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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 9, 2016

Nick Lott
American Gilsonite Corporation
29950 South Bonanza Highway
Bonanza, Utah 84008

Subject: Final Approval of Permit Transfer, American Gilsonite Corporation, Harrison Mine, S/47/0100, Uintah County, Utah

Dear Mr. Lott:

On April 25, 2016, the Director of the Division of Oil, Gas and Mining approved the replacement surety and reclamation contract for the transfer of the Notice of Intention to Commence Small Mining Operations (NOI) for the referenced project from Ziegler Chemical and Mineral Corporation to American Gilsonite Corporation. You are now solely responsible to conduct small mining operations as outlined in the approved NOI. Ziegler Chemical and Mineral Corporation is hereby released from any further reclamation liability under this permit.

The approval or acceptance of a complete NOI does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

The Division's web page at http://ogm.utah.gov under the Minerals Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/047/0063. Please contact April Abate at 801-538-5214 or me 801-538-5261 if you have questions or concerns regarding this approval.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:aa:pb
Enclosure: Copy of RC & surety forms and copy of the approved NOI
cc: Chip Ziegler, Ziegler Chemical Corporation (chip@zieglerchemical.com)
Matt Cazier, Uintah County mcazier@uintah.utah.gov
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UTAH DNR OIL, GAS & MINING