

From: [Mazzone, Michael J.](#)
Date: 8/14/2017 5:03:54 PM
To: 'rolandericsson@cox.net'
Cc: [Ronald J. Ericsson](#); [Scott A. Ericsson](#); [Meredith & Anthony Tavaglione](#); [Leslie Cody](#)
Subject: RE: BPM--Your proposal of Aug 8

Roland:

Thank you for the proposal, and thank you for letting me know that your group has confirmed to meet in Las Vegas on Saturday, August 26.

There are a number of items in your proposal that I think the parties may be able to agree on after some back and forth negotiations. However, there are some other things that are serious issues for BPM that, if they are not negotiable, will make our planned meeting a waste of everyone's time. Therefore, I want to get your groups' view on this subset of issues. Here they are:

Lawyer attendance. We believe it is important for lawyers to attend this meeting. We would like to conclude the meeting with a clear and enforceable agreement. We think lawyer attendance is important to achieve this goal. BPM is insisting that at least one of its lawyers attend. Please let me know if you are willing to meet with a BPM lawyer in attendance.

It is not clear to us from the proposal if your group is seeking \$0.28 *per owner* for hauling such that, if we haul from point A to point B and cross the property of all three owners, BPM would be required to pay \$0.84/ton for hauling. Please let me know if this is what your group is proposing. If it is, please let me know if your group is willing to cap the total amount that BPM pays for hauling at \$0.28 (regardless of the number of owners). The rate of \$0.28 is already quite a bit above market.

BPM's assumption is that it will take 20 years to mine its bentonite. Therefore, a seven year term will not work for us. Please let me know if your group is willing to consider a 20-year term.

Is the incentive payment expected to be an advance payment of hauling fees and surface disturbance payments or is it being requested on top of these other fees?

BPM needs your input on these four items. We've not yet made travel arrangements for the Las Vegas meeting. If your proposal on these items is non-negotiable, I'm afraid we will need to cancel the meeting and proceed another way.

I look forward to hearing from you.

MJM

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