existing facilities before a new estimate can be prepared.

If you have any questions regarding the information requested or the Reclamation Contract please contact me or Tony Gallegos of my staff.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permitting Supervisor
Minerals Reclamation Program

attachment
DWH:aag
cc: Lowell Braxton
Tony Gallegos
M047010.2