



WASTELINE, INC.

P.O. Box 3471 Rapid City, SD 57709-3471 (605)348-0244

PO Box 88 Cortez, CO 81321-0088 (970) 564-1380

E-mail: WASTELINE6@aol.com

26 November 2013

Ms. Kate Pickford, Environmental Protection Specialist
Colorado Division of Reclamation, Mining, and Safety
Durango Field Office
691 CR 233, Suite A-2.
Durango, CO 81301
Via E-mail

RECEIVED

NOV 26 2013

Durango Field Office
Division of Reclamation,
Mining and Safety

Project: #51116-1303 Name: Wallace Pit DRMS

Subject: Stone Sand & Gravel, LLC, File No. M-1983-028 Wallace Pit
Permit Conversion Application, Adequacy Review, Response #1

Dear Ms. Pickford:

This letter responds to the Adequacy Review, 4 November 2013.

1. Attached please find the affidavit of publication in the Dolores Star., and copies of the green card for certified mailing to those landowners/structure holders within 200 feet of the boundary of the affected land. (Attachments 1 and 2)
2. We understand the necessity for the Acreage Reduction request for M-1990-025: that request is being prepared to submit at the appropriate time and has been agreed to by Montezuma County and the landowner.
3. Attached please find an annotated copy of Map B2 (page 5 of the exhibits) with the names of adjacent property owners.
4. 2H:1V slopes in reclaimed areas will be limited to the area surrounding the power line tower (except the ramps with a 10H:1V slope for access).
5. The average depth of soil on the site is 3 inches, and the reclamation plan commits to placing a minimum of 3 inches of soil on all areas to be reclaimed with soil (that is, not including areas such as roadways with no soil). Some areas presently have much less than three inches of soil, and will need soil from other, thicker areas to meet the operator's commitment. Other areas have significantly more than three inches of soil, which will first be preserved to meet the three-inch commitment in the thin areas.

A However, the site will be reclaimed as mining proceeds, and not be reclaimed all at one time. Significant distances and compliance with other state regulations are involved. There are areas in which the soil appears to be significantly deeper than 3 inches, and these areas may not be available to use to place additional soil in areas which have only three inches of soil, due to the planned mining and reclamation sequence. It would also not make sense to go back to disturbed areas which have already had soil placed and are vegetated, and disturb them again to add additional soil. Therefore, there is likely to be surplus soil. The operator commits to ensuring that adequate soil is available at any time for all disturbed areas which have not yet had soil placed on them to have a minimum of three inches of soil, and more if available that year/area of reclamation, up to six inches of soil. With this commitment, we do not see a need for a technical revision prior to export, as this would place an excessive burden on both the Division and the Operator to track very small quantities of soil and to potentially waste a valuable resource when reclamation is possible and sustainable with only three inches, and that is the average available for the entire site.

6. Please change "70%" to "100%" in accordance with Rule 3.1.10(1).

7. The agreements between the landowners (Stones and LMN Properties) and the operator are already provided in the Exhibits as submitted (pages 65-70). A copy of the notice as "personally served" to the Stones is provided at Attachment 4. The two remaining owners of structures are the Western Area Power Administration and McClellan et al. Both these owners were mailed a structures agreement signed by the operator (together with the public notice; see Attachment 2). Western has provided a license and stated in writing that Western will sign the structure agreement when they receive the license signed by the operator (which has been signed and sent to Western by hardcopy and electronic mail as of this writing). Western also corresponded directly with the Division (copy of their comments received by e-mail on 21NOV13), supporting this information. A copy of the agreement is provided at Attachment 5.

McClellan et al., in a conversation with the undersigned, has stated that they will not enter into an agreement with the Operator, specifically for the joint fence and roads within 200 feet. A copy of the agreement signed by the operator is provided at Attachment 6. Additional information which had been adequate (in past permitting) for the Division to perform an engineering assessment for such structures (road and fence) has already been provided in the Exhibits (pages 54-56), performed by a Colorado-licensed engineer. As proposed, the plan for mining and for reclamation at a slope acceptable to the Division poses no significant threat to stability of the structures. Please state specifically what additional information is necessary to allow the Division to assess the stability.

Please accept apologies for delays in responding to your adequacy review: we were waiting for the license from Western and the affidavit of publication to avoid multiple responses.

Sincerely,



Nathan A. Barton, CE, PE, DEE
Environmental and Permitting Compliance Engineer

Attachments:

1. Affidavit of Publication of Public Notice, Dolores Star.
2. Notices of mailing of public notice to adjacent landowners and owners of significant structures (except Stones).
3. Annotated copy of Map B2 showing adjacent landowners.
4. Copy of acknowledgment of personal service by Operator to landowner (Stones).
5. Copy of SS&G/Western agreement signed by Kathy Stone.
6. Copy of agreement for McClellan as signed and mailed by Operator.

Montezuma Valley Publishing, 123 Roger Smith Ave, Cortez, CO 81321

Account: 137556	Ad ID: 142742
Name: Daren Stone	Description: 142742 Public Notice M1983-028 Stone
Company: Stone Sand & Gravel, LLC	Run Dates: 10/10/13 to 10/31/13
Address: ?	Class: 1020
Cortez, CO 81321	Orig User: KMCMULLIN
Telephone: (970) 565-3388	Words: 261
	Lines: 56
	Agate Lines: 81

142742

Public Notice M1983-028

Stone Sand & Gravel LLC, PO Box 1568, Cortez, CO 81321, (970) 882-3399, has filed an application for converting a Limited (110) permit to a Regular (112) Construction Materials Operation Reclamation Permit with the Colorado Mined Reclamation Board under provisions of the Colorado Land Reclamation Act for the Extraction of Construction Materials. The proposed mine is known as the Wallace Pit, and is located at or near Sections 14 and 23, Township 37 North, Range 15 West, 10th P.M. The proposed date of commencement is November 31st, 2013, and the proposed date of completion is November 31st, 2061. The proposed future use of the land is grazing land. Additional information and tentative decision date may be obtained from the Division of Reclamation, Mining, and Safety, 1313 Sherman Street, Room 215, Denver, Colorado 80203, (303) 866-3567, or at the Montezuma County Clerk and Recorder's office, 140 W. Main, Suite 1, Cortez, CO, or the above-named applicant. Comments must be in writing and must be received by the Division of Reclamation, Mining, and Safety by 4:00 p.m. on November 20th, 2013.

Please note that under provisions of C.R.S. 34-32.5-101 et seq. comments related to noise, truck traffic, hours of operation, visual impacts, effects on property values and other social or economic concerns are issues not subject to this Office's jurisdiction. These subjects, and similar ones, are typically addressed by your local governments, rather than the Division of Reclamation, Mining, and Safety or the Mined Land Reclamation Board.

Published in the Dolores Star on October 10, 17, 24, 31, 2013.

**Proof of Publication
Cortez Journal**

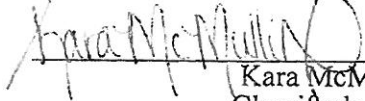
STATE OF COLORADO)
County of Montezuma) ss.)

I, Kara McMullin, do solemnly swear that I am the Classifieds Clerk for the Cortez Journal, and that I have personal knowledge of the essential fact stated herein; that the same is a weekly printed, in whole or in part, and published in the County of Montezuma, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Montezuma for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second class matter under the provisions of the Act of March 3, 1879, or any amendments thereof and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the law of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 4 insertion(s); and that the first publication of said notice was in the issue of said newspaper dated 10/10 A.D., 2013

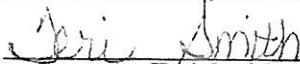
and that the last publication of the said notice was in the issue of said newspaper dated 10/31 A.D., 2013

In Witness Whereof I have here unto set my hand this 10/31 A.D., 2013



Kara McMullin
Classifieds Clerk

Subscribed and sworn to before me, a Notary Public in and for the County of Montezuma, State of Colorado, this 10/31 A.D., 2013



Teri Smith, Notary Public



1275 Main Ave.
Durango, CO 81301

My commission expires February 2, 2015.

RECEIPT FOR CERTIFIED MAILING OF NOTICE AND REQUEST FOR STRUCTURES AGREEMENT

U.S. Postal Service™			
CERTIFIED MAIL® RECEIPT			
(Domestic Mail Only) No Insurance Coverage Provided			
For delivery information visit our website at www.usps.com .			
LONTZ AND CO 90539			
Postage	\$ 40.86	0532	
Certified Fee	\$3.10	OK	
Return Receipt Fee	\$2.55		
Registered Delivery Fee	\$0.00		
Total Postage & Fees	\$ 46.51	10/18/2013	
Richard M. Lantz, Administrator, Ryan, Hoffman & P. P.O. Box 3700 Duluth, MN 55811-3700			
PS Form 3800, August 2004		See Reverse for Instructions	

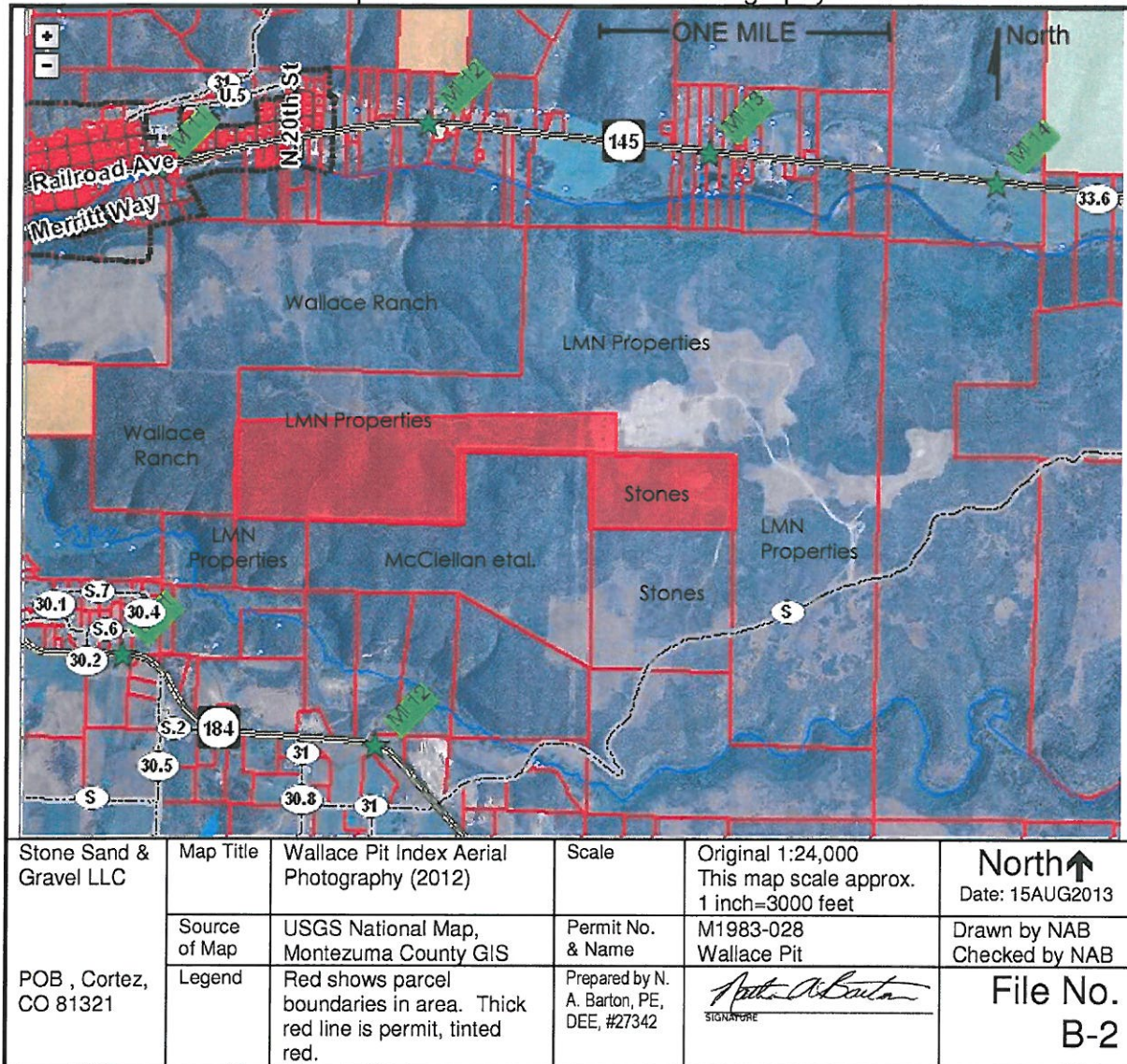
U.S. Postal Service™			
CERTIFIED MAIL® RECEIPT			
(Domestic Mail Only) No Insurance Coverage Provided			
For delivery information visit our website at www.usps.com .			
LOTZE CO 91323			
Postage	\$ 40.86	0532	
Certified Fee	\$3.10	OK	
Return Receipt Fee	\$2.55		
Registered Delivery Fee	\$0.00		
Total Postage & Fees	\$ 46.51	10/18/2013	
Lotze Co., 100 N. Main St. PO Box 3700 Duluth, MN 55811-3700			
PS Form 3800, August 2004		See Reverse for Instructions	

GREEN CARD ACKNOWLEDGING RECEIPT OF NOTICE AND REQUEST FOR STRUCTURES AGREEMENT

COMPLETE THIS SECTION		SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Article Number 7012 5710 0000 7473 3373</p> <p>2. Article Description 20175 AL P LAMPHOR CORTES, CO 81321</p>		<p>1. Article Number 7012 5710 0000 7473 3373</p> <p>2. Article Description 20175 AL P LAMPHOR CORTES, CO 81321</p>		<p>3. Article Number 7012 5710 0000 7473 3373</p> <p>4. Article Description 20175 AL P LAMPHOR CORTES, CO 81321</p>	
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ATTACHMENT 2

Map B-2. Wallace Pit Aerial Photography



Note: Refer to Exhibit S for detailed information on adjacent property ownership and parcels. County parcel boundaries have not been adjusted to match current plats, where land was transferred between various owners between 2009 and 2013, as discussed in Exhibit S.

Property owners of site and property adjacent to permit boundary

Map	Acres	Owner	Current Zoning, Uses
W,N,E, Site	1361.06	LMN Properties (M1990-025)	A/R-35+ Mining and ranching
Site, South	244.6	Daren & Kathy Stone (M1983-028)	A/R-35+-Mining and ranching
South	290	McClellan, McClellan, and Nelsen (M2013-031)	A-80+ Ranching and mining
West	240	Wallace Farm & Ranch LLLP	A-80+ Ranching

Note: there are additional properties adjacent to the parcels on which this permit area is located, but not immediately adjacent to the permit boundaries, and more than 200 feet from proposed affected land.

Annotated by Nathan A. Barton NOV 2013 for Response #1 to Adequacy Review



PO Box 1568 Cortez, CO 81321-1568
Email: dkstone@outlook.com

Dear Neighbor:

Because your property is within 200 feet of our permit affected land boundary and our operations, we are obligated to do two things:

First, provide you the attached copy of the notice published in the newspaper. This is required: "after the first publication you must mail or personally serve a copy of the notice described in Rule 1.6.2(1)(d) to all owners of record of surface rights to the affected land and all owners of record of lands that are within 200 feet of the boundary of the affected land (Rule 1.6.2(1)(e))." That publication was done in Thursday, 10 October 2013.

Second, ask you to enter into an indemnity agreement (if you have not already done so, as indicated below).

If you do not choose to sign an agreement, we are still obligated by state law to repair any damage to your property caused by our operation. Although it is not required, we would ask respectfully that you tell us why, if you choose not to sign this agreement. Please note that the signature on the agreement must be notarized.

If you have any questions or concerns, please call us or stop by and visit. We'll be glad to do everything we can to explain what is going on.

Respectfully,

Kathy Stone, Manager, Stone Sand & Gravel LLC

Enclosures:

1. Copy of notice
2. Agreement (signed or draft, as appropriate)
3. For WAPA only: ROW Application

ENTITIES/PERSONS TO RECEIVE THIS: VIA CERTIFIED MAIL OR PERSONAL SERVICE

1. Western Area Power Administration (WAPA) Rocky Mountain Regional Office, PO Box 3700 Loveland, CO 80539-3003 (draft agreement and ROW application)
 2. Lavena Saunders, LMN Properties, 22195 Road P, Cortez, CO 81321 (signed agreement)
 3. Daren R. & Kathy J. Stone, 24600 Road P, Dolores, CO 81321 (signed agreement)
 4. Richard and Casey McClellan and Dave Nelson, PO Box 1525, Dolores, CO 81323 (draft)
- I received the letter and the enclosures on date October 16, 2013. CHECK ONE: ☒ I have already signed the agreement, ☐ I am willing to negotiate and sign an agreement ☐ I decline to sign any agreement for the following reasons (optional):

Signed: _____

Printed Name: Kathy J. Stone, owner

(g) LICENSEE shall limit any landscaping on easements to low growing vegetation that will not exceed 10 feet in maximum mature height. No ornamental plantings or significant vegetation is allowed within a 50 foot radius of the structures which would impede WESTERN'S ability to safely work at the site.

(h) Minimum overhead clearance of at least 20 feet from the transmission conductors must be maintained at all times.

SPECIAL PROVISIONS:

(i) LICENSEE shall be obligated to pay for any damages to Western's facilities, which results from LICENSEE'S operations.

(j) This agreement shall be binding on the successors or assigns of the LICENSEE and WESTERN.

(k) LICENSEE shall ensure that Western has uninterrupted access to its transmission line at all times.

(l) Western shall have the right to place its lock on LICENSEE's gates.

(m) LICENSEE shall not store vehicles or locate stock piles within WESTERN'S easement.

(n) This License Agreement may be recorded by WESTERN.

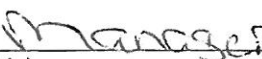
(o) LICENSEE shall maintain access ramps at no steeper than a 10H:1V grade on the north and south sides of each electric transmission line structure. The width of the ramps shall not be less than 20 feet.

LICENSEE:

Stone Sand & Gravel, LLC
Attention: Kathy Stone, Manager
P.O. Box 1568
Cortez, CO 81321
(970) 882-3399

THE UNITED STATES OF AMERICA
Western Area Power Administration
P.O. Box 3700
Loveland, CO 80539


(Signature)


(Title)

Will Schnyer, Area Maintenance Manager
Montrose Field Office
Rocky Mountain Region

STRUCTURE AGREEMENT

This agreement is entered into between McClellan, McClellan, & Nelsen, (the "Owner") and Stone Sand & Gravel, LLC (the "Operator,") and is effective as of the date of last signature.

Whereas the Operator has applied for or holds a Reclamation Permit for M1983-028 Wallace Pit, and

Whereas there are significant, valuable and permanent man-made structures, as defined by Construction Materials Rule 1.1(48) which are or may be located within two hundred feet of the affected area (Construction Materials Rule 6.3.2.(b) and 6.3.12), which are owned by the Owner and of which the stability may be adversely affected by the mining operation, and the Operator (as Applicant) is required by the Division to either:

- a) Provide a notarized agreement between the Applicant (Operator) and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or
- c) Where such a structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (Construction Materials Rule 6.3.12 and Rule 6.4.1, and

Whereas, the Site is located within Montezuma County Parcel Number 5359-242-00002 , is described within Exhibit A of the Reclamation Permit Application for M1983-028, Wallace Pit, and Owner is the recorded owner of structures near that Site; and

Whereas, the following structures are or may be located on or within 200 feet of the proposed affected area:

1. Permanent graveled roads and associated drainage structures, including those constructed as part of mining and reclamation operations and to be left in place, and
2. Fenceline within and on property boundaries.

LAST ITEM

CERTIFICATION OF OPERATOR (PERMIT APPLICANT)

Therefore, the Operator (Applicant) Stone Sand & Gravel, LLC., by Kathy J. Stone, as Manager, Stone Sand & Gravel, LLC., does hereby certify that the Landowner shall be compensated for any damage from the proposed mining operation to the above listed structure(s) located on or within 200 feet of the affected area described above.

Signed: _____

Kathy J. Stone

NOTARY FOR OPERATOR (PERMIT APPLICANT)

Acknowledged by:

Applicant: Stone Sand and Stone, LLC

Representative Name Kathy J. Stone

Date: 16 August 2013

Title of Representative Manager

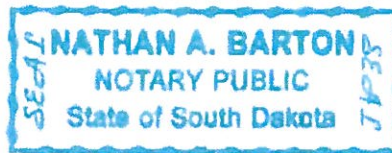
STATE OF South Dakota)
) ss.

COUNTY OF Pennington)

The foregoing was acknowledged before me this 16th day of August, 2013, by Kathy J. Stone as Manager of Stone Sand & Gravel, LLC.

Nathan A. Barton
Nathan A. Barton, Notary Public

My Commission Expires: 12 DEC 2014



ACKNOWLEDGEMENT BY STRUCTURE OWNER

NOTARY FOR OWNER

Acknowledged by:

Owner: McClellan, McClellan, & Nelsen Representative Name Casey McClellan

Date: _____ Title of Representative Owner/manager of the
property owned by McClellan, McClellan, and Nelsen Properties

STATE OF South Dakota)
)ss.
COUNTY OF Pennington)

The foregoing was acknowledged before me this ____ day of _____, 2013, by Casey
McClellan as owner and manager of the property owned by McClellan, McClellan, and
Nelsen.

_____ My Commission Expires: 12 DEC 2014
Nathan A. Barton, Notary Public