

Jim Ruby <jim.ruby@wyo.gov>

Fw: Fw: Mediation between 2U Ranch, LLC and BPM, LLC

1 message

Ronald Ericsson <ericsson@childselect.com>

Tue, Aug 14, 2018 at 4:01 PM

To: "jim.ruby@wyo.gov" <jim.ruby@wyo.gov>, "joe.girardin@wyo.gov" <joe.girardin@wyo.gov>

From: Ronald Ericsson on behalf of Ronald Ericsson <ericsson@childselect.com>

Sent: Tuesday, August 14, 2018 3:24 PM

To: mjmicheli@hollandhart.com; sryemington@hollandhart.com **Subject:** Fw: Fw: Mediation between 2U Ranch, LLC and BPM, LLC

From: Ronald Ericsson on behalf of Ronald Ericsson <ericsson@childselect.com>

Sent: Friday, August 3, 2018 10:56 AM

To: Lucy Pauley

Cc: bridget.hill1@wyo.gov; kari.gray@wyo.gov; SecofState@wyo.gov; treasurer@wyo.gov; SAOAdmin@wyo.gov; askthesuperintendent@wyo.gov; Ogden.Driskill@wyoleg.gov; tyler4hd1@gmail.com; don.eisenhour@colloid.com; Lyndon.Bucher@mineralstech.com; rodney.raber@colloid.com; rodney.wheaton@mineralstech.com; jason.schneider@mineralstech.com; mark.wardell@colloid.com; sara.vetter@colloid.com; Joel Severin; Tyler Tetrault; Jennifer Hartman; kyle.wendtland@wyo.gov; todd.parfitt@wyo.gov; josh.malmberg@wyo.gov; schlosserangus@rangeweb.net; Raenell Taylor; Meredith & Anthony Tavaglione; vackerman@spe.midco.net; scottaericsson@gmail.com; rolandericsson@cox.net; Beverly Keegan; Julie Anderson; Spencer Ericsson; mvictoria.ericsson@gmail.com; Jean Ericsson; fmclarkson@msn.com; Warren.Scott@halliburton.com; Melody Smith; Roxie Dacar; Jim Dacar; Levi Dacar; dacar9625@gmail.com; mary.hopkins@wyo.gov; teamwy@fosterfriess.com

Subject: Re: Fw: Mediation between 2U Ranch, LLC and BPM, LLC

To: Lucy Pauley, Mediation Coordinator, Wyoming Department of Agriculture

The Mediation Program states when to mediate. One is when "You've tried to negotiate". 2U Ranch has tried to negotiate with Bentonite Performance Minerals for an extended period without resolving issues that pertain to the permit. 2U Ranch remains committed to mediate in good faith without preconditions. If 2U Ranch required preconditions we would not be negotiating in good faith.

It is premature to meditate until 2U Ranch receives information requested from Kyle Wendtland, Administrator, Department of Environmental Quality and from the State Board of Land Commissioners. 2U Ranch needs to know if the application to mine according to WYDEQ non-coal rules is "technically adequate" and addresses all technical

aspects of State statutes, rules and regulations and the National Historic Preservation Act. Plus, the issue of how can the state issue a mining lease in which they do not have all the mineral rights! Until these issues are clarified and resolved 2U Ranch is unable to negotiate in good faith. As a landowner we require TOTAL compliance with the rules according to all rights afforded to the landowners and fair compensation for impacts to the surface of ALL landowners.

WDEQ-LQD Mining Permit 267C - Wyoming State Lease 42804 -TFN #6 1/97

- 1. The permit would allow BPM to remove and destroy 10,936 trees, springs, marshes, wetlands, wildlife habitat to recover low-grade bentonite. Section 2.11.8.6, Postmining Tree Restoration is <u>Technically inadequate</u> as BPM has not provided a specific Reclamation Plan which details the replanting methods and locations. Section 2.11.41-6 Revegatation and Seed makes reference to Lonesome Country LC as the landowner which is incorrect, 2U Ranch LLC is the landowner and this makes the permit - <u>Technically inadequate.</u>
- 2. W.S. 35-11-402, Establishment of Standards states reclamation should be to the highest previous use of affected lands. Both the State of Wyoming and BPM know reclamation is not physically or realistically reclaimable to highest previous use. Reclamation will never meet the standard required by W.S. 35-11-402. Again another violation that makes the permit Technically inadequate.
- 3. For the state to offer a lease to BPM to mine minerals then the state has to be the owner of such minerals. Such is not the case as the state does not own all of the mineral rights included in the lease. Once again, the permit is Technically inadequate.
- 4. The Office of State Lands and Investments did not contact the Wyoming Historic Preservation Office which is required by the Rules and Regulations, Board of Land Commissioners, Chapter 22, Leasing of Bentonite adopted pursuant to the authority granted in W.S. 36-6-102(b) to protect historical, archaeological or paleontological materials. There are 19 known cultural sites and 7 isolated finds on lands surrounding the proposed mining. The fifth issue that makes the permit **Technically inadequate.**

The Ericsson family has, for four decades, entered in to a number of mining agreements with three bentonite companies - to include BPM (terms of 1 to 10 years). All agreements were conducted directly with these mining companies without counsel present. 2U Ranch is on record to mediate with BPM without preconditions. Now that BPM has counsel they will mediate with 2U Ranch only if we agree to certain conditions (see email below in red). 2U Ranch interprets this as BPM is not willing to negotiate in good faith.

If BPM has not obtained or reasonably expects to obtain legal access to cross property of other landowners to reach the site to mine then discussing issues on the permit with 2U ranch is a mute point. 2U Ranch has knowledge that not all landowners that BPM must cross have agreed to access.

The attached aerial photo of the region shows land that have been mined in the past without destroying forever the natural terrain and habitat of 2U Ranch.

On behalf of the correct landowner 2U Ranch LLC.

Ronald J. Ericsson, PhD
Scott A. Ericsson, PhD
Roland S. Ericsson, Attorney at Law

From: Lucy Pauley < lucy.pauley@wyo.gov> Sent: Wednesday, August 1, 2018 9:17 AM

To: Ronald Ericsson

Cc: scottaericsson@gmail.com; rolandericsson@cox.net Subject: Re: Fw: Mediation between 2U Ranch, LLC and BPM, LLC

I received a reply back from Sam Yemington with the following information:

BPM agrees to mediate with 2U regarding surface access issues with the following two conditions:

- 1. 2U agrees and understands that BPM will have counsel present to assist in the negotiation and draft an enforceable surface use agreement.
- 2. 2U agrees to provide, at least five business days prior to mediation, a written mediation statement. At 2U's request, BPM will provide a response mediation statement. It remains BPM's position that a detailed mediation statement will assist the parties in focusing the mediation and arriving at a positive result. The mediation statement should include, at a minimum, the following information:
 - The name and title, if any, of the persons, counsel or authorized representatives who will be attending and participating in the mediation on behalf of 2U.
 - A brief statement of the factual issues contributing to the dispute.
 - The main issues preventing resolution of the dispute.
 - A brief statement of the status of negotiations, including the last settlement proposal made by 2U.
 - A surface access proposal to which 2U would be agreeable.

Do you agree to those conditions?

Lucy

On Mon, Jul 30, 2018 at 4:09 PM, Lucy Pauley lucy.pauley@wyo.gov wrote:

Just to keep you updated, I sent your response to Sam Yemington on July 25 and I'm waiting to hear back. I'll be out of the office tomorrow (Tuesday) but I'll let you know as soon as I hear anything back. Thanks!

Lucy

On Wed, Jul 25, 2018 at 8:11 AM, Ronald Ericsson ericsson@childselect.com wrote:

Lucy,

Please inform Mr. Yemington our position remains as stated (see below in red) - we are willing to negotiate all issues related to the permit. RJE

From: Lucy Pauley < lucy.pauley@wyo.gov>

Sent: Tuesday, July 24, 2018 4:25 PM

To: Ronald Ericsson

Cc: scottaericsson@gmail.com; rolandericsson@cox.net Subject: Re: Fw: Mediation between 2U Ranch, LLC and BPM, LLC

I talked to Sam Yemington late yesterday and then I was on the road most of today. I apologize for the delay! Sam indicated that BPM is willing to enter into mediation but they need assurances that the following topics will be included in the discussion:

Are you all willing to discuss those issues with BPM with their attorneys present?

Lucy

On Mon, Jul 23, 2018 at 2:46 PM, Lucy Pauley < lucy.pauley@wyo.gov> wrote: I haven't heard back from them yet. I was planning on touching base again today. I'll let you know when I hear back.

Lucy

On Mon, Jul 23, 2018 at 2:19 PM, Ronald Ericsson <ericsson@childselect.com> wrote: Lucy,

Has BPM made a decision to mediate or not mediate? We are ready to mediate now. RJE

^{*}access to private haul roads

^{*}duration of the surface use agreement

^{*}haulage rates and payments

^{*}incentive payments

From: Ronald Ericsson on behalf of Ronald Ericsson <ericsson@childselect.com>

Sent: Monday, July 16, 2018 10:23 AM

To: Lucy Pauley

Cc: scottaericsson@gmail.com; rolandericsson@cox.net; mvictoria.ericsson@gmail.com; Spencer

Ericsson; pericsson1237@gmail.com; Jean Ericsson; rolandericsson@cox.net

Subject: Re: Mediation between 2U Ranch, LLC and BPM, LLC

Lucy,

We too want to know what issues BPM are willing to negotiate. <u>Our position is we are willing to negotiate all issues pertaining to the permit.</u> RJE

From: Lucy Pauley < lucy.pauley@wyo.gov>

Sent: Monday, July 16, 2018 9:53 AM

To: Ronald Ericsson

Cc: scottaericsson@gmail.com; rolandericsson@cox.net; mvictoria.ericsson@gmail.com; Spencer

Ericsson; pericsson1237@gmail.com; Jean Ericsson

Subject: Re: Mediation between 2U Ranch, LLC and BPM, LLC

Scott & Family: I just got off the phone with Sam Yemington of Holland and Hart, on behalf of Bentonite Performance Minerals. Sam expressed their willingness to enter into mediation but before they consent, they'd like a specific list of issues that 2U Ranch will be willing to negotiate in mediation. I know they are specifically interested in the length of the surface use agreement and payments to the ranch. Are there any items that you are unwilling to negotiate on?

Lucy

On Thu, Jul 12, 2018 at 3:46 PM, Lucy Pauley lucy.pauley@wyo.gov wrote:

Scott: I have received your email and I will contact the other parties tomorrow and let them know that mediation has been requested. I will copy you on all of the information that I send to them and let you know when I have a response. Thank you!

Lucy

On Thu, Jul 12, 2018 at 3:04 PM, Ronald Ericsson <ericsson@childselect.com> wrote:

Lucy Pauley:

We would like to request that the Wyoming Department of Agricultural & Natural Resource Program mediate the disagreement between Bentonite Performance Minerals (BPM) – Halliburton and the 2U Ranch, LLC on the proposed mining on lands described in Wyoming State Mineral Lease 42804 - amended Department of Environmental Quality (DEQ) Mining Permit 267C.

BPM has requested that the Environmental Quality Council have a mining permit issued by the DEQ without the approval of mining - reclamation plans by surface rights owners and absence of surface owner agreements.

Contact information for involved parties:

Joel Severin
Bentonite Performance Minerials, LLC
554 US Hwy 212
Belle Fourche, SD 57717
(307) 896-8516
joel.severin@halliburton.com

Matt J. Micheli Samuel R. Yemington Holland & Hart LLP 2515 Warren Avenue, Suite 450 PO Cox 1347 Cheyenne, WY 82001 (307) 778-4200 MJMicheli@hollandhart.com (Attorneys for BPM)

James Ruby
Executive Secretary
Environmental Quality Council
122 W. 25th, Rm. 1714 Herschler Bldg.
Cheyenne, WY 82002
(307) 777-7170
jim.ruby@wyo.gov

2U Ranch, LLC
Ronald Ericsson
Scott Ericsson
Roland Ericsson
426 Lonesome Country Rd
Alzada, MT 59311
(307) 878-4494
ericsson@childselect.com
scottaericsson@gmail.com

Best,

Scott A. Ericsson, PhD 2U Ranch, LLC – Co-owner

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Lucy Pauley Mediation Coordinator Wyoming Dept. of Agriculture State of Wyoming 2219 Carey Avenue Cheyenne, WY 82002-0100

(307) 777-8788 Fax: (307) 777-6593

http://wyagric.state.wy.us/divisions/nrp/mediation-program

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