



Bruce S. Asay,\* PC  
David G. Ditto\* PC  
Gregory Asay  
\*Admitted in WY and CO

Author's email:  
dditto@associatedlegal.com

August 21, 2017

**BY CERTIFIED AND FIRST CLASS MAIL**

by email: [djones@spencers.com](mailto:djones@spencers.com)

Jim Crossingham  
TTT Ranch  
P.O. Box 988  
Mount Airy, North Carolina 27030

**RE: WDEQ/LQD Surface Owner Consent / Herco Amendment**

Dear Mr. Crossingham;

On June 15, 2017 Mr. Gibson provided to you copies of the mining plan, reclamation plan, a Surface Landowner's Consent Form, map and other materials relating to the Herco Amendment to Permit to Mine No. 248C, with a request that you review the materials and return the signed Form 8, all in compliance with W.S. §35-11-406(b).

The Herco Amendment covers the following property in T41N, R81W:

Section 2: SE1/4SE1/4  
Section 11: E1/2

As you are aware, on March 19, 2014, Herco Minerals, LLC quitclaimed to BHB the minerals in the SE1/4SE1/4 of Section 2, and the NE1/4NE1/4 of Section 11. Nevertheless, we have included a copy of the deed herewith.

As to the remainder of the NE1/4 of Section 11, you assigned to BHB "all of your right, title and interest in and to the bentonite in, on and under" the TTT #10 mining claim with the "right to use and occupy the Mining Claims as reasonably necessary for mining operation thereon without payment of additional fees or surface damage payment." Black Hills has honored the Assignment by continuing to make annual payments of \$15,000 to you since it was signed in July, 2013. Again, we have included a copy of the Assignment.

**Exhibit 2**

Finally, with respect to the SE1/4 of Section 11, BHB has received ownership of the Bobcat #10 Placer Claim that was located on May 18, 2008 and later recorded, all of which is of public record.

BHB asked that I make one last request of you to cooperate by signing Form 8. As we have previously discussed, time is of the essence since the Assignment terminates in 2020. BHB has instructed us to file a petition with the Environmental Quality Council for an Order in Lieu of Landowner Consent if BHB does not receive a signed Form 8 from you by August 31, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "David G. Ditto". The signature is stylized and cursive.

David G. Ditto  
DGD/eb

STATE OF WYOMING }  
COUNTY OF JOHNSON } SS Doc Number: 137117  
This instrument was Filed for record on 4/8/2014 at 11:40 AM  
and was duly recorded in book: 352 page: 288 - 288 fees: 12.00  
Johnson County Clerk  
By Mary Keabner Deputy

**QUITCLAIM DEED**

KNOW ALL MEN BY THESE PRESENTS, that **Heringer/Herco Minerals, LLC**, Grantor, Billings, Yellowstone County, State of Montana and for the consideration of One Dollar and other good and valuable consideration in hand paid, the receipt whereof is hereby acknowledged, hereby conveys and quitclaims to **BHB Limited Partnership**, P.O. Box 9, Mills, Natrona County, State of Wyoming, 82644, Grantee, all of their interest in the bentonite found on or in the following described property, situated in Township 41 North, Range 81 West, limited to Sections 2 and 11, County of Johnson, in the State of Wyoming, to wit:

SE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 2

NE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 11

Grantor waives all rights to any homestead exemption.

Dated this 19<sup>th</sup> day of March, 2014

Heringer/Herco Minerals, LLC

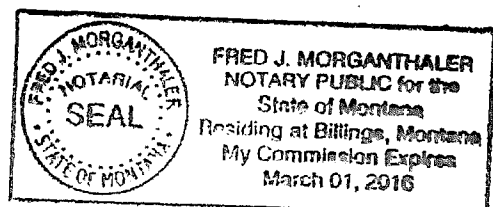
Charles J. Heringer, III  
Charles J. Heringer, III, Manager

STATE OF MONTANA )  
 ) ss.  
COUNTY OF YELLOWSTONE )

The foregoing Quitclaim deed was acknowledged before me this 19<sup>th</sup> day of March, 2014 by Charles J. Heringer, III, Grantor herein.

WITNESS my hand and official seal.

Fred J. Morgenthaler  
Notary Public



## ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS that, J. H. Crossingham, IV (“**Crossingham**”), for and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign unto **BHB Limited Partnership**, a Wyoming limited partnership (“**BHB**”), certain properties, rights, and interests subject to the terms and conditions and terms hereof (“**Assignment**”).

- (1) Crossingham hereby assigns unto BHB, its successors and assigns, Crossingham’s right, title and interest in and to the bentonite in, on and under the following described unpatented placer mining claims located in Johnson County, Wyoming (“Mining Claims”):

<u>Name of Claim</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>Recording</u>	<u>BLM</u>	
				<u>Book</u>	<u>Page</u>	<u>Serial Number</u>
TTT #10	11		41N., 81W.	337 / 257		WMC 303691
TTT #11	13		41N., 81W.	337 / 258		WMC 303692

- (2) BHB agrees to pay unto Crossingham the sum of Seventy-Five Thousand Dollars (\$75,000.00) as royalty for the bentonite on the Mining Claims in five (5) equal annual payments of Fifteen Thousand Dollars (\$15,000.00), the first payment being due and payable on or before July 21, 2013, and subsequent payments being due and payable on April 30<sup>th</sup> of 2014, 2015, 2016, and 2017. BHB shall be required to make all payments whether or not it conducts mining operations on the Mining Claims.
- (3) This Assignment shall be in force and effect from April 30, 2013 to April 30, 2020. On May 1, 2020 this Assignment shall expire and all rights and interests granted to BHB hereunder shall terminate and be of no further force and effect.
- (4) The parties agree that this Assignment is made and accepted upon the understanding and agreement that Crossingham’s right to and under the Mining Claims and to bentonite thereon is accepted by BHB in its “where is, as is” condition without any warranties whatsoever.
- (5) During the term hereof, Crossingham will pay for and perform all obligations related to maintenance of title to the Mining Claims.
- (6) Crossingham grants to BHB the right to use and occupy the Mining Claims as reasonably necessary for mining operations thereon without payment of additional fees or surface damage payment.

IN WITNESS WHEREOF, this Assignment is dated effective the 30<sup>th</sup> day of April, 2013.

**Crossingham:**

**BHB Limited Partnership**

James H. Crossingham IV  
 J. H. Crossingham IV  
 107 Wild Horse Trail  
 Mount Airy, NC 27030

Larry Madsen  
 By: Larry H. Madsen  
 Vice President & Chief Financial Officer

STATE OF NORTH CAROLINA )  
 ) ss.  
 COUNTY OF SURRY )

The foregoing instrument was acknowledged before me by J. H. Crossingham IV on this 12<sup>th</sup> day of July, 2013.

WITNESS my hand and official seal.

MY COMMISSION EXPIRES 7/30/2017

Marla A. Galyean  
 NOTARY PUBLIC

STATE OF WYOMING )  
 ) ss.  
 COUNTY OF NATRONA )

The foregoing instrument was acknowledged before me this 24 day of July, 2013, by Larry Madsen, Vice President and Chief Financial Officer of BHB Limited Partnership, a Wyoming limited partnership.

WITNESS my hand and official seal.

My Commission Expires: 7/30/2017

Sherie L. Gray  
 Notary Public

