

Fremont County Department of Transportation

1170 Red Canyon Road

Cañon City, Colorado 81212 Phone: 719-275-2047

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10.10.13

Mr. Timothy A. Cazier, P.E. DRMS Department of Natural Resources 1313 Sherman St., Room 215 Denver, CO 80203

RE: Howard Pit #1 & #2, Permit No. M-1999-033 Preliminary Adequacy Review, Revision No. AM-01

Dear Mr. Cazier,

In response to your letter dated October 1, 2013, we have addressed the issues requiring attention.

Item #1 of the Application:

Page 1, Item 2 – Operation Name. We do wish to have the Operation Name be listed as Howard Creek Pit #1 & #2, rather than Howard Pit #1 & #2.

Item #2 of the Specific Exhibit Requirements:

Legal description – This has been corrected on both Exhibit A of the legal description, and on the Mining Lease, Exhibit G. (Both are enclosed)

Item #3 Exhibit E - Map(s)

#3 a. Mining Plan Map – Exhibit B, Canterbury Ranch Road, fence lines and gates have been identified.

#3 b. Direction of extraction has been indicated.

#3 c. "Cornerstone" spelling has been corrected.

Item #4 Exhibit E – Map(s)

#4 a. Neighboring Landowners Map – 1) Cavallo Mary Jane, and 2)

Fowler John E and Mary have been indicated on the map.

#4 b. Heavy black lines have been removed.

#4 c. Property boundaries have been indicated on map.

#4 d. Spelling errors "Cornerstone" and "Reclaimed" have been corrected.

Item #5 Exhibit E – Map(s)

#5 a. Direction of the gradient of reclaimed slopes have been indicated on the map.

#5 b. The label "used for stockpile" has been corrected to show

"Reclaimed but active" and map indicates where stockpile should be.

#5 c. The access road is to remain in place and indicates such.

#5 d. Spelling errors "Cornerstone" and "Reclaimed" have been corrected.

Item #6 General Map Comments

#6 a. Maps have been stamped and certified by the Surveyor. #6 b. Blue grid lines have been removed.

Item 6.3.6 Exhibit F - 6.3.12 Exhibit L

Exhibit G – Mining lease has been corrected and copy is provided.

Please accept our corrections and revisions to our application. As always, we appreciate the time and assistance in this process. Advise us of any further questions or concerns. We look forward to hearing from you soon,

Respectfully submitted,

Tony Adamic FCDOT Director Tony.adamic@fremontco.com

Enclosures

Cc: Annette Ortega

Beginning at a point on the east line of Section 6, Township 48 North, Range 10 East of the N.M.P.M., from whence the southeast corner bears S $00^{\circ}09'07''$ E, 43.68';, Township 48 North, Range 10 East of the N.M.P.M.; Thence N $90^{\circ}00'00''$ W, 112.00'; Thence S $55^{\circ}00'00''$ W, 100.00'; Thence S $70^{\circ}00'00''$ W, 135.00'; Thence N $20^{\circ}00'00''$ W, 100.00'; Thence N $23^{\circ}00'00''$ E, 123.00'; Thence N $53^{\circ}07'16''$ W, 351.01; Thence N $88^{\circ}00'00''$ W, 44.00'; Thence S $59^{\circ}00'00''$ W, 87.50'; Thence S $80^{\circ}00'00''$ W, 294.00'; Thence N $70^{\circ}00'00''$ W, 164.00'; Thence N $09^{\circ}00'00''$ E, 274.00'; Thence N $81^{\circ}00'00''$ E, 80.00'; Thence S $55^{\circ}00'00''$ E, 116.00'; Thence N $74^{\circ}00'00''$ E, 177.00'; Thence S $49^{\circ}23'36''$ E, 187.96'; Thence S $55^{\circ}00'00''$ E, 115.00'; Thence N $81^{\circ}00'00''$ E, 520.00'; to a point on the east line of said Section 6; Thence S $00^{\circ}09'07''$ E, 461.12' to the point of beginning.

Land Acreage 8.092 acres +/-

MINING LEASE

Lease made this 13th day of August, 2013, between the Board of County Commissioners for Fremont County, Fremont County Administration Building, 615 Macon Avenue, Cañon City, CO, herein referred to as Lessee, and Bill Canterbury, of 2005 County Road 4, Howard, Co, 81233, herein referred to as Lessor.

For good and valuable consideration, Lessor lets exclusively to Lessee the following described land:

Beginning at a point on the east line of Section 6, Township 48 North, Range 10 East of the N.M.P.M., from whence the southeast corner bears S 00°09'07" E, 43.68';, Township 48 North, Range 10 East of the N.M.P.M.; Thence N 90°00'00" W, 112.00'; Thence S 55°00'00" W, 100.00'; Thence S 70°00'00" W, 135.00'; Thence N 20°00'00" W, 100.00'; Thence N 23°00'00" E, 123.00'; Thence N 53°07'16" W, 351.01; Thence N 88°00'00" W, 44.00'; Thence S 59°00'00" W, 87.50'; Thence S 80°00'00" W, 294.00'; Thence N 70°00'00" W, 164.00'; Thence N 09°00'00" E, 274.00'; Thence N 81°00'00" E, 80.00'; Thence S 70°00'00" E, 116.00'; Thence N 74°00'00" E, 177.00'; Thence S 49°23'36" E, 187.96'; Thence S 55°00'00" E, 115.00'; Thence N 81°00'00" E, 520.00'; to a point on the east line of said Section 6; Thence S 00°09'07" E, 461.12' to the point of beginning.

Total Leased Land Acreage 8.092 acres +/-.

For all purpose of crushing, screening, and removal of stockpiled rock located on the premises, for use as gravel by Lessee for County road work. Lessee shall be entitled to bring onto the property a crusher and such other equipment and machinery for use in its mining activities.

Lessee shall pay to Lessor a royalty of \$0.50 per ton mined (\$0.75 per cubic yard) for all minerals extracted from the premises during the term of this lease. Payments shall be made in the form of \$0.25/ton at the time of completion of each crushing contract and \$0.25/ton at the end of each month for tonnage removed from property. Fremont County shall maintain records of total tonnage extracted.

Lessee shall apply for and obtain all applicable State and County permits prior to commencement of mining activities. Lessee shall bear sole financial and other responsibility of reclamation of the site after mining activities are completed. Lessee, agents or subcontractors of Lessee are responsible for mining within the restraints and confines as outlined in the State of Colorado and Fremont County mining and conditional use permits issued for this site.

Lessee shall not molest, injure, or interfere with Lessor in the full use, occupation, and enjoyment of the premises, buildings, and improvements including roadways thereon, at any time, more than may be necessary for the efficient mining activities by Lessee, and Lessee shall pay for any damage that may be caused to any crops, livestock, structures, or other property on the premises by the negligence or fault of Lessee or Lessee's contractors or agents. Lessee shall not interfere with the use of the access road, which serves the property and residence of the Lessor. Lessee shall be entitled to stockpile trushed mineral materials onsite for future use.

All machinery and improvements placed upon the premises by Lessee may be removed prior to the termination of this lease.

Lessee shall carry adequate insurance to protect both Lessor and Lessee from claims arising out of or related to the mining activities of Lessee. Lessee shall also maintain a Worker's Compensation policy with a responsible company, such policy to be obtained prior to the commencement of any work upon the premises by any employee of Lessee.

This lease shall remain in force until the stockpiled mineral material and/or unprocessed mineral material is exhausted. Lessor may terminate this lease for a violation of the terms of this lease, but prior to any termination by Lessor, Lessor shall provide Lessee with written notice of the alleged violation and allow thirty days for Lessee to correct the violation. If Lessee corrects the violation within the thirty days, no termination of the lease any occur. Lessee may terminate this lease with or without cause upon 60 days written notice.

Under terms of this lease agreement, Lessor is entitled to 500 tons of processed road materials per year over the life term of the lease agreement for use on Lessor's property. Lessor shall keep record of tonnage removed from Lessee stockpiles and this volume is not subject to royalty payments to Lessor. Lessor can stockpile and/or crush own material in pit at their own convenience with no cost to Lessee.

Upon any termination of Lease by Lessee, Lessee shall not be relieved from its responsibilities for reclamation under this lease, to the extent that reclamation is appropriate and can be accomplished in accordance with Lessee's reclamation plan.

In the event of a dispute arising out of this Lease, the prevailing party in such dispute, whether or not litigation occurs, shall be entitled to recover reasonable attorney fees, costs and other expenses of any nature whatsoever, that were incurred in connection with the dispute.

In witness whereof, the parties have executed this agreement at Cañon City, Colorado the day and year first above written.

BOARD OF COUNTY COMMISSIONER COUNTY OF FREMONT

, Chairman

ATTEST:

Fremont County Clerk & Recorder

enterbe

BILL CANTERBURY







