January 6, 2016

Frank & Nathan Hewes Hewes Family LLLP PO Box 184 Toponas,, CO 80479



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

1313 Sherman Street, Room 215 Denver, CO 80203

RE: King Mountain Sand & Gravel Mine, Permit No. M-1978-314, Transfer of Permit and Succession of Operators Application (SO3), Approval

Dear Mr. Hewes:

On January 6, 2016 the Division of Reclamation, Mining and Safety (Division) approved the Transfer of Permit and Succession of Operators application (SO3) submitted to the Division on November 17, 2015, replacing King Mountain Gravel, LLC as the permit holder for the above stated site, with Hewes Family LLLP.

In an effort to ensure the Financial Warranty remains adequate to reclaim the above referenced site per the requirements of the approved Reclamation Plan, the Division has reviewed the reclamation cost estimate. The bond held by the Division to reclaim the above referenced site is adequate and will remain at **\$**<u>86,090</u>. The estimate was based on conditions observed during the October 28, 2015 inspection.

The terms of SO-3 will not be finalized until this bond amount is submitted to and approved by the Division. Adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter. The amount needs to be accepted prior to Monday, March 07, 2016. Please contact Barbara Coria (ph. 303-866-3567, ext. 8148) at the Division of Reclamation, Mining and Safety Denver Office for submittal of the Financial and Performance Warranties.

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

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

