5/14/00 S/047/072 HARDAWAY #1
ZIEGLER CHEMICAL & MINERAL

- SMO RECEIVED MARCH 6, 2000 & ARCH BENCH SE
- LOCATION: ASPHALT WASH QUAD MAP, HARRISON VEIN
  NE1/4 SW1/4 SEC 7 T11S, R24E
- PATENTED MINING CLAIMS - SURFACE = ZIEGLER
  - MINERAL = AMERICAN GILSONITE
- MORE THAN 2 MILES FROM NEAREST ZIEGLER OPERATION
  (= TOM TAYLOR - NE1/4 SEC 3, T10S, R24E)

- PROPOSED OPERATION
  - DRILL SOME EXP HOLES, ~1,000 FT DEPTH; 3 OR 4 w/SMALL RIG & WATER
    SOME HOLES DRILLED w/AIR; NO NEW ROADS FOR HOLES
  - SHAFT LOCATED ~50 FT WEST OF UINTAH COUNTY ASPHALT WASH ROAD.
    - ESCAPEWAYS LOCATED ON BOTH SIDES OF SHAFT ALONG VEIN
    - MINING TO PROCEED SE TO NW ALONG VEIN
    - NO GILSONITE MINED WITHIN 35 FT OF SURFACE
    - 1.65 ACRES OF DISTURBANCE PROPOSED

⇒ MINING BENEATH COUNTY ROAD & LEAVING 35' THICK SURFACE PILLAR.
⇒ COUNTY MUST APPROVE?

⇒ PROXIMITY TO OIL & GAS WELLS A CONCERN?
⇒ UG WATER A CONCERN?
⇒ CC TO AMERICAN GILSONITE (MINERAL OWNERS?)
⇒ PROXIMITY OF UG WORKINGS & ESCAPE SHAFT TO ADJACENT MINERAL OWNERS? ⇒ BARRIER PILLAR?