



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

1313 Sherman Street, Room 215
Denver, CO 80203

May 9, 2016

Mr. Todd Hammerlund
Granby Sand & Gravel, LLC
P. O. Box 1838
Granby, CO 80446

**Re: Granby Sand & Gravel, LLC, Kattenberg Pit, File No. M-2004-017
Financial Warranty Increase (SI-01)**

Mr. Hammerlund,

On November 23, 2015, Division of Reclamation, Mining and Safety (Division/DRMS) received a Transfer of Mineral Permit and Succession of Operators application (SO-01) from Granby Sand & Gravel, LLC for the Kattenberg Pit. Granby Sand & Gravel, LLC selected the option to maintain the right to a decision within 30 days. Granby Sand & Gravel, LLC was required to replace the existing financial warranty in the amount of \$57,100.00. The Division approved the Transfer of Mineral Permit and Succession of Operators application and issued the permit for the Kattenberg Pit to Granby Sand & Gravel, LLC on November 23, 2015.

The Division is required to inspect the site and recalculate the reclamation bond within 60 days from the date of the transfer is deemed complete. The due date was January 22, 2015. On December 29, 2015, the Division notified the Operator the required inspection would be delayed due to weather conditions at the site.

The Division updated the original 112c permit application bond calculation to reflect current equipment and labor costs. The revised financial warranty amount is \$59,900.00, which is an increase of \$2,800.00.

Granby Sand & Gravel, LLC will have 60-days from the date of this letter to submit a rider or a new financial warranty per Rule 4.2. The due date is July 8, 2016. If you wish to submit a different type of Financial Warranty, the various application forms can be found at the following website: <http://mining.state.co.us/Forms/Pages/WarrantyForms.aspx>.

If you have any questions regarding the Financial Warranty forms please contact Barbara Coria at (303) 866-3567 Ext. 8148.



A copy of calculations used to determine financial warranty is attached for your review.

If you have any questions regarding this process or the bond calculation, please contact me at (303) 866-3567 Ext. 8124.

Sincerely,



Peter S. Hays
Environmental Protection Specialist

Enclosure: CIRCES Financial Warranty Estimate

Cc: Wally Erickson, Division of Reclamation, Mining and Safety
Barbara Coria, Division of Reclamation, Mining and Safety

CERTIFIED MAIL NO. 7014 0150 0000 9138 8878
Return Receipt Requested