



*Colony, Wyoming Plant  
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June 29, 2018

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

2U Ranch, LLC  
426 Lonesome Country Road  
Alzada, Montana 59311

**RE: BENTONITE PERFORMANCE MINERALS, LLC**

Dear Surface Landowner:

On May 25, 2018, Bentonite Performance Minerals, LLC (BPM) Environmental Specialist Jennifer Hartman received a telephone call from Mr. Ronald Ericsson, manager of 2U Ranch, LLC (2U), regarding the proposed bentonite mining operations on surface lands owned by 2U. Mr. Ericsson acknowledged receipt of the May 24, 2018 BPM letter to 2U enclosing the revised mining and reclamation plans and requesting 2U's consent to the proposed operations. Mr. Ericsson informed Ms. Hartman of 2U's unwillingness to consent to the proposed operations.

Mr. Ericsson further communicated concerns to Ms. Hartman that the mining plan over-projects the duration of mining operations and that the reclamation plan does not address the replacement of trees necessarily removed by BPM to access the minerals. Mr. Ericsson informed Ms. Hartman that 2U intended to respond to the May 24, 2018 letter in writing. On June 27, 2018, BPM received such response from 2U by certified mail. The response letter requested clarification as to why BPM's proposed reclamation plan did not address "tree reclamation" as first sought by 2U on November 13, 2017. The June 27, 2018 response letter did not raise any further concerns.

The purpose of this letter is to respond to the concerns raised by Mr. Ericsson in the May 25, 2018 telephone conversation with Ms. Hartman and your June 27, 2018 letter regarding (1) the length of the proposed operations and (2) the disturbance and replacement of trees by BPM on surface lands owned by 2U.

As a threshold matter, BPM has discussed the proposed mining and reclamation plans in great detail with 2U (together with Mr. Ericsson, among others) beginning in January 2015. BPM has sought to involve you in the process and address your concerns to the extent possible. In this effort, BPM has previously considered your position regarding the duration of the proposed mining operations and the disturbance and replacement of trees, and these concerns,

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together with other concerns raised by you throughout the process, are reflected in the final mining and reclamation plans.

With respect to the duration of surface lands disturbance, the mining and reclamation plans project operations to continue through approximately 2040. BPM believes the projection is reasonable given the quantity of the bentonite to be mined (approximately 1,000,000 tons), extraction and refining limitations, weather, and unpredictable market forces, and therefore, BPM disagrees with Mr. Ericsson's assertion that BPM "should be able to mine it and be out in four years." To be certain, the 2040 projection is only a projection; any number of factors may well expedite or delay the mining of the bentonite and the completion of the reclamation. With that being said, BPM makes every effort to limit the duration of mining operations and impacts to surface lands as required by Wyoming law, and that approach will be no different for surface lands owned by 2U and impacted by the proposed mining and reclamation operations.

BPM further understands your concerns regarding the disturbance of trees, and, in response, BPM has worked with you to design a mining plan that limits, to the extent probable, the disturbance of trees. However, the proposed mining of the bentonite under 2U surface lands will necessarily result in the disturbance of some trees. It is our understanding that 2U has previously engaged a local timber contractor to harvest and monetize trees in anticipation of BPM operations. In fact, in our initial conversations regarding the proposed operations, you requested that BPM coordinate with your timber contractor to harvest trees prior to conducting surface disturbance activities, to which we agreed. We encourage you to reengage the timber contractor prior to the initiation of the proposed operations. Should you do so, BPM intends to work with you and your timber contractor to accommodate the removal and monetization of trees prior to the initiation of surface disturbance activities.


Notwithstanding, BPM remains unwilling to agree to your demands that disturbed trees be replaced with like trees of the same species and of similar age and size. Wyoming law does not require surface mining operations to reclaim in this manner, and BPM finds your demand that "the same acreage, density, composition, size, number, age and height of the trees that are removed to be replanted" as stated in your November 13, 2017 letter to be unreasonable. It remains BPM's position that the harvesting and monetization of your trees prior to their disturbance by mining operations is the best option to insure 2U is kept whole.

As previously stated, BPM sincerely appreciates your interest and participation in the permitting process, and BPM has made every effort to address your concerns. Please inform BPM of your consent to the mining and reclamation plans at your earliest convenience by executing the Form 8 enclosed with the May 24, 2018 letter. Should you be unwilling to provide consent, BPM will be forced to petition the Wyoming Environmental Quality Council for an order in lieu of consent.

Sincerely,



Tyler Tetrault  
Mineral Resource Coordinator

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> | A. Signature<br>  | <input checked="" type="checkbox"/> Agent<br><input type="checkbox"/> Addressee |
| 1. Article Addressed to:<br><br>2U Ranch, LLC<br>426 Lonesome Country Road<br>Alzada, MT 59311   | B. Received by (Printed Name)<br>R. M. ADAMS  | C. Date of Delivery<br>7-10-18  |
| 2. Article Number<br>(Transfer from service label)   | D. Is delivery address different from item 1?<br>If YES, enter delivery address below: <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |   |
| 3. Service Type<br><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™<br><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise<br><input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery                |   |   |
| 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes   |   |   |
| PS Form 3811, July 2013    Domestic Return Receipt   |   |   |

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