Environment, Inc.

LARRY E. O'BRIAN FOUNDER

STEVAN L. O'BRIAN PRESIDENT

July 15, 2015

Ms. Amy Eschberger

Denver, CO 80215

1313 Sherman St., Suite 215

7985 VANCE DRIVE, SUITE 205A ARVADA, COLORADO 80003 303-423-7297 FAX 303-423-7599

RECEIVED

JUL 15 2015

DIVISION OF RECLAMATION
MINING AND SAFETY

Dear Amy,

RECEIVED

JUL 15 2015

DIVISION OF RECLAMATION, MINING AND SAFETY

RE: Leone Sand and Gravel LLC.
Leone Gravel Pit #2-'M-2006-085'

Division of Reclamation, Mining & Safety

"Adequacy Review 01 & Inspection Response ...

AMOI

On behalf of my client Leone Sand and Gravel LLC., I am responding to your adequacy review letter dated May 18, 2015 and your observations noted in the Inspection Report of May 21, 2015. I have included your review points that need to be addressed in the order presented so the questions and answers will be in the same document for easy reference.

APPLICATION FORM: On Page 2, General Description, please provide the number of miles and direction from the nearest town and the approximate elevation.

Attached is a replacement page for Page 2.

On Page 4, Description of Amendment or Conversion, you state "This amendment adds 366.67 acres more or less to an existing gravel mine." However, on Page 1, you state that 327.50 acres are being added to the permitted acreage (and this is what is shown on the maps submitted). Therefore, it appears that the correct added acreage is 327.50 acres. If this is correct, please change the added acreage listed here.

Attached is a replacement page for Page 4. The correct number is 327.50 acres.

EXHIBIT C - Pre-mining and Mining Plan Map(s) of Affected Lands (Rule 6.4.3):

(a) Map C and Map C-1 submitted show landowner information for the parcels included in the proposed permit area. However, it is unclear on the map whether the Biber family and Randall and Joyce Howell also own the land immediately adjacent to the proposed permit area. On at least one of these maps, please show all immediately adjacent surface owners of record.

The inset in the upper left hand corner was intended to make it clear which parties owned what lands and adjoining areas. I color coded all the land owned by both owners showing the Biber Lands in

green and the Howell lands in blue as shown where the color coding extends past the permit lines. Both property owners own all lands within 200 feet of the permit lines on their respective parcels except where they join and along the east side of Section 31 that is owned by Howell. Sorry for any confusion this caused. I have added each owners name to the perimeter of MAP EXHIBIT C PRE-MINING MAP.

(g) Map C and Map C-1 submitted show the location of one fenceline, oriented NW-SE across the southern portion of the Biber parcel. However, you state that the Howells also own 3-strand wire fences on or within 200 feet of the affected land. Please be sure to show the locations of all permanent or man-made structures contained on the area of affected land and within two hundred (200) feet of the affected land on at least one of the maps submitted.

The fence lines are on the maps but due to the width needed to show the permit lines they are not visible. I will add a label on each permit line that has an underlying fence line and fix the missing fence on the property boundary between the two owners. Both maps have been revised and are included to replace those submitted in the original permit packet.

EXHIBIT D - Mining Plan (Rule 6.4.4): The mining plan shall supply the following information, correlated with the affected lands, map(s) and timetables:

(c) You state in this exhibit that "...all stormwater will be directed to holding ponds built on the mined area". Please describe in the text and/or indicate on the Mining Plan Map where these ponds might be constructed.

Their exact locations are not know as they are built as mining progresses. This usually is at the head of a major draw to contain runoff from the disturbed area and they are reclaimed when no longer needed. I have added the approximate location on Exhibit C-1 Mining Plan Map to show where they would be in relation to the mining area at the time shown on the map.

(e) In the Mining Timetable (Table D-1) you submitted with this exhibit, you state that the total area of Buffers and Setbacks is 184.80 acres, including 64.10 acres on the Howell parcel and 120.70 acres on the Biber parcel. Please describe in this exhibit and show on the Mining Plan Map the locations of these buffers and setbacks.

Ops, I forgot to turn on the hatching for those area on the large maps. Figure E-1 in the original packet shows them as dark green areas. The revised Exhibit C-1 and F maps show the buffers as cross hatched areas and are included in this response.

EXHIBIT L - Reclamation Costs (Rule 6.4.12):

(1) Your reclamation cost estimate provided in this exhibit is based on a maximum disturbed area of 20 acres at any time in the proposed permit area located on the Biber property. Please be advised that the required financial warranty must include costs for reclaiming all land disturbed by the operation, including that located in the existing permit area and that located in the proposed permit area.

As I began to address this I found that while much of the area in the old mine was reclaimed I needed to do a current disturbance analysis for the bond and I found it was consistent with your findings in that there was closer to 55.0 acres needing some form of reclamation. While the mining and processing areas were under 20.0 acres, the remaining areas than may need some future

reclamation actually made the disturbed area closer to 56 acres. I have revised pages 5, and 6 and attached copies to increase the allowable area to 60 acres. This is approximately four acres over the current disturbance area that mining can expand into until we can request a release on approximately 40 acres that is shown on the Bond Map that will be ready for release in the next year. This increase of 40 acres will allow adequate room for expansion into the new area as the final mined areas are reclaimed in the existing areas. I have added the approximate location of the Earthen Berms along the mining area and hatched and labeled the estimated area of disturbance on EXHIBIT C-1 MINING PLAN MAP to depict how the site will look when mining has progressed into the amendment area and the final seeding is completed on the Howell parcel.

You state in Exhibit D that all but 36.80 acres of the existing 180 acres permitted have been disturbed and are in various stages of reclamation. This would mean that 143.20 acres have been disturbed in the existing permit area. However, you state that reclamation is partially or totally complete on approximately 74.55 acres. Does this mean that 68.65 acres in the existing permit area have been disturbed but are not in reclamation? Is this unreclaimed area being used by the operation (e.g. for processing, stockpiling)? Please clarify here how many acres in the existing permit area have been disturbed and specify what reclamation tasks are left for each portion (by acreage) so that the Division can estimate reclamation costs associated with the existing permit area.

I got this wrong and found it when I started looking at the areas disturbed. What I should have said was that of the 180 acres in the permit area approximately 95.48 has been partially mine and reclaimed. Then went on to explain that the remaining 84.52 acres, was made up of buffer, 64.10 ac; the east satellite mining area, 8.82 ac; and undisturbed area north of the gaslines, 11.60 ac. The 95.48 acres of disturbance contains the areas where seeding has been successful, 39.58 ac.; leaving 55.90 acres that is part of the active mining operations.

For bonding purposes the 55.90 acres is broken down as 19.35 ac, Plant Site/Mining area; 12.70 acres, that has been graded, and resoiled and 23.85 acres, that has been seeded for less then 3 years. I revised the bond amount estimate to cover the current conditions and have submitted a revised **EXHIBIT L - RECLAMATION COST ESTIMATE** that is based on these numbers, includes the **BOND MAP** I used to arriver at them.

If the operation intends to maintain a maximum disturbance of 20 acres, this must include all disturbed land in the entire permit area that has not been reclaimed in accordance with the approved reclamation plan. With this in mind, does the operator intend to disturb only 20 acres at any time within the entire permit area, including both the Howell and Biber properties?

We wish to revise the 20 acres disturbance area to be 60 acres. This is bigger then the existing site disturbance and will give Leone Sand and Gravel LLC. room to operate as they expand into the amendment area. They are committed to reclaiming as they go but in the past did not understand that the 20 acres maximum disturbance included areas needing resoiling, grading and seeding, not just mining and processing areas.

If, at a later date, the operator intends to disturb more than 20 acres, the maximum allowed disturbance could be revised with the submittal of a Technical Revision.

We are making that change now, since your inspection and our bond analysis suggest that 20 acres is not adequate at this time. I revised pages 4 and 5 in the application packet to reflect this change. Copies of the replacement pages are provided in this response.

EXHIBIT N - Source of Legal Right to Enter (Rule 6.4.14): In this exhibit, you provided an adequate lease agreement between the operator and Randall and Joyce Howell, and an adequate access agreement between the operator and the Howells, the Bibers, and the Stanley H. Biber Family Trust for use of the existing ranch road that crosses both properties. However, the letter provided for the proposed permit acreage owned by John and Terri Biber and The Stanley H. Biber Family Trust is not adequate because it is not notarized. You state in this exhibit that a lease for the Biber parcel will be submitted to the Division as soon as it is available. Please be aware that either a copy of access lease for the Biber parcel or a signed statement by the landowner(s), acknowledged by a Notary Public, stating that the operator has legal right to enter and mine, must be submitted to the Division before the Amendment can be approved.

Thank you for reminding me that the existing Biber document needs to be replaced. The Bibers sent the lease to their attorney and we are awaiting on him. The ownership on the Biber parcel has changed with the Trust having transferred the surface and minerals to John Biber and Terri Thomas aka Terri Biber. Attached are notarized affidavits from the Mr. Biber and Mrs. Thomas that contains a statement that Leone Sand and Gravel LLC. has the right to enter and mine the property. Once the lease is done we will provide a copy to the Division for the file.

EXHIBIT O - Owner(s) of Record of Affected Land (Surface Area) and Owners of Substance to be Mined (Rule 6.4.15): Of the three owners of record listed, please specify which ones are owners of subsurface rights of the affected land, and which ones are owners of surface of the affected land.

The Howell's are the surface and subsurface of their parcel in Section 29 and the $N\frac{1}{2}$ N $\frac{1}{2}$ of Section 32 including those lands surrounding their parcel on the East, North and West and to the west of the Biber parcel. John Biber and Terri Thomas aka Terri Biber are joint owner of the Biber Parcel and the owners of the surface and subsurface area of the $S\frac{1}{2}N\frac{1}{2}$ and the $S\frac{1}{2}$ of Section 32, the $SE\frac{1}{4}SE\frac{1}{4}$ Section 31 and the permit lands in Section 6. In addition to the lands surrounding that parcel on the east, south and west.

EXHIBIT S - Permanent Man-Made Structures (Rule 6.4.19):

The Division was able to find an adequate structure agreement provided with the original application for the high-pressure gaslines present in the existing permit area.

They were provided to the Division on March 14, 2007 with the adequacy response. Copies are attached.

You state in this exhibit that structure agreements for the property fences present on and within 200 feet of the proposed affected area are included in the lease agreements with the respective owners. However, this information could not be found in the lease agreements provided to the Division.

This was my mistake, a notarized Structure Agreement for the Howell fences was provided on March 14, 2007 with the adequacy response, a copy is attached.

If the fences are not listed in the Biber Lease agreement, we will provide the necessary Structure agreements prior to mining within 200 feet of the Biber fences on the amendment parcel.

In accordance with Rule 6.4.19, when mining operations will adversely affect the stability of any significant, valuable and permanent man-made structure located within 200 feet of the affected area, the applicant may either:

- (a) Provide a notarized agreement between the applicant 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

Please provide one of the items listed above for each owner of a property fence present on and within 200 feet of the proposed affected area.

We will provide one or the other of the items noted above prior to mining within 200 feet of the fences on the amendment parcel.

ADDITIONAL INFORMATION: Prior to approval of this Amendment, you must provide the Division with proof of publication and proof of all required notices pursuant to Rule 1.6.2(1)(g).

The Notice was published on May 15, 22, 29 & June 5 the public comment period ends on June 25, 2015, attached is a copy of the Proof of Publication. The adjoining owner letters were mailed on May 15, 2015. Attached are copies of the Return Receipts cards and proof of mailing receipt for the mailed notices.

The following items are attached to this letter:

Application form - replacement pages 2 &4
Revised Map Exhibit C
Revised Map Exhibit C-1
Revised Map Exhibit F
Revised Mining Plan page 5 & 6
Revised Exhibit L & Bond Map

Copies of old Structure agreements
Copies of old gasline agreements
Copies of Notarized Source of Legal Right to
Enters - Biber & Thomas
Proof of Publication
Proof of Adjoining owner notices

The current decision deadline for this application is August 10, 2014 and Leone Sand and Gravel LLC. would prefer to keep with this timetable if at all possible. Attached is a copy of the cover letter showing that we placed a copy of this packet in the Las Animas County Clerks file copy. If you have more questions or need more information please call me at (303) 423-7297.

Sincerely,

Stevan L. O'Brian Environment, Inc.

Steve

cc Leone Sand and Gravel LLC., Frank Leone Amy Eschberger - via e-mail Las Animas County Clerk. file

6.	Name of owner of subsurface rights of affected land: See Exhibit O If 2 or more owners, "refer to Exhibit O".
7.	Name of owner of surface of affected land: See Exhibit O
8.	Type of mining operation: Surface Underground
9.	<u>Location Information</u> : The <u>center</u> of the area where the majority of mining will occur:
	COUNTY: Las Animas
	PRINCIPAL MERIDIAN (check one): 6th (Colorado) 10th (New Mexico) Ute
	SECTION (write number): S
	TOWNSHIP (write number and check direction): T 32 North South
	RANGE (write number and check direction): R 62 East West
	QUARTER SECTION (check one):
	QUARTER/QUARTER SECTION (check one): NE NW SE SW
	GENERAL DESCRIPTION: (the number of miles and direction from the nearest town and the approximate elevation):
	Approximately 8 miles northeast of Trinidad, CO at 5900 ft.
10.	Primary Mine Entrance Location (report in either Latitude/Longitude OR UTM): Latitude/Longitude: Example: (N) 39° 44′ 12.98″ (W) 104° 59′ 3.87″
	Latitude (N): deg <u>37</u> min <u>13</u> sec <u>48 .29</u> (2 decimal places)
	Longitude (W): deg 104 min 21 sec 49 .47 (2 decimal places)
	OR
	Example: (N) 39.73691° (W) -104.98449°
	Latitude (N) (5 decimal places)
	Longitude(W)(5 decimal places)
	OR
	Universal Tranverse Mercator (UTM)
	Example: 201336.3 E NAD27 Zone 13 4398351.2 N
	UTM Datum (specify NAD27, NAD83 or WGS 84) WGS 84 Zone 13
	Easting
	Northing

12.	Primary future (Post-mining) land use (check one):				
	Cropland(CR) Pastureland(PL) General Agriculture(GA)				
	Rangeland(RL) Forestry(FR) Wildlife Habitat(WL)				
	Residential(RS) Recreation(RC) Industrial/Commercial(IC)				
	Developed Water Resources(WR) Solid Waste Disposal(WD)				
13.	Primary present land use (check one):				
	Cropland(CR) Pastureland(PL) General Agriculture(GA)				
	Rangeland(RL) Forestry(FR) Wildlife Habitat(WL)				
	Residential(RS) Recreation(RC) Industrial/Commercial(IC)				
	Developed Water Resources(WR)				
14.	Method of Mining: Briefly explain mining method (e.g. truck/shovel):				
	Scrapers, Dozers, excavators, haul trucks and front end loaders remove material and take to plant.				
15.	On Site Processing: Crushing/Screening				
	13.1 Briefly explain mining method (e.g. truck/shovel): Materil is delivered to plant and stockipled for processing				
	some will be sold as pit run and the rest will be processed into specification aggregates.				
	List any designated chemicals or acid-producing materials to be used or stored within permit area:				
	None				
16.	Description of Amendment or Conversion:				
	If you are amending or converting an existing operation, provide a brief narrative describing the proposed change(s).				
	This amendment adds 327.50 acres more or less to an existing gravel mine. The same basic method				
	of mining and reclamation will be used as described in the original permit application. The plant will				
	remain in the existing mine area and the material will be hauled to the plant using haul trucks and				
	scrapers.				

MINING PLAN EXHIBIT D (CONT)

The plan to keep the plant site and stockpile area close by the working face to reduce raw material haul distances and keep all disturbance in and around the processing area. The overburden screened from the material will then be placed on the previously mined area, topsoil and seeded as mining progresses thru the property.

Originally it was estimated that mine would last approximately 27 years but due to the demand for material and the amount of minable material it has only been 9 years. By adding this new area we expect to extend the mines life for an additional 23 years +.

Please refer to the Mining Timetable following this text for the areas in the mine and the revised estimate on the life of the mine.

CHANGES TO MINING PLAN

The following changes are a result of the site specific conditions found on the Biber property but have no effect on area remaining to be mined on the Howell property.

The depth of the deposit on the amendment area is different then that found in the Existing permit. In this area it ranges from 5 feet to possibly 35 feet deep, along the upland deposit. No groundwater will be encountered on this area as the final area will be graded to preserve the natural drainage across the site. This mine will be a year round operation with no planned extended shutdowns. However, depending on the demand for material and market conditions, the mine may be operated on an intermittent status. It is proposed to use a floating bond on 60 acres on this operation. Reclamation will run concurrent with mining so on any given area, when mining begins reclamation will follow immediately to keep the amount of area disturbed at anyone time to the maximum proposed. It is planned that it will take approximately three to four years after mining commences on the Biber property before reclamation begins. Reclamation will be completed on the last area mined on the Howell property when the mining operation is moved to the north end of the Biber property.

It will then take between 3 to 5 years to establish the reclaimed area back to rangeland that may be considered for release by the Mined Land Reclamation Board or the Division of Reclamation, Mining & Safety. The reclamation will be an ongoing process as soon as the first section is deemed mined-out, and mining and reclamation will follow a natural progression to the south with final reclamation as the ultimate goal. The amount of

MINING PLAN EXHIBIT D (CONT)

area affected at any-one-time will range between 5 to 60 acres with a maximum of 60 acres ±.

The back sloping and final pit floor grading will be done during mining. It is planned to start reclaiming 5 acres as they are deemed mined-out. This allows the operator the allotted time to establish a planned reclamation plan and continue to mine, hence the 60 acre floating bond. As stated before, this site is on an upland terrace deposit with the following characteristics:

The areas to be mined are MIK Midway-Ritoazul complex, 5 to 35 percent slopes and MnB Mananst silty clay loam, 1 to 3 percent slopes. It is estimated that the deposit is from 5 to 35 feet deep with negligible overburden and from 6 to 9 inches of topsoil. Since the permit was originally approved in 2006 the NRCS has changed the names of some of the soil types so we have provided an updated soils report as part of this permit packet.

The stratum beneath the deposit is presumed to be sandstone, shale, or conglomerate or a combination thereof. No ground water will be encountered in this mine and all stormwater will be directed to holding ponds built on the mined area. Due to the nature of the site we will not hold stormwater past the 72 hours required by the Colorado State Engineers Office. In the past any stormwater that collects evaporates or soaks into the ground within the first 48 hours.

STAGING CHANGES

In the existing permit, Leone Sand and Gravel is committed to working in 20 acres areas sequentially around the mine in a counter clock wise direction. This was to be done, using a series of 11 Mining Areas. In the new area, we will not use areas to define mining direction or limit what area may be mined at one time. Instead we propose having no more the 60 acre maximum disturbance area as a limitation, but instead of being in a specific location and time, it will float around the mining area with the general plan to mine from north to south across the deposit. This allows more flexibility during the mines development as we will be able to mine areas that may contain specific materials needed to make a product. Since the deposit lies on a number of fingers along the east and south edges of the mesa, the plan is to start mining on the north end, work south on the main deposit and east or south, out the fingers as they are reached. This is shown on the Mining Plan Map.

This reclamation cost estimate in based on the assumption that no more then 60 acres will need some form of reclamation at any one time. Of this 60 acres, 20.0 acres would be stripped, partially mined or being used as plant site area and the remaining 40.0 acres would be partially reclaimed areas. In addition, the estimate includes a 1000 feet of mine face grading (0.5:1 to 3:1) at 2.65 cyd/linear ft (15 ft high). This estimate is based the current status at the mine as shown on the attached Bond Map. This means that 2,912 cubic yards of cut/fill sloping be needed to knock down the mine face and 25,855 yard of topsoil/growth medium will be needed on the area to be reclaimed. We would also have to resoil, grade and shape 32.05 acres of seed bed area and revegetate 32.05 ac. ±. There is 23.85 acres that is seeded and is included in the reseeding estimate since it is not ready for release. The amount of topsoil that will be re-spread is based on an average of 6 inches. The revegetation cost figure includes fertilizer, grass seed, mulch and drilling costs. We have not included the cost to demolish concrete foundations since all of the equipment on site is portable.

A 627C Cat motor scraper or similar equipment will be used to resoil the area and a 140G Cat motor grader or similar equipment will be used to shape the seed bed, and the resoiled areas. A D8N Cat dozer or similar equipment will be used to cut down the mine face and create slopes.

RECLAMATION ACTIVITY	AREA (UNITS AC., LFT, YDS OR PIECES)
	Phase 1
RESOIL (ac)	32.05
REVEGETATE (ac)	32.05
GRADE AND SHAPE (ac)	32.05
CUT/FILL SLOPES (Ift)	1,000

DATA		
EXPLANATION	QUANTITY	UNITS
Soil depth (average)	6.00	Inches
Cut/fill slope reconstruction	2.60	cy/Lft
Swell factor	1.12	
Weed control costs	\$2,000.00	Per year

ESTIMATED UNIT COSTS FOR RECLAMATION ITEMS:

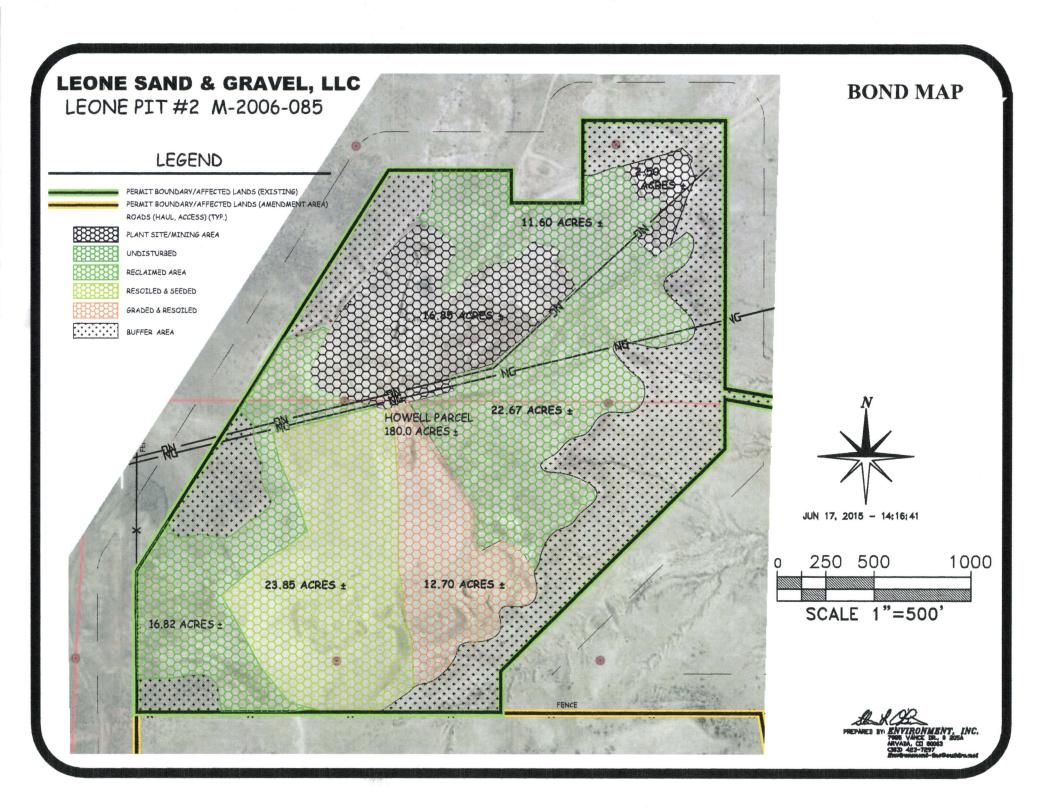
		Unit Cost
1.	Revegetation includes grass seed mix, mulch and fertilizer and labor to drill \$1	000 00/70
2.	Re-spreading soil and/or growth media with	,000.00/AC.
2	627-E MOTOR SCRAPER, HAUL DISTANCE LESS THAN 900	
3. 4.	Grade and shape seed beds, 140G motor grader . Cut/fill slopes, D8N Dozer push distance less	\$59.54/ac
	than 60 feet	41.0¢/YD3
5.	Secondary Revegetation seeding only	\$400.00/AC
	RECLAMATION COSTS	
1.	Revegetation, 32.05 ac @ \$1,000.00/ac	\$32,050.00
2.	Resoiling, 25,855 yd ³ *1.12* 60.6¢/yd ³ Grading and shaping 32.05 ac. @ \$59.54/ac	10,593.05
J .	Grading and Bhabing 32.05 ac. w 559.547ac	
4.	Cut/fill slopes, 2,600 yd3 * 1.12 @ 41.0¢/yd3	1,193.27
5.	Cut/fill slopes, 2,600 yd3 * 1.12 @ 41.0¢/yd3 Secondary revegetation 55.90 ac x 40% x \$1000.00/ac	1,193.27 22,360.00
	Cut/fill slopes, 2,600 yd3 * 1.12 @ 41.0¢/yd3	1,193.27
5. 6.	Cut/fill slopes, 2,600 yd3 * 1.12 @ 41.0¢/yd3 Secondary revegetation 55.90 ac x 40% x \$1000.00/ac Weed control costs Net Total Indirect costs	1,193.27 22,360.00 2,000.00 \$70,104.45
5. 6.	Cut/fill slopes, 2,600 yd3 * 1.12 @ 41.0¢/yd3 Secondary revegetation 55.90 ac x 40% x \$1000.00/ac Weed control costs Net Total Indirect costs Mobilization	1,193.27 22,360.00 2,000.00 \$70,104.45 3,652.68
5. 6. 9.	Cut/fill slopes, 2,600 yd3 * 1.12 @ 41.0¢/yd3 Secondary revegetation 55.90 ac x 40% x \$1000.00/ac Weed control costs Net Total Indirect costs	1,193.27 22,360.00 2,000.00 \$70,104.45

CURRENT BOND IS \$57,664.00

RECOMMEND BOND BE SET AT \$87,200.00

EQUIPMENT LISTED IN THIS ESTIMATE IS USED FOR THE CALCULATIONS AND SIMILAR TYPES MAY BE USED IN THE ACTUAL RECLAMATION ACTIVITIES AT THE MINE.

Source of Figured Using, Cat Handbook #38 and Rental Costs from Means for 83% efficiency, for Southern Colorado



CERTIFICATION OF OWNERSHIP

WE, RANDALL & JOYCE HOWELL, HEREBY STATE THAT WE ARE THE SOLE OWNERS OF ALL FENCES SURROUNDING AND WITHIN SAID PROPERTY DESCRIBED, AND THAT;

LEONE SAND AND GRAVEL SHALL BE RESPONSIBLE FOR ANY AND ALL DAMAGES TO SAID FENCES AND SHALL REIMBURSE US FOR ALL COSTS OF REPAIR.

RANDALL HOWELL

JOY CE HOWELL

DATED: 12-22-06

SUBSCRIBED And Affirmed before me This 22DAY of DECEMBER, 2006

NOTARY RUBLIC

My commission Expines

DECEMBER 1, 2010



LJ Development, Inc. Attn: Joe Gagliano 256 N. Merrill Dr. Pueblo West, CO 81007

Re: Colorado Interstate gas Company's executed Encroachment Permit form Leone Sand & Gravel Pit # 2 S½ of Section 29, N½ of Section 32, 32 South, 62 West

Hi Joe,

Enclosed is a copy of the executed Encroachment Permit for your records. Thank you for your cooperation in this matter. Another copy is being mailed to Leone Sand & Gravel per your request. If you have any questions, please feel free to call me at (719) 520-4713 or on my cell at (719) 659-5936. Thanks.

Sincerely,

Stephen Bacon

Sr. Right of Way Analyst

Colorado Interstate Gas Company

tester D. Bacon

Cc: Frank Leone, Jr. - Leone Sand & Gravel

Encl: CIG executed Encroachment Permit for mining excavation

Your gas company representa	Co. Spany Soul & Gravel Enc yo Jon & official Coff Dr. Fueble Wast Co Typy tive is Cocil Collingia	(714) 500 - 40 ENCROACHMENT	119-359-063 771 2011 Phone (Coße	त्रं ect Calls Accepted)	Daso
SECTION: 17: 29 N/2 3.2	TOWNSHIP: 325"	RANGE: 62W	COUNTY:	ST:	PM:
LATITUDE:	LONGITUDE:	LENGTH:	STATION NO:		1
LINE LIST NO.: 200A/200B		ROW WIDTH:	ALIGNMENT SHEET	T T	
20077 2003	an angganistabahan mempungkitabbahan B	NCROACHMENT DE		Section of the Control of the Contro	And in concession to Marie Security and
DAMAGE PREVENTION: construction upon and along Grantor with plans and sy specifications have been appr to contact the following the si area at least two working construction on the property. a representative of Grantor construction. The instruction safety of the pipelines or oth the Permittee, its agents and facilities incurred due to Perm BEFORE YOU DIG* taw, of Permittee. This Permit shall be reprocable.	Permittee agrees that it shall the Property until Permittee for sections and until such oved by Grantor. Permittee further with the property until Permittee further with the sacciations (One Caldays prior to the commensuch construction shall be made is present at the time and or such representative relative further with the presentation of the story incurred during constructional for or repaired at the expenses in the event of noncompliants, and specifications hereof up	not begin st provides plans and ther agrees i) within its coment of conly when i place of log to the lollowed by o Grantor's state "CALL ion of the inse of the inse of the inse of any pon written	tatl, maintain and operate the aborperty ('the Property'). This perm with the general requirements with the general requirements. INDEMNIFICATION: Permittee or protect, indemnify, hold harmless agents or employees, from any lia fees, arising from claims asserted tinjuries, death or property darrage of the Permittee or its contractors arising from or growing out of the operation or removal of the Permittee operation or removal of the Permittee. ENVIRONMENTAL AND SAFETY all federal, state, and local laws, reguldance documents or common to related to safety or pollution or prenvironment that govern the emiss processing, distribution, use, treat transportation of hazardous or no pollutants, contaminants, chemicals	and item(s) covenants and agree s, and defend Gran bility or expense, inc by any person or pen including but not limit s, subcontractors or construction, existen ed Facility. LANVS: Permittee s ales and regulations, see including, but not otection of the publi ion, discharge, relea ment, handling, stor on-hazardous substs s, and/or waste.	is to at all times ator, its officers, cluding attorneys' sons for personal ted to employees their employees, ce, maintenance, chall comply with agency policies, limited to, those is health and the se, manufacture, age, disposal, or moss, materials,
By: GRANTOR	Interstate Gas C	· C .	I acknowledge that I am authorized for the above stated entity an requirements, terms and conditions provisions and prescribed penal regarding excavation. By:	d that I have can of this Permit. I also lities as provided	refully read the ounderstand the

ENCROACHMENT REQUIREMENT

Said company is an interstate transporter of natural gas and hazardous liquids and as such, is regulated by the Department of Transportation, Office of Pipeline Safety (OPS). In some cases state and local law may exceed the federal regulations. The general requirements listed below have been designed to comply with state and federal regulations as well as insuring the safety of the public and protecting the pipeline.

	GENE	RAL REQUIREMENTS FOR SURFACE ALTERATIONS
The state of the s	A. []	Many states have laws which require 48 hours notice be given to the operators of underground facilities prior to beginning excavation. This may be accomplished by contacting a One Cal system (check your state).
Mindale and Advantage of the last	в. 🗆	Company's easement restricts the placement of a structure, or any part of a structure, within the right-of-way.
	c. 🗆	An authorized Company representative must be on site during any work performed on or across the right-of-way, and will remain as long as power equipment is utilized.
	D. 🗆	The Company representative will determine the amount of cover over the pipeline that may be required.
	ε. 🗆	Any change in the amount of existing material (soil) on and over the right-of-way must be approved in advance.
	1. F	TENCES
	A. [Fence posts shall not be installed within 5 feet of the center of the pipeline, and the first post either side of the pipe shall be sein hand dug holes.
	В. [To perform normal maintenance, access through or around fences crossing the right of-way must be provided.
	C. 🗌	Installer shall adhere to provisions A & C of GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS
		ANDSCAPING (plantings which require excavating beyond foot in depth)
The Parties and Advisor and Ad	A. [Flower beds and shrubs are permitted within the right of-way after Company review and approval. Heavy maintenance may require total clearing of the right of way.
	В. 🗆	Lawns and vegetable gardens are acceptable uses. No trees are allowed on the right-of way.
	c. 🗆	Provisions A & C of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS pertain to this type of planting.
	STREE	ETS, ROADS AND DRIVEWAYS
	A. 🗆	Residential or driveways intended for light vehicle access to a single family dwelling must have a minimum of 4 feet of cover over the pipeline. If heavy vehicles; such as semi trucks or construction equipment, will use the road, refer to them E under this Section for additional requirements.
	В. 🗀	Driveways or roads shall not run lengthwise within the right-of- way and must cross on an engle, which is not less than 45° degrees.

c. 🗆	An opportunity for Company to make a pipe inspection must be given prior to the start of any construction.				
D. 🗌	Provisions A, C, D & E of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS pertain to driveway crossings.				
E. 🗌	Highway, residential street or road construction requires a special encroachment agreement from the Land Department, and plans for such crossings should be submitted 90 days prior to work commencement to allow time for project impact review by the local Company office.				
IV. TE	MPORARY EQUIPMENT CROSSINGS				
A. []	Normal loads acceptable to the state highway department may cross the pipeline where a minimum of 5 feet of cover is provided. Equipment such as construction, logging, etc., must cross the pipeline only at approved crossing locations where the cover has been checked and determined adequate to meet bearing load requirements.				
в. 🗆	Contractor shall also be required to meet Provisions, A, C & D of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS.				
V. O	PEN WATERWAYS				
A []	Open waterways smaller than 3 feet wide at the bottom are defined as "ditches" and must have a minimum of 3.5 feet of cover from the top of the pipe to the bottom of the ditch, or the ditch must be lined using an approved method and material. Larger open waterways are defined as "canals" and are considered on an individual basis.				
в. 🗌	Anyone altering (clearing, regrading or changing alignment) a waterway must obtain approval from Company prior to making changes and shall meet Provisions A & C of the GENERAL REQUIREMENTS FOR SURFACE ALTERATIONS.				
VI. E	XCAVATION				
A []	Plans for any excavation on the right of way must be approved prior to commencing work. Excavating closer than 2 feet to the pipeline shall be done by hand until the pipeline is exposed and shall be done only under the supervision of an authorized Company representative.				
в. 🗆	When a backhoe is used, the bucket teeth should be curied under each time it's brought back into the ditch to reduce the chance of teeth contacting the pipe.				
c. 🗆	Any plowing or ripping of soil on the right-of-way, including agricultural, at depths greater than 1 foot will require specific authorization from the Company.				
GENE	RAL REQUIREMENTS FOR BURIED LINE CROSSINGS				
. 🗆	All buried lines crossing Company's right-of-way shall be installed adhering to all applicable codes and requirements governing such installations.				
в. 🗆	All buried lines crossing the right-of-way must cross on an angle at 90 degrees or as close to it as possible. This angle must be maintained across the entire width of the easement.				
c. 🛘	All buried lines should cross under the pipeline. However, when obstructions or unfavorable soil conditions are encountered, or when the Company's pipeline is located at a depth greater than 4 feet, approval to cross over the line may be granted by said Company				
D. 🗌	To avoid unexpected service interruptions of buried lines, crossing over Company's pipeline, a minimum of 24 inches				

E. 🗆	All buried lines crossing the pipeline shall maintain a minimum separation of 24 inches between the two lines, and shall remain level across the entire right-of way.	^ □	All 4 inch and larger metallic pipes crossing Company's pipeline or any metallic pipe transporting potential hazardous material (petroleum, natural gas, etc.) shall have two corrosion test leads installed on Company's pipeline and two on the crossing pipe at the point of intersection.
F. 🗌	No foreign appurtenances (meters, poles, drop boxes, collection basins, etc.) shall be located on the right-of-way.	в. 🦳	Company personnel must install the leads on company's
G. 🗆	A six inch wide vinyl burial warning tape shall be placed 12 to 18 inches above the crossing line and extend across the entire right-of-way, as a protective measure.	_	Pipeline(s) and, if requested, will also install the leads on the crossing pipe.
н. 🗌		C. L	Metallic pipe crossings shall have an electrical insulation coating for the full width of the right-of-way. /E GROUND UTILITY LINE CROSSINGS
	MMUNICATION LINES (TELEPHONE, TV, OTHER DATA	A []	Power lines shall maintain a minimum height of 30 feet of clearance over the right-of-way grade.
A□	Shall meet all provisions for GENERAL REQUIREMENTS - BURIED LINE CROSSINGS	в. 🗆	Shall have no poles or appurtenances located on the right-of-way.
в. 🗆	Shall be encased in a rigid nonmetallic conduit across the full width of the right-of-way and buried at constant depth across the right of way(s).	c. 🗆	Above ground crossings shall not be above or closer than 200 feet horizontally to any gas escape vent (e.g., reflef valve vent, station blowdown vent).
c. 🗆	Fiber optic lines must be encased in PVC or equal conduit and the conduit must be encased with a minimum 5 inch red dye concrete with minimum strength of 2,500 psi across the full	D. 🗆	Any pot hole (bell hole) request shall be made through a Company's representative.
D. [width of the right of-way. There will be no intentional grounding within 200 feet of the	E. []	Any facilities laying on or just above the surface on the right of way that would impede the access of company vehicles shall have a vehicular ramp installed over the facilities.
11 221	pipeline. JRIED POWER LINES		provisions not addressed in this document shall be listed below
			attachment labeled as (EXHIBIT "A") attached to this form and by the Permittee.
A. []	Shall meet all of the GENERAL REQUIREMENTS - BURIED LINE CROSSINGS, except for item E.		
в. 🗆	Shall have minimum clearances between lines of 24 inches for 0 to 600 volts; 30 inches for 601 to 22,000 volts; 36 inches for 22,001 to 40,000 volts; and 42 inches for 40,001 volts and above.		
c. 🗆	In the event an underground electric line crosses the pipeline, it	24.4	0.110
	will be necessary to install the crossing line in pvc or rigid heavy	State On	e Call Contacts
	wall steel conduit with a minimum 5 inch red dye concrete with minimum strength of 2,500 psi across the full width of the right of-way.	Arizona	(800) 782-5348 <u>www.azbsinc.com</u> Maricopa County (602) 263-1100
D. 🗆		California	4 (800) 227-2600 <u>www.digalert.crg</u>
	the underground cable angle and path of crossing. If the underground cable crosses above the pipeline, the signs shall	Cotorado	(800) 922-1987 <u>www.uncc2.org</u>
	so indicate. These signs are to be furnished by the power company or the encroaching party.	Kansas	(800) 344-7233 www.kansasonecall.com
m. se	EWER AND WATER LINES	Nevada	(800) 227-2600 <u>www.usanorth.org</u>
ΑП	Shall meet all of the GENERAL REQUIREMENTS - BURIED	New Mex	ico (800) 321-25378 (ALERT) www.nmonecail.org
	LINE CROSSINGS.	Oklahom	8 (800) 522-6543 www.callokie.com
В. []	No manholes or other appurtenances shall be installed in the right of way.	Texas	Lone Star Notification (800) 669-8344 Tecas Excavating Safety System (800) 344-8377 Texas One Call (800) 245-4545
c. 🗆	Septic tanks and drainfields are not permitted in the right of- way.	Utah	(800) 662-4111
N/ 01			
14. 34	JBSURFACE DRAINAGE TILE (NON-METALLIC)	Wyoming	Wyoming One Call (800) 348-1030 Call Before You Dig of Wyoming (800) 849-2476

GENERAL REQUIREMENTS FOR BURIED LINE CROSSINGS CONT.

V. METALLIC PIPE CROSSINGS

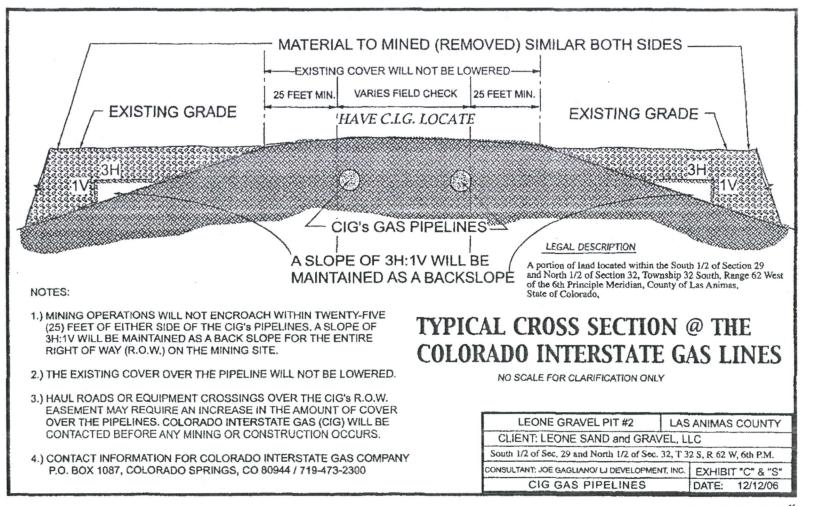


Exhibit "A"



L J Development, Inc. Attn: Joe Gagliano 159 Tiffany Ct. Pueblo, CO 81005

Re: Colorado Interstate Gas Company's comments regarding proposed Leone Gravel Gravel Pit # 2 in the S_ of Section 29 and N_ of Section 32, Township 32 South, Range 62 West.

Hi Joe,

Thank you for sending us the maps and other information regarding the proposed Pit # 2 which will affect our two 16 inch diameter high-pressure natural gas pipelines. Each pipeline has a 50 foot wide easement and a combined 75'± wide easement where the two pipelines parallel each other. Colorado Interstate Gas Company ("CIG") has no concerns regarding the proposed gravel pit as long as the following conditions are met:

- 1). Please contact Cecil Coffman (CIG Operations Representative) at (719) 520-4671 or on his cell phone at (719) 859-0635 at least 72 hours prior to any work being performed on our easements.
- 2). Based on the construction vehicle weights submitted to CIG, we will require a minimum 48 inches of over the pipelines where the construction equipment will cross the pipelines.
- Leone Gravel will be responsible for mitigating any erosion problems which affects our easements.
- 4). CIG is agreeable to the grading plan affecting our easements as shown in Drawing Exhibit "A."
- 5). Leone Gravel will need to execute CIG's Standard Encroachment Permit prior to any work being done in our easements. Permit is attached to this letter for your review and signature.

If you have any questions, please feel free to call me at (719) 520-4713 or on my cell at (719) 659-5936. You can also email me at steve.bacon@elpaso.com. Thanks.

Sincerely.

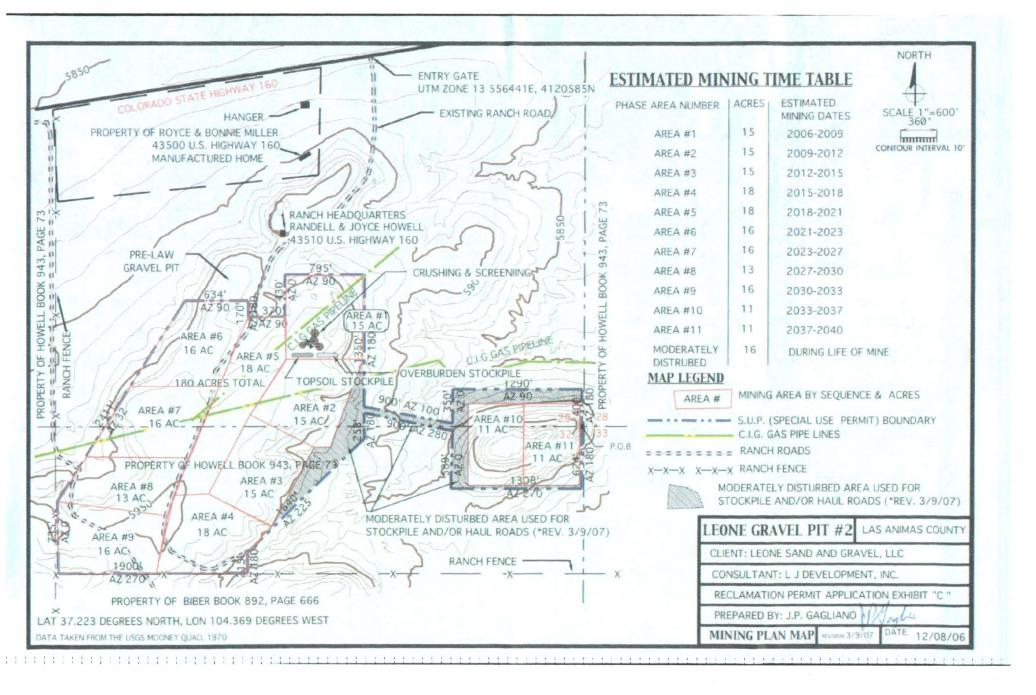
Stephen D. Bacon

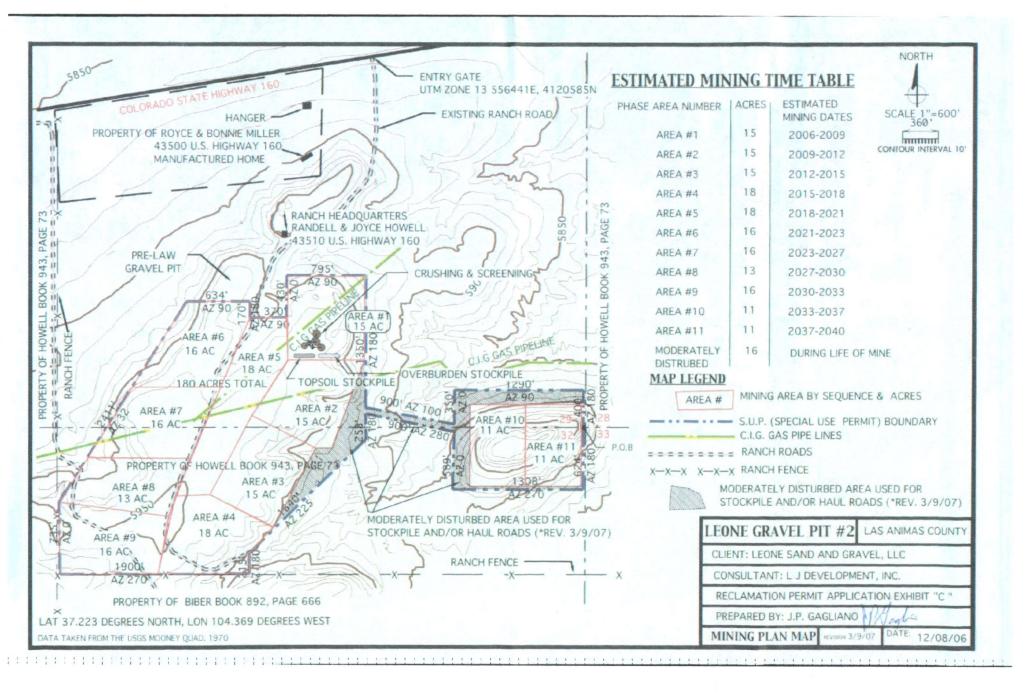
Sr. Right of Way Analyst

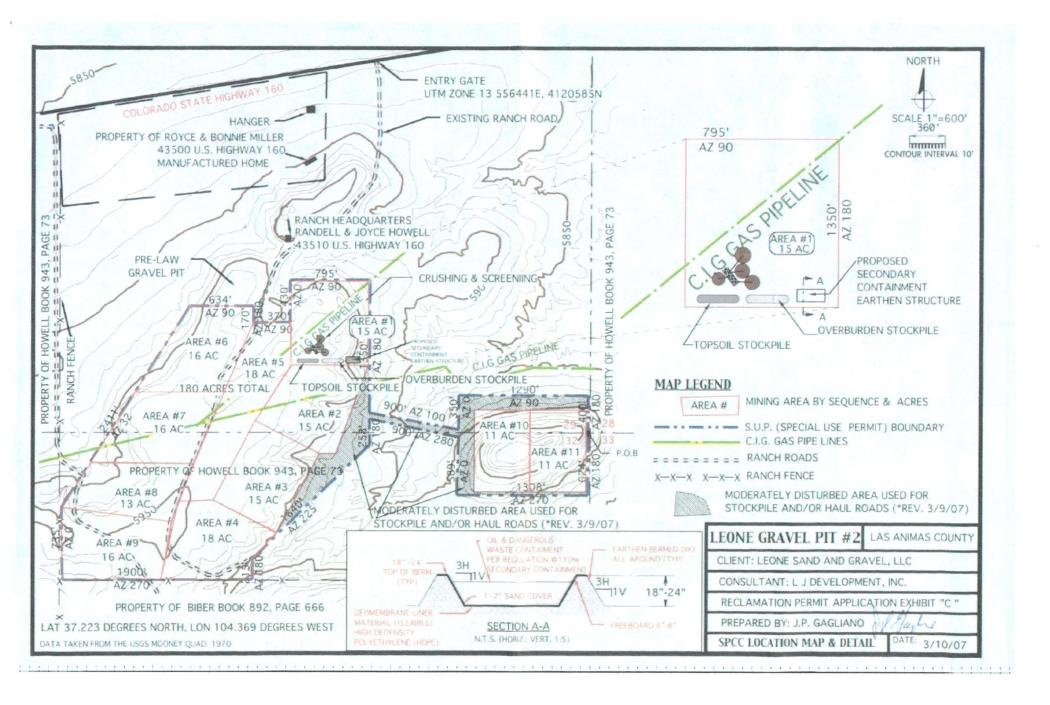
Colorado Interstate Gas Company

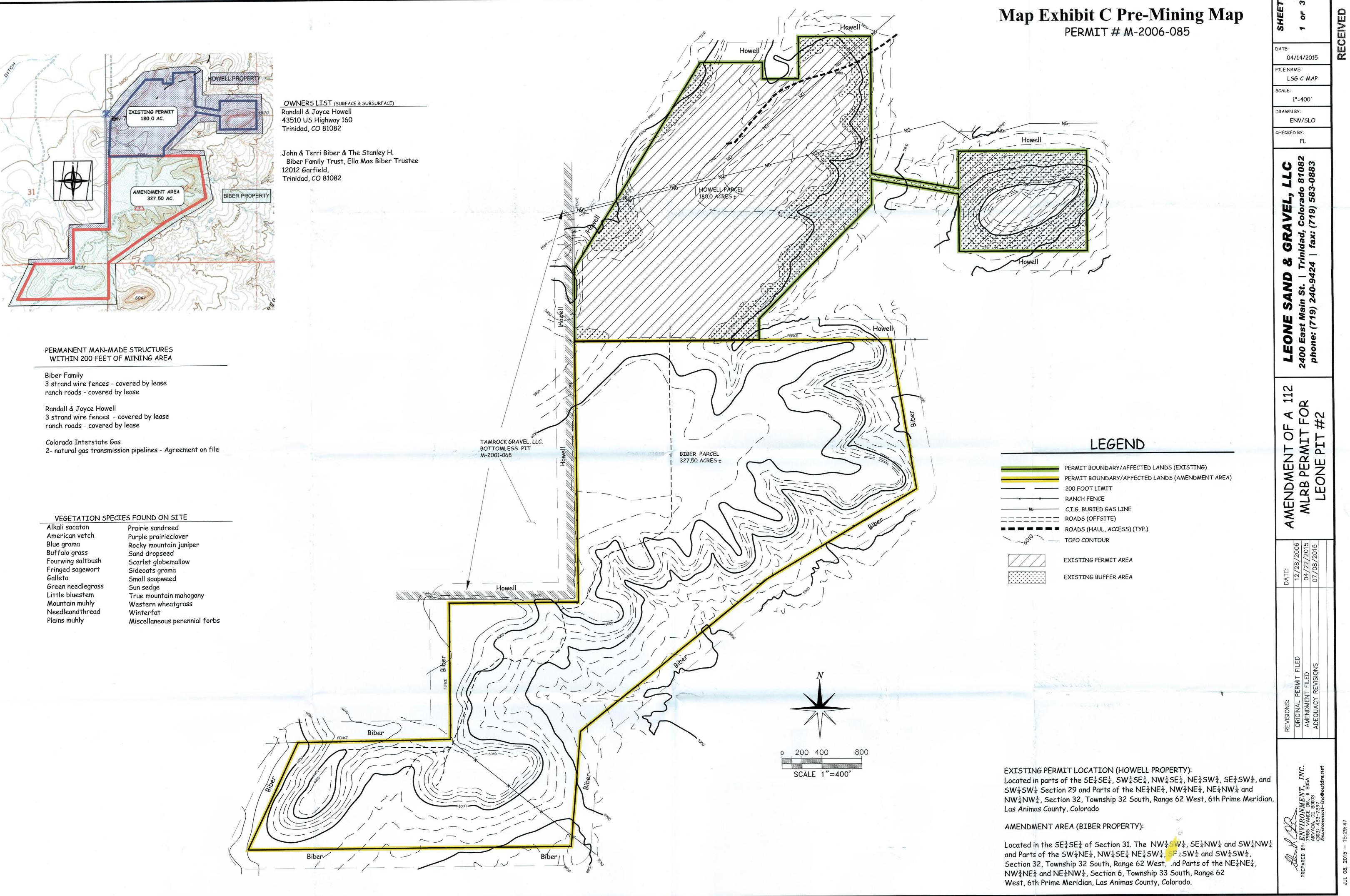
Encl: Grading Profile Exhibit "A"

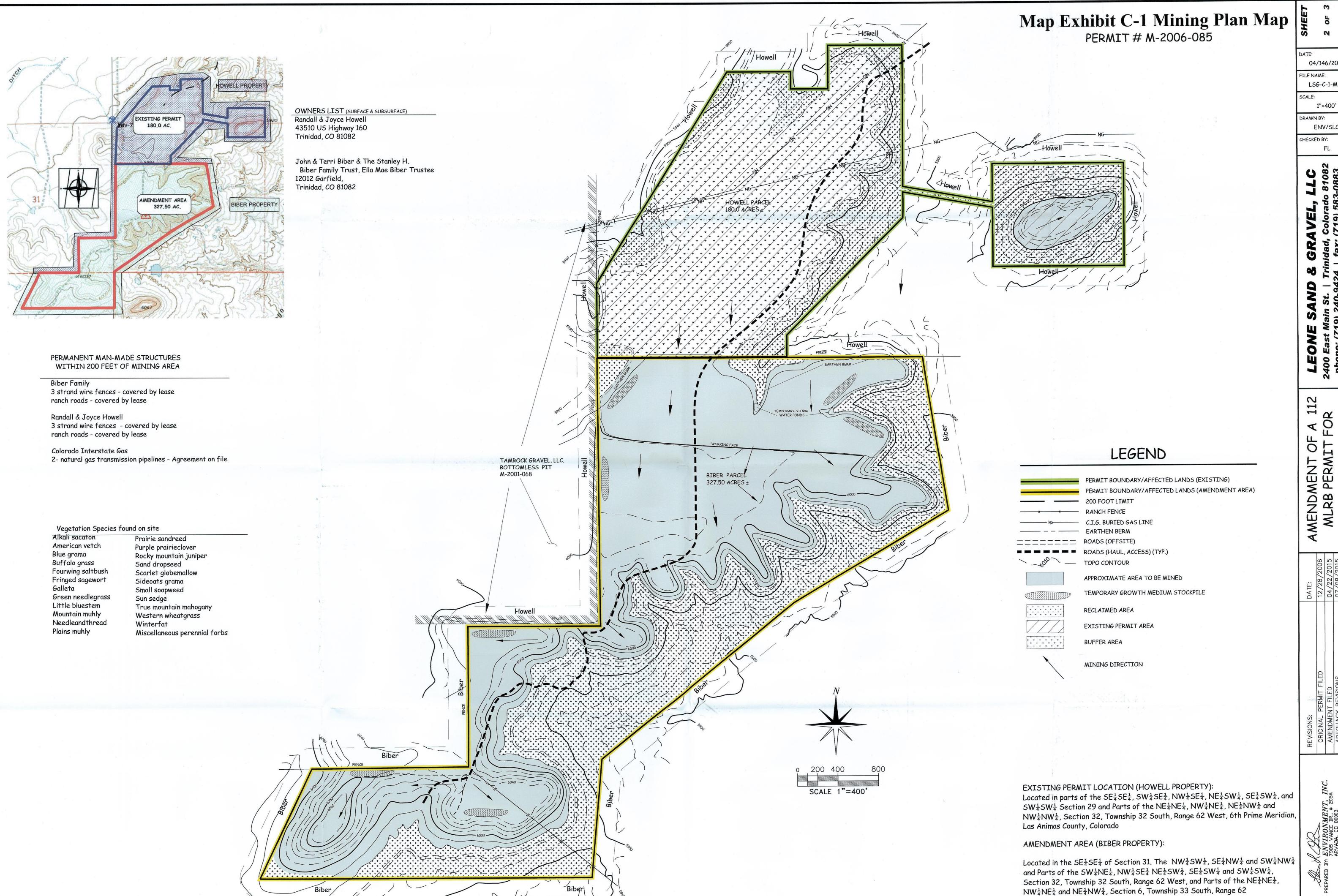
CIG Encroachment Permit











04/146/2015

FILE NAME:

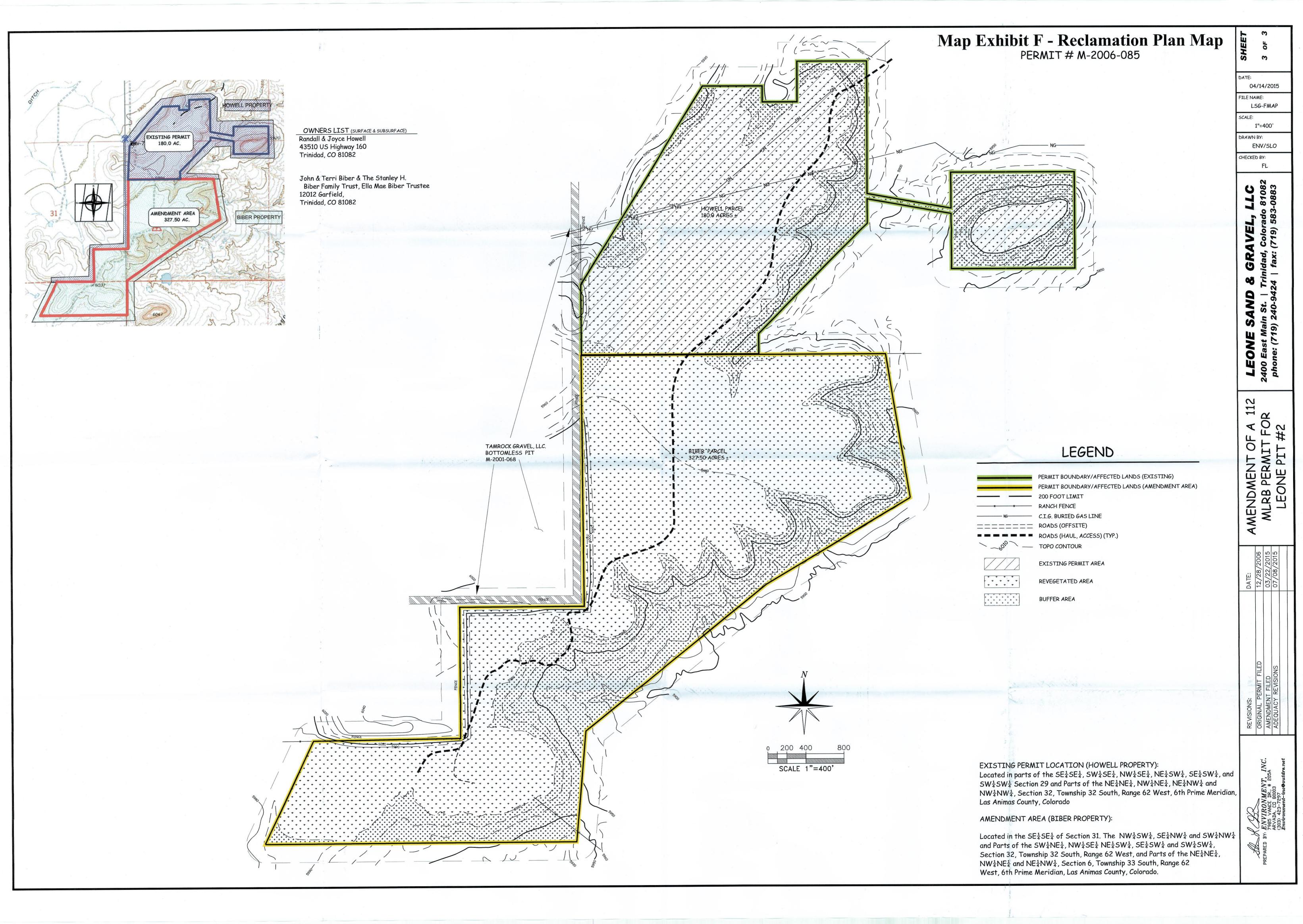
LSG-C-1-MAP

ENV/SLO

CHECKED BY:

AMENDMEN MLRB PEF LEONE

West, 6th Prime Meridian, Las Animas County, Colorado.



PROOF OF PUBLICATION

STATE OF COLORADO COUNTY OF LAS ANIMAS SS

Lauri A. Duran, of lawful age, being first duly sworn upon oath, deposes and says that she is the authorized agent of The Chronicle-News, daily newspaper of general circulation which is published and circulated in the City of Trinidad, Las Animas County, Colorado, that said newspaper is a newspaper of general circulation complying with all of the requirements of Articles I to VII, Chapter 130, 1935, Colorado Statutes Annotated, and all other laws of said State, and that said legal / notice has been so published for the period of time prescribed in said newspaper proper and not a supplement.

The attached Notice was published in said newspaper in its issue(s) dated

58031

May 15, 22, 29, 2015 June 5, 2015

Lauri A. Duran

Subscribed and sworn to before me this

day of <

A. D., 2015.

Allyson L! Sheumaker

My commission expires on August 26, 2015

PUBLIC NOTICE

PUBLISHED NOTICE OF APPLICATION AMENDMENT FILING FOR A REGULAR (112) CONSTRUCTION MATERIALS **RECLAMATION PERMIT**

Leone Sand and Gravel LLC. has filed an application amendment to their Reclamation Permit with the Colorado Mined Land Reclamation Board under the provisions of the Colorado Mined Land Reclamation Act for the extraction of construction materials. The mine is known as the Leone Gravel Pit #2 (permit # M-2006-085) and is located in the SE1/4SE1/4 of Section 31. The NW1/4SW1/4, SE¼NW¼ and SW¼NW¼ and Parts of the SW¼NE¼, AWYSEK-NEWSWK-SEKSWKW Section 32, Township 32 South, Range 62 West, and Parts of the NE¼NE¼, NW¼NE¼ and NE¼NW¼, Section 6, Township 33 South, Range 62 West, 6th Prime Meridian, Las Animas County, Colorado.

The date of commencement for was mine was 2007 and the proposed date of completion December 2040. The proposed future use of the land is rangeland.

Additional information and the tentative decision date may be obtained from the Division of Reclamation, Mining & Safety, 1313 Sherman St., Suite 215, Denver, CO 80203 (303) 866-3567, at the Las Animas County Clerk and Recorders office, 200 East First St., #205, Trinidad, CO. 81082, or the above named applicant.

Comments must be in writing and must be received by the Division of Minerals and Geology by 4:00 p.m. on June 25, 2015.

Please note that 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 milar ones, are typically addressed by your local Overments, rather that the Division of Reclamation, whing & Safety or the Mined Land Reclamation Board.

Legne Sand and Gravel LLC. Trinidad, Colorado

PUBLISHED: May 15, 22, 29, 2015

June 5, 2015

58031

102595-02-M-1540

Leone Sand and Gravel LLC.
PERMIT # M-2006-085
PROOF OF DELIVERY - Adjoining owners
June 16, 2015

(Transfer from service label)
PS Form 3811, February 2004

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature A. Signature A. Signature Agent Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below:
John & TERRI BIGO III	3. Service Type Certified Mail
2. Article Number (Transfer from service label) PS Form 3811, February 2004 Domestic Ret	
	tina na n
SENDER: COMPLIFITE THIS SECTION Complete Items 1, 2, 2, 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X. Dunyley Thouse Addressee B. Received by (Printed Warne) C. Date of Delivery Donnied Havel Siglis D. Is delivery address different from item 1? Yes If YES, enter delivery address below:

7011 1570 0002 1521 1433

Domestic Return Receipt

PROOF OF DELIVERY - Adjoining owners June 16, 2015

COMPLETE THIS SECTION ON DELIVERY		
A Signature Agent Addressed B. Received by (Printed Name) C. Date of Delivery Addressed C. Date of Delivery Addressed different from Item 1? Yes If YES, enter delivery address below:		
3. Service Type		
☐ Certifled Mall ☐ Express Mall ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.		

STATE	OF TPXQS	AFF <u>IDAVIT</u>	
COUNTY	YOF Hays	. 31 1 (27)	
Jo says:	ohn Biber, being first duly s	wern upon oath, (deposes and
: t	That the surface and mineral r shown on Exhibit A Legal Descr the southern parcel of Leone hundred percent in fee simple, h a.k.a. Terri Biber.	iption attached a Gravel Pit #2 is	nd known as s owned one
	That Leone Sand and Gravel LLC., Corporation, is empowered to electronical Colorado Mined Land Reclamation property.	btain any permits	with the
	That the Leone Sand and Gravel mine, and process constructi property for auxiliary uses as processing of the material base.	on materials and sociated with the ed.	used the mining and
, 20°	BSCRIBED and sworn to before me	Daut	A
	AMY DORSETT	1/11/17	exptres.

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b, day of before me this Terri Biber. PRIBED and sworn to by Terri Thomas a.k.a. 2018

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