

Department of Energy

Western Area Power Administration Rocky Mountain Customer Service Region P.O. Box 3700 Loveland, CO 80539-3003

February 27, 2014

Mr. Chris Zadel Northern Colorado Constructors, Inc. 9075 Weld County Road 10 Fort Lupton, CO 80621

Re: Structure Agreement – DRMS Permit M1990-098 Erie – SRE 230-kV Transmission Line #7-1 NW4 30-1N-67W, Weld County, Colorado

Dear Mr. Zadel,

We're enclosing a copy of the fully signed Structure Agreement, dated January 8, 2014, which pertains to Colorado Division of Reclamation, Mining, and Safety, Reclamation Permit No. M1990-098.

We appreciate your cooperation to ensure that Western Area Power Administration will continue to have access to our electric transmission line from County Road 6 through the mine area. The enclosed map illustrates the transmission line and the access road that we utilize.

If you have any questions or need any further information, please feel welcome to contact me at 970-461-7220 or by email at bpederson@wapa.com.

Sincerely, o Core

Brian Pederson, SR/WA Realty Specialist

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MAR 0 4 2014 Division of Reclamation, Mining & Safety

Enclosures (2)



9075 WCR 10 * Fort Lupton, CO 80621 PHONE: 303-857-1754 FAX: 303-857-2933 www.ncconstructors.com

January 8, 2014

Western Area Power Authority A7400.LV Attn: Brian Pederson P.O. Box 3700 Loveland, CO 80539

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

Western Area Power Authority A7400.LV RE: Agreement for Compensation for Damage to Structures within 200 feet of mining activities

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.

If you provide authorization to conduct mining and reclamation activities with 200 feet of your utility DRMS also requires a notarized letter, on utility letterhead, from the owner(s) of the utility. Per Rule 6.4.19 of the DRMS 112 Construction Materials rules and regulations the letter should state that the mining and reclamation activities as proposed will have "no negative effect" on your utility/street at Balsam Avenue.

Sincerely,

rod

Chris Zadel Northern Colorado Constructors, Inc.

roperty or Utility Owner

1/8/14 Date

Date

The foregoing instrument was acknowledged before me this Ern Area vinistration. Notary Publi My Commission Expires:



Rocky Mountain Region



Legend

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Proposed and Re-mails Blockare
Comparis Blockare
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Map Parameters UTM ZONE 13, NAD83 Scale 1:6,330

minx: 513667 maxx: 515298 miny: 4430033 maxy: 4431267

1/14/2014 1:49 P.M.

Western Area Power Administration An agency of the U.S. Department of Energy

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