December 22, 2015

John Muller Elam Construction, Inc. 556 Struthers Ave Grand Junction, Co 81501-3826



COLORADO Division of Reclamation, Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215 Denver, CO 80203

RE: Breese Basin Sand & Gravel, Permit No. M-2008-022, Notice of Surety Increase (SI-2) 60-Day Extension Request Denial

Dear Mr. Muller:

The Division of Reclamation Mining and Safety (Division) inspected the above mentioned site on September 9, 2015. Following that inspection the Reclamation Cost Estimate and Notice of Surety Increase (SI-2) was issued on October 5, 2015. Division calculations estimated the cost to reclaim the above referenced site to be <u>\$55,000</u> rounded up from <u>\$54,901.34</u>. This is an increase of <u>\$7,190</u> over the <u>\$47,810</u> currently held by the Division. Pursuant to Section 34–32.5–117(4)(c)(II) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of the notice, which was Friday, December 04, 2015.

On December 10, 2015 the Division issued a Reason to Believe a Violation Exists and Notice of Board Hearing. This notice was mailed to 4B land & Livestock LLC, the permittee.

On December 22, 2015 the Division received via email an extension request from Elam Construction, Inc. Given that the extension was requested after the finical warranty due date and that the extension as requested by a third party the Division cannot grant an extension. <u>On December 22, 2015 the Division denies the sixty (60) day extension request made by Elam Construction, Inc.</u>

If the permittee corrects the outstanding bond issue prior to Friday, January 22, 2016 the Division will withdrawal this item from the board agenda.

Staff would also like to note that the annual report fee of \$791.00 was due on December 4, 2015. The permittee was contacted prior to the due date and made aware that it had yet to be received by the Division.

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



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Sincerely,

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Amy Yeldell Environmental Protection Specialist Department of Natural Resources Division of Reclamation, Mining and Safety Phone: (970) 254-8511

Cc: Scott Brennise 4B Land & Livestock LLC 5801 Highway 394 Craig, CO 81625

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