

MEMORANDUM

TO: Chairman Darrel Fehr

FROM: John Robert Behling

DATE: December 20, 2011

RE: EOG Business Planning Matters

Per our discussions, you requested additional information regarding EOG's commitment to the local township in terms of business operations. EOG's goal is, and always has been, to be a good neighbor. As part of this, and per my previous memorandum provided to the Town last week, EOG is more than willing to sit down and meet with the Town to learn your concerns and discuss areas where we can provide the Town's constituency with some additional levels of comfort.

From a legal perspective, we will not, and frankly should not, combine or even negotiate an agreement in conjunction with a Town Road Right of Way and Town Road Maintenance Agreement. The provisions under state law which allow for Road Agreements to take place, should not be mingled or intertwined with any type of issues which relate to property guarantees or other collateral items. Nonetheless, as part of our commitment to being a good neighbor, we can provide some general operational information which EOG is willing to discuss after the execution of the Road Agreements.

General EOG Operations

- EOG will not engage in transportation activities during peak traffic times. This is designed to keep truck traffic from interfering with school bus traffic. EOG will also agree not to haul on the six (6) nationally recognized Holidays. In the ordinary course of business, EOG will agree to only haul material five days a week. In the event of inclement weather or other unforeseeable circumstances (lost time), EOG will have the ability to work on Saturdays or Sundays. When lost time occurs which requires hauling on Saturdays or Sundays, EOG will notify the Chair and the Town Clerk prior to the commencement of lost time hauling.
- Within the Town, in conjunction with an executed Right-of-Way Agreement, EOG trucks traveling to or from the mine site will only use designated Town roads, will not use compression release engine brakes (Jake brakes), and they will adhere to posted speed limits.
- EOG will comply with the already-granted Wisconsin DNR Air Permit.

- All lights on the mine site will have full cut-off shrouds so no light is directed upward or at structures not on the site.

Storm Water Management

- Mining activities as they relate to surface and groundwater will occur in accordance with the Reclamation Plan for the site and any amendments to that Reclamation Plan that are filed with Chippewa County. EOG will comply with the Storm Water Management and Erosion Control Plan that is included in the Reclamation Plan.
- EOG will also maintain Town road ditches and drainage ways adjacent to the mine site and will maintain any detention and retention ponds per the Reclamation Plan.

Groundwater

- EOG will comply with the groundwater monitoring plan in the Reclamation Plan and EOG will report any test results to the Town and to the owners of any private wells subject to testing.

Blasting

- EOG will comply with the blasting velocities and regulations commonly known in Wisconsin Administrative Code as COMM 7.
- EOG would agree to, at a minimum, meet with the Town on a quarterly basis to discuss citizen concerns. EOG is willing to provide the Town with written reports regarding the amount of material transported during the previous month.

Property Value Discussion

- EOG would consider property value discussions for property owners abutting the mine.
- EOG would consider discussing with the Town sound mitigation to assist in reducing the amount of noise at the property boundary. Such discussions could include the use of Mining, Safety and Health Administration (MSHA) approved white noise (back up alarms).

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Restoration

- EOG will complete sequential restoration of the mine site as set forth in the Reclamation Plan.

In summation, these are some of the issues we will discuss with the Town Board at the January meeting, or any future meeting. Again, EOG looks forward to being a good neighbor and will continue to have ongoing dialogue and discussions, even after the approval of the Town Road and Right of Way Agreements.