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MEDIATION REPORT BY 2U RANCH LLC

1 message

Ronald Ericsson <ericsson@childselect.com>

Mon, Sep 10, 2018 at 2:58 PM

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2 Ranch Mediation Report.pdf
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MEDIATION REPORT BY 2U RANCH LLC

Mediation was held at 9:00 A M on Friday 7 September 2018 at Sundance, Wyoming, between 2U Ranch LLC and Bentonite Performance Minerals LLC.

Present for 2U Ranch were Ronald J Ericsson and Roland S Ericsson. A guest of 2U Ranch, Jim Dacar of Muleshoe Ranch, was also present.

Present for BPM were Tyler Tatrault and Joel Severn of the Colony, Wyoming, office of BPM; Warren Scott of Halliburton, Houston, Texas; and Matt J Micheli, attorney at law, Cheyenne, Wyoming.

The mediator began the meeting by setting forth certain ground rules. The mediator then suggested that 2U Ranch begin the session.

Ronald J Ericsson stated that 2U Ranch was not willing to enter into an agreement which provided for a 20 term, as such a lengthy term was unnecessary and unreasonable.

He also stated that 2U Ranch did not want any of the 10,936 trees within the mining area to be removed during the mining process because BPM would be unable to replace these trees of the same size and age after mining was completed.

He stated that BPM had been requested to provide information on how it could be possible to replace these trees. He said that BPM has not responded to this request.

He further stated that BPM has failed to provide information on the acquisition of a bond to protect 2U Ranch from damages resulting from the proposed mining activity; that BPM has remained silent on the requirement of a cultural survey; that BPM has failed to address the question of the irreversible damage which its mining activity will have on the natural spring within the area proposed to be mined.

Roland S Ericsson mentioned that there is some question on the ownership of the bentonite which BPM proposes to mine.

He also noted that there are 3 separate and distinct entities which BPM must trespass upon to gain access to its mining area. BPM has failed to acknowledge the existence of these 3 separate and distinct entities, and that BPM has elected to treat these 3 separate and distinct entities as a single entity and distribute one trespass fee on a prorata basis to these 3 separate and distinct entities. This proposal indicates that BPM is willing to pay one of these separate and distinct entities a trespass fee in the magnanimous amount of ONE CENT.

There was also discussion by 2U Ranch that the surface owner has innumerable rights, including the time during which mining could be conducted, the levy of fines for speeding and for littering, requiring the fencing of the entire length of the haul road, dust control, etc.

Jim Dacar stated that BPM had been conducting negotiations with Muleshoe Ranch. One of the items in the proposal submitted by BPM was the payment of a trespass fee which would accelerate to \$0.43 per ton by year 20 of the proposed agreement. He said all negotiations had halted when Muleshoe Ranch informed BPM that it would not accept any agreement which provided for a 20 year term. He said that he wanted his ranch back in a much shorter period than 20 years.

BPM made its remarks through attorney Matt J Micheli. Warren Scott and Joel Severn remained mute during the entire course of the meeting. The only participation by Tyler Tetrault was that he had not brought the mining map to the meeting.

The attorney first spent a good deal of time discussing a previous surface agreement which BPM had with an entity that is not involved in this mediation, and which agreement had expired. All of these comments were immaterial and irrelevant to this mediation.

The attorney stated that BPM felt comfortable on the ownership of the bentonite proposed to be mined.

The attorney stated that BPM was unwilling to consider a term of less than 20 years, and BPM would continue to treat the 3 separate and distinct entities as one entity and would pay only one trespass fee to traverse over all 3 entities.

The attorney failed to address the question of the necessity of acquiring a bond; the requirement of conducting a cultural survey; or what BPM was going to do concerning the destruction of the natural spring.

The attorney said that BPM was going forward with its intent to mine the entire mining area which includes the removal of 10,936 trees, Again the attorney failed to provide any information on how the trees were to be replaced in the same size and age of the trees which would be removed in the mining process.

The attorney then stated that he and the BPM and Halliburton attendees would like to have 20 minutes to discuss this matter among themselves; and that after this 20 minutes they would return to the meeting with a proposal.

The attorney did not return with a proposal, but instead he and the BPM and Halliburton representatives departed and abandoned the mediation process.

The mediator returned to the meeting and said that BPM had requested that he convey a proposal to 2U Ranch that was the same proposal that BPM had offered to Muleshoe Ranch.

It is unclear what this offer consisted of because the mediator could not elaborate on the offer and the BPM personnel were unavailable to explain the offer.

2U Ranch can only discern that this offer was for a 20 year term; and for a trespass fee for the surface owner in the amount of 06 cents per ton, a trespass fee for a second entity which is separate and distinct from the surface owner in the amount of 14 cents per ton, and a trespass fee for a third entity which is separate and distinct from the surface owner and the second entity in the amount of ONE PENNY.

This is an offer from a company which professes to pay the prevailing rate in the community. The genius who structured this offer is yet to be identified.

BPM knew that the terms of this offer had been repeatedly rejected by 2U Ranch. This latest offer by BPM was meaningless and an empty submission.

2U Ranch can only surmise that although BPM attended the mediation meeting that it did not do so the mediate in good faith. The abandonment of the meeting by BPM is telling.