

Frontier Sand  
Page 1

January 8, 2018

Frontier Sand, LLC  
Attn: Bruce Durand  
305 Highway AA  
PO Box 99  
New Auburn, WI 54757

*By regular mail and email to: [bruce@badgerstaterecovery.com](mailto:bruce@badgerstaterecovery.com)*

Dear Mr. Durand:

The Town of Cooks Valley ("Town") has considered your request for transfer of the Nonmetallic Mining Permit ("Permit") from Preferred Sands of Minnesota, LLC ("Preferred"), to Frontier Sand, LLC ("Frontier"). The information provided by Preferred and Frontier indicates that Frontier will continue to use the permitted property for nonmetallic mining activities, and Frontier will fully assume the obligations of Preferred under the Permit.

However, Frontier indicates that it will submit proof of financial wherewithal following closing with Preferred. Because proof of financial wherewithal has not been provided, and this is a requirement of transfer pursuant to Section 11.3 of the Permit, the Town of Cooks Valley approves the transfer of the Permit from Preferred to Frontier with the following conditions:

1. Frontier shall provide evidence to the Town demonstrating Frontier has the financial wherewithal to complete its obligations under the Permit.
2. Frontier shall submit its reclamation bond with the Chippewa County Land Conservation and Forest Management Department.
3. Frontier and Preferred shall receive approval for the assignment of the Chippewa County Nonmetallic Mining Permit from Preferred to Frontier.
4. Frontier and Preferred shall receive approval for the assignment of the WDNR Nonmetallic Mining Operations General Permit from Preferred to Frontier.
5. Frontier shall complete and file the following notifications with the WDNR regarding change in operator or coverage pursuant to the Fugitive Dust Plan, High Capacity Well Permit, and Storm Water Permit:

<http://dnr.wi.gov/topic/DrinkingWater/documents/forms/3300266.pdf>

<http://dnr.wi.gov/topic/stormwater/industrial/forms.html>

<http://dnr.wi.gov/topic/SmallBusiness/PropertyTransfers.html>

Notwithstanding this conditional approval, the Town is only consenting to the transfer of the Permit from Preferred to Frontier, and the Town has not consented to the transfer of the Town Road Upgrade and Maintenance Agreement between Preferred and the Town. The transfer of the Town Road Upgrade and Maintenance Agreement from Preferred to Frontier shall be addressed at a future time outside of this agreement.

Upon completion of the referenced conditions, the Permit transfer from Preferred to Frontier is approved and consented by the Town.

Please contact the Town to discuss any questions regarding this matter.

Dated this 8th day of January, 2018.

Town of Cooks Valley  
Chippewa County, Wisconsin, By:

Darrel Fehr 1/8/2018  
Darrel Fehr, Chairman

David Clements, Supervisor

Matthew Borofka  
Matthew Borofka, Supervisor

Attest: Victoria Trinko  
Victoria Trinko, Town Clerk

cc: Eric Tenuto and Legal Department (Preferred Sands of Minnesota, LLC), Dan Masterpole, (Chippewa County LCFM Department) Jim Devlin and John Stoffel (WDNR).