December 17, 2015

Stephanie Bratton Bratton Enterprises, Inc. 237 Roselawn Ave. Yampa, CO 80483



COLORADO Division of Reclamation, Mining and Safety Department of Natural Resources

1313 Sherman Street, Room 215 Denver, CO 80203

RE: McCoy Pit, Permit No. M-1981-088, Withdrawal of Notice of Surety Increase (SI-1) Pending Litigation

Dear Ms. Bratton:

Monday, October 05, 2015 the Division of Reclamation, Mining and Safety (Division) issued a Surety Increase notice due Friday, December 04, 2015 based on site conditions observed during the Thursday, August 06, 2015 inspection. The increase was in the amount of \$59,256 for a total bond amount of \$268,200 to be held by the Division.

Due to ongoing litigation the Division is unable to effectively estimate the reclamation liability until the matter between Highland Springs Ranch, Inc. and Bratton Enterprises, Inc. is resolved. For this reason the Division is withdrawing the Notice of Surety Increase (SI-1) and the current bond amount will remain at \$208,944.

Bratton Enterprises, LLC will whichever comes first, notify the Division within 30 (thirty) days of a decision or by June 1, 2016 provide the Division with an update.

Once the matter is resolved the Division will inspect the McCoy Pit, M-1981-088. And ensure that the Financial Warranty adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan. At that time if the Division finds the bond is inadequate, a surety increase will be issued.

Upon termination of litigation Bratton Enterprises, LLC shall resolve any legal right of access or reclamation responsibility issues that may result.

If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@ state.co.us

Sincerely,

Amy Yeldell Environmental Protection Specialist Department of Natural Resources



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Division of Reclamation, Mining and Safety Phone: (970) 254-8511 Fax: (970) 241-1516

Ec: Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS Barbra Coria, DRMS