GARY R. HERBERT
Governor

SPENCER J. COX
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

December 1, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 6535

Nicholas Lott
American Gilsonite Company
29950 South Bonanza Highway
Bonanza, Utah 84008

Subject: Conditional Approval of Permit Transfer, Tom Taylor Mine, Ziegler Chemical and Mineral Corporation, S/047/0065, Uintah County, Utah

Dear Mr. Lott:

The Division of Oil, Gas and Mining approves the transfer of the Tom Taylor mine from Ziegler Chemical and Mineral Corporation to American Gilsonite Company conditional on receipt of a signed and notarized reclamation contract and a reclamation surety in a form and amount acceptable to the Division. The Division needs to be named as a beneficiary on the surety, or alternatively, the Division can enter into a memorandum of agreement with the Bureau of Land Management if the surety is held by the BLM. This agreement would recognize the Division as a beneficiary on the surety. Please provide the reclamation contract and reclamation surety by December 31, 2015.

Thank you for cooperation. Please refer to file S/47/0065 in any correspondence regarding this operation. Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have questions regarding this approval.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:aa:pb
Enclosure: May 2015 Inspection Report
cc: Chip Ziegler, Ziegler Chemical Corporation (chip@zieglerchemical.com)
Stan Perkes, BLM (sperkes@blm.gov)
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UTAH DNR OIL, GAS & MINING