m/047/010

American Gilsonite Company
Bonanza Minesite
HC 73 Box 28
Vernal Utah 84078-9284 • Phone (435) 789-1921 • Fax (435) 789-1956

June 9, 2000

Anthony Gallegos
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Mr. Gallegos:

Due to an error in preparing the letter of May 31, 2000 two copies of the page responding to your specific questions on the I-12 amendment were included in the package sent to Mr. Hedberg. One of these pages requested 45 days to finalize the changes in the large mine surety bond the other requested 90 days. Our intent was to request 90 days. We feel the 90 days is appropriate because in addition to the time required to settle the differences in the amount of the bond with DOGM, we must also make arrangements to change the bond. Our current bond is held through a third party (Chevron.) Chevron would like to get out of our agreement with them. So there will be negation with them as will as the insurance company. In order to get this all settled will take some extra time.

Sincerely,

Neldon Kunz
Mine Supt.

RECEIVED
JUN 13 2000
DIVISION OF
OIL, GAS AND MINING

® Gilsonite is a registered trademark of American Gilsonite Company

m/047/010

American Gilsonite Company
Bonanza Minesite
HC 73 Box 28
Vernal Utah 84078-9284 • Phone (435) 789-1921 • Fax (435) 789-1956

June 9, 2000

William Stokes
Utah Division of Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Dear Mr. Stokes:

In order to move ahead with the development of a mine on the lease ML-851, we would like to move the CD ($5000) from ML-31999 to ML-851. ML-31999 currently has no disturbance on it and none is planned in the near future. By moving this CD we can move ahead with the development of a mine on ML-851 while we finish negations with DOGM on the adjustments to the surety for our large mining operation.

Thanks for your help in this matter.

Sincerely,

Neldon Kunz
Mine Supt.

Cc: DOGM.

RECEIVED
JUN 13 2000
DIVISION OF
OIL, GAS AND MINING

®Gilsonite is a registered trademark of American Gilsonite Company