

March 3, 2016

Peter Babin
CalX Minerals, LLC
5501 Lakeshore Drive
Littleton, CO 80123



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Mid-Continent LST, Permit No. M-1982-121, Surety Increase (SI-2) Resolution 30-Day Extension Request Approval

Dear Mr. Babin:

On March 1, 2016 the Division of Reclamation Mining and Safety (Division) received your response to our February 5, 2016 letter. In that letter the Division proposed three ways to resolve your objection to the surety increase (SI-2) issued on November 19, 2015. The Division requested that by March 1, 2016 we are notified in writing which option CalX will use to resolve this matter. In your letter you have indicated that you choose option one. Option one requires, accept the Notice of Surety Increase (SI-2) issued on November 19, 2015 in the full amount of \$49,583 for a total bond amount of \$172,376 to be accepted by the Division on or before March 7, 2015.

In your letter dated March 1, 2016 you indicated that the financial hardship largely stemming from your principal customer declaring bankruptcy will make posting the additional surety amount difficult by the above mentioned deadline. It was mentioned that the bankruptcy trustees should be releasing funds on or about April 1, 2016. The Division will consider this statement as a request for a 30-Day extension to post the additional surety amount required.

The Division is accepting your request for a 30-day extension. Please submit the required surety amount on or before **April 7, 2016**. If you fail to post the additional surety amount by April 7, 2016 the Division may issue a Reason to Believe a Violation Exists and Notice of Board Hearing. The Division also recommends that you inform us of progress being made over the next 30-days.

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
Barbra Coria, DRMS
Jessica Lopez Pearce, Colorado River Valley BLM Field Office