

PSA

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106

5002

IN



APPLICATION FORM FOR TRANSFER OF MINERAL PERMIT AND SUCCESSION OF OPERATORS

ADMINISTRATIVE INFORMATION

RECEIVED
INCOMPLETE
DEC 21 2015

Permit Information

Permit Number: M-2000-158

112 C

Operation Name: S & H MINE

Division of Reclamation,
Mining & Safety

Permittee Information

Contact Person: ERIC VANDERHYE

Company Name: GILCREST RESERVOIR, L.L.C.

Street Address: 9191 TOWN CENTRE DRIVE, SUITE 210

City: SAN DIEGO

State: CALIFORNIA Zip: 92122

Phone: 858) 846-1777

Email (optional): _____

✓ Ann Rep cul 7/27/15
due 8/10/16

Prospective Successor Information

Contact Person: ROBERT A. LEMBKE

Company Name: SCOUT INVESTMENTS, L.L.C.

Street Address: 8301 E. PRENTICE AVE., SUITE 100

City: GREENWOOD VILLAGE

State: COLORADO Zip: 80111

Phone: 303) 773-1005

Email (optional): _____

✓ no enforce, min int

✓ corrsp

Other Reclamation Permits held by Prospective Successor (if applicable):

none

DESIGNATION OF REVIEW TIMELINE

As explained above, the Permittee and Prospective Successor may waive their right to receive a decision on an Application within 30 days in order to allow the Division to calculate the required Financial Warranty before issuing its decision. Permittee and Prospective Successor must initial one of the following two options to designate their choice. If Permittee and Prospective Successor cannot agree, the Division will render its decision within 30 days.

	I have reviewed the information provided in this Application
Permittee	Packet, as well as the applicable Act and Rules. Having been fully
	informed, I wish to <u>WAIVE MY RIGHT TO A DECISION ON</u>
Prospective Successor	MY APPLICATION WITHIN 30 DAYS.

X EV	I have reviewed the information provided in this Application
Permittee	Packet, as well as the applicable Act and Rules. Having been fully
X	informed, I wish to <u>MAINTAIN MY RIGHT TO A DECISION</u>
	ON MY APPLICATION WITHIN 30 DAYS.
Prospective Successor	

The Prospective Successor must provide an adequate Financial Warranty or *conditional* replacement Financial Warranty, consistent with the designation above. Hard Rock and Construction Materials Rule 4.3 describes the various acceptable types of Financial Warranties. Each Financial Warranty must be submitted on the Board's approved forms (available online at <http://mining.state.co.us/Mineral%20Forms.htm>).

Other Reclamation Permits held by Prospective Successor (if applicable):

none

DESIGNATION OF REVIEW TIMELINE

As explained above, the Permittee and Prospective Successor may waive their right to receive a decision on an Application within 30 days in order to allow the Division to calculate the required Financial Warranty before issuing its decision. Permittee and Prospective Successor must initial one of the following two options to designate their choice. If Permittee and Prospective Successor cannot agree, the Division will render its decision within 30 days.

Permittee

Prospective Successor

I have reviewed the information provided in this Application Packet, as well as the applicable Act and Rules. Having been fully informed, I wish to WAIVE MY RIGHT TO A DECISION ON MY APPLICATION WITHIN 30 DAYS.

X

Permittee

X

Prospective Successor

I have reviewed the information provided in this Application Packet, as well as the applicable Act and Rules. Having been fully informed, I wish to MAINTAIN MY RIGHT TO A DECISION ON MY APPLICATION WITHIN 30 DAYS.

The Prospective Successor must provide an adequate Financial Warranty or *conditional* replacement Financial Warranty, consistent with the designation above. Hard Rock and Construction Materials Rule 4.3 describes the various acceptable types of Financial Warranties. Each Financial Warranty must be submitted on the Board's approved forms (available online at <http://mining.state.co.us/Mineral%20Forms.htm>).

DUE DILIGENCE CERTIFICATION

The Board wishes to ensure that Prospective Successors are fully informed of their duties and obligations should they become Successor to the Permit. Accordingly, the Prospective Successor must carefully review the items below and must initial indicating its agreement and understanding.


INITIAL

If the Application is approved, the Prospective Successor will assume all liability for the reclamation of the affected land, and for compliance with the Hard Rock Act and Rules or the Construction Materials Act and Rules, as applicable (available online at <http://mining.state.co.us/Rules%20and%20Regs.htm>). Successor will be liable for any pre-existing conditions or violations, whether known or unknown at the time of the SO. It is the Prospective Successor's sole responsibility to investigate the operation prior to filing an Application.


INITIAL

If the Application is approved, the Successor will be solely responsible for maintaining the mining and reclamation operations in compliance with the Reclamation Permit. The Permit includes the original approved Application, along with any and all subsequent revisions, amendments, and conversions thereto. It is not uncommon for a Permit to include dozens of documents that span many years. It is the Successor's sole responsibility to obtain a full and complete copy of the Permit and to understand the extent of his/her/its obligations thereunder. Permit documents may be purchased from the Division of Reclamation, Mining and Safety (the "Division") upon request or viewed on the Division's website at <http://drmsweblink.state.co.us/drmsweblink/search.aspx?dbid=0>


INITIAL

If the Application is approved, the Successor must submit Annual Fees and Annual Reports to the Division on the anniversary date of the Reclamation Permit. For hard rock and designated mining operations, consult C.R.S. § 34-32-127(2) for the amount of the Annual Fee. For construction materials operations, consult the C.R.S. § 34-32.5-125 for the amount of the Annual Fee. Required annual reporting information is described in Hard Rock and Construction Materials Rule 1.15 and in the Annual Report Form provided by the Division. Failure to submit Annual Fees or Annual Reports may result in enforcement action.

**APPLICANTS' AGREEMENT TO REQUEST TRANSFER
OF MINERAL PERMIT AND SUCCESSION OF OPERATORS**

WHEREAS, on February 1, 2011 Permit Number M-2000-158 ("Permit") was granted to GILCREST RESERVOIR, L.L.C., A COLORADO LIMITED LIABILITY COMPANY ("Permittee"), pursuant to which Permit, Permittee has engaged in a mining operation located in WELD County, Colorado.

WHEREAS, The Permit includes and incorporates any and all subsequent Amendments, Technical Revisions and/or Conversions.

WHEREAS, Permittee wishes to assign the entire Permit, along with all associated rights and responsibilities to SCOUT INVESTMENTS, L.L.C., A COLORADO LIMITED LIABILITY COMPANY ("Prospective Successor"), and Prospective Successor wishes to become Successor Permittee under the Permit.

WHEREAS, Prospective Successor has inspected the mining and reclamation operations and is fully aware of the conditions thereof.

WHEREAS, Prospective Successor understands that the Reclamation Plan (the "Plan") is an integral part of the Permit and is required by law. Prospective Successor has had an opportunity to thoroughly review the Plan, understands that the Plan has not been completed and that, if Prospective Successor becomes Successor, he/she/it will assume full responsibility for the completion of the Plan.

NOW THEREFORE, Permittee and Prospective Successor hereby agree, for their own benefit and for the benefit of the State, as follows:

Prospective Successor agrees to accept all of the conditions of the Permit, including the condition that the operation remains in compliance with all applicable laws and regulations, and to perform all of the obligations of the Permittee under the Permit.

Prospective Successor agrees to complete the Plan, and to assume all liability for the same, as to all areas presently disturbed, as well as to all areas hereafter disturbed.

Prospective Successor agrees to submit to the Division of Reclamation, Mining and Safety ("Division"), Performance and Financial Warranties, as required by applicable law and regulations, which will be substituted for the Performance and Financial Warranties previously filed by the Permittee, if and when the Division approves a Transfer of Mineral Permit and Succession of Operators ("SO") and releases the latter Warranties.

Prospective Successor represents to the State that, to the best of its knowledge, information and belief, it is not in violation of any of the provisions of the Mined Land Reclamation Act (C.R.S. § 34-32-101 *et. seq.*) ("Hard Rock Act") and associated Rules (2 C.C.R. 407-1) ("Hard Rock Rules") or the Land Reclamation Act for the Extraction of

Construction Materials (C.R.S. § 34-32.5-101 *et. seq.*) ("Construction Materials Act") and associated Rules (2 C.C.R. 407-4) ("Construction Materials Rules"), with respect to any other operation conducted by the Prospective Successor in the State of Colorado.

Permittee and Prospective Successor hereby request that the Mined Land Reclamation Board ("Board") approves their SO Application, recognizes the Prospective Successor as Successor Operator under the Permit, accepts the Prospective Successor's Performance and Financial Warranties, and releases the current Permittee's Performance and Financial Warranties.

SIGNED, SEALED AND DATED this 27 day of November, 2015.

PERMITTEE

GILCREST RESERVOIR, L.L.C., A COLORADO LIMITED LIABILITY COMPANY

Name of Permittee

By

Signature of Officer

Director

Title of Officer

PROSPECTIVE SUCCESSOR

SCOUT INVESTMENTS, L.L.C., A COLORAD LIMITED LIABILITY COMPANY

Name of Prospective Successor

By

Signature of Officer

Robert A. Lembke, Manager

Title of Officer

NOTARY FOR PERMITTEE

STATE OF Colorado)

COUNTY OF Denver) ss.:

The foregoing instrument was acknowledged before me this 24th day of November, 2015,
by John T. McIntyre, II as Directors of Gilcrest Reservoir, L.L.C., a
and Eric B. Vanderhye Colorado limited liability company

Notary Public

My Commission Expires

Tina S. LeMieux
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19964002899
MY COMMISSION EXPIRES NOVEMBER 14, 2017

Construction Materials (C.R.S. § 34-32.5-101 *et. seq.*) ("Construction Materials Act") and associated Rules (2 C.C.R. 407-4) ("Construction Materials Rules"), with respect to any other operation conducted by the Prospective Successor in the State of Colorado.

Permittee and Prospective Successor hereby request that the Mined Land Reclamation Board ("Board") approves their SO Application, recognizes the Prospective Successor as Successor Operator under the Permit, accepts the Prospective Successor's Performance and Financial Warranties, and releases the current Permittee's Performance and Financial Warranties.

SIGNED, SEALED AND DATED this 24th day of November, 2015.

PERMITTEE

GILCREST RESERVOIR, L.L.C., A COLORADO LIMITED LIABILITY COMPANY

Name of Permittee

By _____
Signature of Officer

Title of Officer

PROSPECTIVE SUCCESSOR

SCOUT INVESTMENTS, L.L.C., A COLORADO LIMITED LIABILITY COMPANY

Name of Prospective Successor

By [Signature]
Signature of Officer

Robert A. Lembke, Manager
Title of Officer

NOTARY FOR PERMITTEE

STATE OF _____)
COUNTY OF _____) ss.:

The foregoing instrument was acknowledged before me this _____ day of _____,
by _____ as _____ of _____.

Notary Public _____

My Commission Expires _____

NOTARY FOR PROSPECTIVE SUCCESSOR

STATE OF COLORADO)
) ss.:
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 24th day of November, 2015,
by Robert A. Lembke as Manager of Scout Investments, L.L.C.

WHITNEY B BARTELS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094031406
MY COMMISSION EXPIRES OCTOBER 26, 2017

Notary Public Whitney Bartels
My Commission Expires 10-26-17

STATE APPROVAL
[for completion by Division]

- (a) The Board hereby approves the transfer of permit number _____ from
_____ to _____.
- (b) The Board hereby recognizes _____ as Successor Operator under
such Permit.
- (c) The Board hereby accepts the Performance and Financial Warranties submitted by Successor and hereby
releases _____, as former Permittee from all obligations under
its Performance and Financial Warranties. The Board further releases all affected financial warrantors from
obligations under Financial Warranties associated with the former Permittee.

STATE OF COLORADO
DEPARTMENT OF NATURAL RESOURCES
MINED LAND RECLAMATION BOARD
DIVISION OF RECLAMATION, MINING AND SAFETY

By: _____
Division Director

Date Executed: _____

Source of Legal Right to Enter

As authorized representative for United Milliken Reservoir Enterprise, L.L.C., a Colorado limited liability company, which is the owner of the real property subject to Colorado Division of Reclamation and Mine Safety permit No. M-2000-158 (the "Property"), I hereby certify that Scout Investments, L.L.C., a Colorado limited liability company, has the legal right to enter the Property and conduct mining and reclamation.

Signature: Robert A. Lembke

Name: Robert A. Lembke

Title: Manager of United Milliken Reservoir Enterprise, L.L.C.

Date: Nov. 24, 2015

RECEIVED

DEC 21 2015

Division of Reclamation,
Mining & Safety

State of Colorado }
County of Arapahoe } ss.

The foregoing instrument was acknowledged before me this day of Nov. 24, 2015 by Robert A. Lembke as the Manager of United Milliken Reservoir Enterprise, L.L.C., a Colorado limited liability company.

Whitney B Bartels
(Notary's official signature)

10-26-17
(Commission Expiration)

WHITNEY B BARTELS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094031406
MY COMMISSION EXPIRES OCTOBER 26, 2017

PST

M 2000-158

Application Checklist

☒ **Application Form:** Complete the form located on page 5.

SHORT \$29

☐ **Application Fee:** Include check payable to Colorado Division of Reclamation, Mining and Safety. \$115 SN/KE \$144

☒ **Performance Warranty:** Complete the form located on page 11.

☒ **Financial Warranty:** Submit the appropriate Financial Warranties or conditional replacement Financial Warranties using the forms posted on the Division's website (available online at <http://mining.state.co.us/Mineral%20Forms.htm>).

☒ **Demonstration of Legal Right to Enter:** Identify the owners of all surface and mineral rights, obtain the documentation described above, and submit to the Division.

INC

☒ **Structure Agreements:** Obtain new Structure Agreements if Permittee had been required to do so.

**For this Record...**

Filing history and documents
Get a certificate of good standing
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FAQs, Glossary and Information

Summary

Details			
Name	Scout Investments, L.L.C.		
Status	Good Standing	Formation date	08/11/2010
ID number	20101450659	Form	Limited Liability Company
Periodic report month	August	Jurisdiction	Colorado
		Term of duration	Perpetual
Principal office street address	8301 E. Prentice Ave., Suite 100, Greenwood Village, CO 80111, United States		
Principal office mailing address	n/a		

Registered Agent	
Name	Lisa Haas
Street address	8301 E. Prentice Ave., Suite 100, Greenwood Village, CO 80111, United States
Mailing address	n/a

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