

RECEIVED

JAN 27 2014

DIVISION OF RECLAMATION  
MINING AND SAFETY



9075 WCR 10 \* Fort Lupton, CO 80621

PHONE: 303-857-1754

FAX: 303-857-2933

[www.nccconstructors.com](http://www.nccconstructors.com)

January 8, 2014

The Consolidated Mutual Water Company  
Attn: Mr. Mike Queen, President  
12700 West 27th Avenue  
Lakewood, Colorado 80215

Re: Agreement for Compensation for Damage to Structures within 200 feet of  
mining activities

To Whom It May Concern:

Northern Colorado Constructors, Inc. has a State of Colorado Division of Reclamation, Mining, and Safety (DRMS) Reclamation Permit M1990-098 to allow sand and gravel mining on property within 200 feet of structures located on your property. The Colorado Mined Land Reclamation Act provides protection for your property, and specific protection for your structures located within 200 feet of the mining activities.

DRMS Permit requires a notarized agreement between the permit holder and owners of structures within 200 feet, providing compensation for any damage to the structure; or preparation of an engineering evaluation acceptable to the DRMS, demonstrating that such structures shall not be damaged by the mining activities if an agreement cannot be reached.

Northern Colorado Constructors, Inc. has had an engineering evaluation performed to determine acceptable setbacks from their proposed mining permit boundary and mining limit to structures adjacent to the mining. The proposed mining slopes and setbacks were analyzed using the XSTABL v5.105a computer program. XSTABL was designed to analyze the slope stability of earth embankments subjected to several critical situations that may occur during the life of the embankment. The procedure searches for circular shear failures and automatically searches for the lowest safety factor. 2,000 separate failure surfaces were analyzed for each case. The required minimum safety factors are based on the current standards used by the Colorado State Engineer's Office (SEO) for high hazard embankment dams, and industry accepted standards for the evaluation of embankments during construction. The safety factors attained using the setbacks shown on the attached Mining Plan are greater than the required safety factors specified by the SEO for an earth embankment during construction, and an earth embankment subjected to earthquake loading, based on the United States Geological Survey earthquake peak acceleration factors for the area. This evaluation indicates that damage to structures

The Consolidated Mutual Water Company

RE: Agreement for Compensation for Damage to Structures within 200 feet of mining activities

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adjacent to the mining should not occur, even during earthquake conditions, which are very unlikely to be present.

With this letter, Northern Colorado Constructors, Inc. requests your authorization to conduct mining and reclamation activities within 200 feet of the structures located on your property. In return for this authorization, Northern Colorado Constructors, Inc. agrees to provide fair compensation for any damage to your structure(s) resulting from its mining and reclamation activities. Your notarized signature below grants permission for Northern Colorado Constructors, Inc. to conduct mining and reclamation activities within 200 feet of your structure(s), and acknowledges Northern Colorado Constructors, Inc.'s commitment to provide compensation for any damages to said structure(s) caused by Northern Colorado Constructors, Inc.'s mining and reclamation activities.

Sincerely,

Chris Zadel  
Chris Zadel  
Northern Colorado Constructors, Inc.

1/8/14  
Date

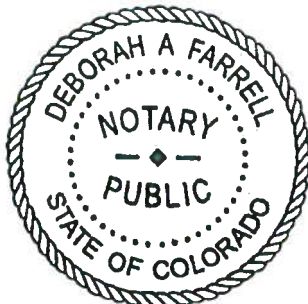
THE CONSOLIDATED MUTUAL WATER COMPANY  
By: [Signature] PRESIDENT  
Property Owner

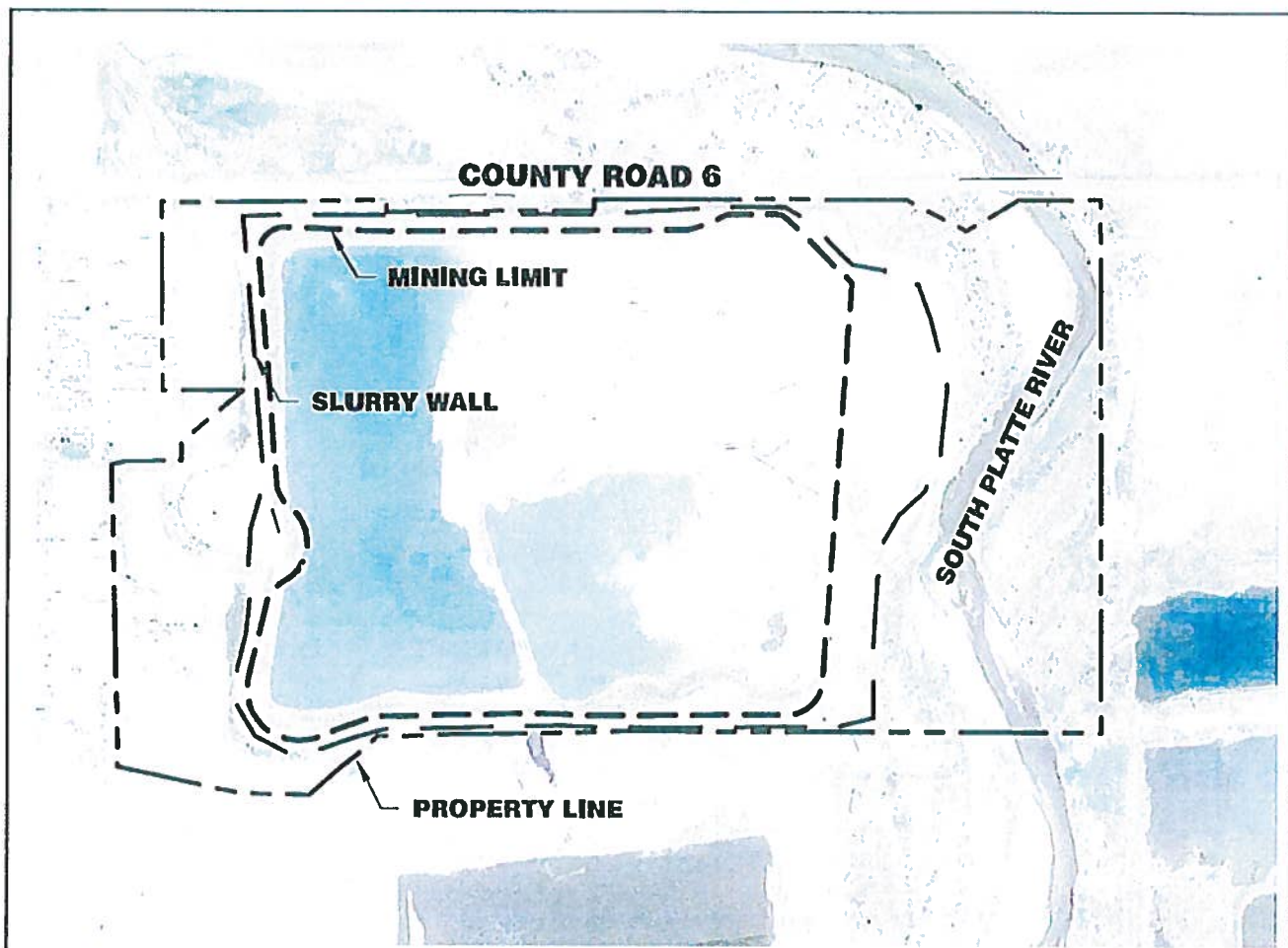
1/13/14  
Date

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of January, 2014 by,  
Michael E. Queen, as President

Deborah A. Farrell  
Notary Public

My Commission Expires: 7/11/2016





500 250 0 50



SCALE IN FEET



**J&T Consulting, Inc.**

305 Denver Avenue - Suite D  
Fort Lupton, CO 80621  
303-857-6222

## Perry Pit Vicinity Map

Date:	1/9/14
Job No:	13147
Drawn:	WSS
Scale:	1" = 500'
Sheet: 1	Of: 1

PSH



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# TRANSMITTAL

NORTHERN COLORADO CONSTRUCTORS, INC.

TO:	Colorado Division of Reclamation Mining & Safety 1313 Sherman St Room 215 Denver, CO 80203 Attn: Peter Hays	Project:	Perry Pit
		Project No:	
		Date:	1/22/2014
		RE:	Structure Agreement

We Transmit:	Fax To:	Via Cover:
<input checked="" type="checkbox"/> Mail		
<input type="checkbox"/> Hand Delivered	Total Pages Faxed: _____	
<input type="checkbox"/> Other		

NO. COPIES	Description
1	Executed CMCWo Structure Owner Agreement

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Copies To:	By:
File:	Chad Linker Northern Colorado Constructors Inc.