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MINING AND SAFETY

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May 4, 2015

Colorado Division of Reclamation, Mining and Safety

Department of Natural Resources

Attention: Elliott Russell

1313 Sherman Street, Room 215

Denver, Colorado 80203

RE: Schlosser Pit I, File No. M-2014-061, 112 Construction Materials Reclamation Permit Application, Adequacy Responses

Dear Mr. Russell,

Please find enclosed two copies of materials which need to be inserted into the existing 112 Construction Materials Reclamation Permit Application for the Schlosser Pit I, File No. M-2014-061. This material will satisfy the issues in your April 24, 2015 Adequacy Letter.

Exhibit C – Mining Plan Map (item 26): Please replace the existing Mining Plan Map on page C-5 with the enclosed new Mining Plan Map. The new map includes the issues addressed in your adequacy letter

Exhibit D – Mining Plan (items 27 and 28): Please replace the existing page D-2 with the enclosed new page D-2 which includes the additions in content requested for the Mining Plan.



Exhibit E – Reclamation Plan: This comment has been noted.

Exhibit L - Reclamation Costs: Schlosser, Inc. has noted the Division's reclamation cost estimate and agrees to the amount of \$111,300.00.

If you have any questions or would require any additional information, please contact me.

Thank you.

Sincerely,

Ray Leahy **V**Authorized Agent for Schlosser, Inc.

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Water Diversions and Impoundments

All water to be used at this site will be purchased from the City of Burlington. The water will be used as a dust suppressant for the processing, plant site area, access/haul road area and the overall pit grounds.

There will be no water diversions or water impoundments at this site. Schlosser Inc. will utilize berms and silt fencing as necessary to prevent storm water run-off from leaving the pit area and entering the Sandy Creek drainage system. The Sandy Creek drainage is an ephemeral system. No excavation will occur within 100 feet of the Sandy Creek drainage. No encountering of ground water is expected. Schlosser, Inc. commits to keeping the mining operations a minimum of two feet above groundwater if groundwater is encountered.

There is an existing well within the permit area (shown on the Mine Plan Map on page 5–C). This well is owned by Schlosser Inc. This well is inactive and will not be used in any capacity during operations at this site. This well site will not be disturbed during excavation, mining operations will mine around the well site leaving the well site intact.

Size of Area to be Worked

The phase one area is 20 acres and the phase two area is 30 acres. All of phase one Due to the extensive depth of the sand and gravel deposit, only a small area will need to be opened up at any one time. The sand and gravel deposit averages 20 feet in depth which will yield approximately 50,000 tons of material per acre. Demand should not exceed this amount in any given year.

There is an approximate 6 acre area that was previously mined at this site (see Mine Plan Map on page 5-C). This 6 acre excavation is included within the affected area of this permit area.

There will be an approximate 40 foot buffer area that will not be mined between the permit boundary area and the area being mined and also a buffer area of 100 feet between any excavation and Sandy Creek. This buffer area will total approximately 6 acres that will not be mined within the Affected Area.

Operations Timetable

Mining operations are planned to commence in the summer of 2015. It is estimated that approximately 50,000 tons of material will be processed each year (depending on the demand for the products).