

***Uncompahgre Holdings, LLC
21263 Hiway 550 South
Montrose CO 80403***

27 October, 2016

Dustin Czapla
Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
101 South 3rd Street, Suite 301
Grand Junction, CO 81501

Dear Dustin:

I am the current owner representative of the South portion of the Colona Gravel Pit, South of Montrose, and operated by Oldcastle SW Group dba United Companies. United owns the North portion of the pit, and has state permit M-1994-005 which covers both the United property and southern parcel owned by our entity, Uncompahgre Holdings, LLC. (UH,LLC)

I am in receipt of United's letter to you dated July 27, 2016. After reviewing the letter, I take exception to several of Mr. Siegmund's comments, and most of his conclusions. I will concur however, with his sentiment that he is hopeful that we can settle this issue.

Following Mr. Siegmund's letter, I have assumed responsibility for our UH, LLC ownership interests, my goal is to draw this matter to a simple conclusion, as soon and as efficiently as possible. I have recently corresponded with Mr. Siegmund, we have made progress of a sort, however there are still some points of disagreement.

I will summarize the issue for you as follows:

PERMIT ISSUES

1. United does not appear to have a valid lease, and they do not appear to have legal right of entry except as may be granted for reclamation purposes.
2. The current reclamation plan is not feasible, and using the state's method to calculate reclamation costs, the surety bond appears to be grossly insufficient.

3. Regarding the annual report for the Colona Pit, Form 112c, for the years 2012 through the present United appears to have responded falsely regarding Item 19. Had the company answered correctly, this matter would have properly come to the attention of DMRS, and in all likelihood would have been resolved 4 years ago.
4. In corresponding with Mr. Siegmund, United does not appear to acknowledge that the original pre-1994 use was irrigated agricultural land.
5. The current (post 2005) reclamation plan identifies that United will make a (17acre, 20 foot deep) lake in the South end of the pit. This is the property owned by our interests UH, LLC
6. As I pointed out to you in my letter of September 29th, after several months of unsuccessful discussions with United, we finally contacted DMRS on July 25, 2016 once we had determined that a mutually agreed plan (for reclamation) with United was not going to be possible.
7. It was therefore puzzling for us to learn that on August 2nd 2016, that DMRS received a reclamation plan revision from United. This submittal was made without our knowledge, or approval.
8. I have subsequently corresponded with Pete Sigmund in a further attempt to agree on a reclamation plan, and in order to identify the principle issues. We have dispensed with the complications of a 3 acre lake, and now merely seek to reclaim the pit. It is a simple exercise. The purpose of this letter is to request your participation in order to move this matter to a conclusion.
9. It would appear that you need to receive, and approve a new reclamation plan, (in the proper form), so that work can proceed, and so that this matter may be concluded successfully. The issues are simple and straightforward, and I am confident that with your assistance, this can be accomplished quickly.

TECHNICAL ISSUES

1. From a technical standpoint the South end of the pit has been mined to a level, below groundwater level in such a way that during irrigation season standing water runs from South to North in the pit. During the remainder of the year there is between 0 and 4 inches of standing water in various puddles, and pools over the 17 acre pit bottom.

2. We have been advised that adding fill dirt could create an unstable ground condition, unless an engineered solution for the exposed groundwater is addressed first.

3. In viewing United's current proposal, we are by no means assured that their plan addresses the issues, it is even mildly shocking how casual United is with respect to the technical aspects, the implementation, and the long term consequences.

RECLAMATION ISSUES

As the landowners, we are also state residents, taxpayers and voters, respectfully we are now looking to DRMS to provide the services for which your agency was formed, namely that environmental and reclamation issues are addressed responsibly, and with the benefit of your legal and technical expertise.

1. As the representative of the other owners of this entity, I therefore respectfully ask that DMRS now provide us (the landowners) with the assurance that the operator (United) will be required to perform the correct and necessary reclamation in such a way that the work is performed on a timely basis, with the necessary quality, and the correct technical expertise.

2. Since the south lake was never mined to its proposed depth, the reclamation plan for this area must change. We as the landowners desire that the reclamation of this bottom area of approximately 17 acres be restored to agricultural use (ie. irrigated agricultural land), which was the pre-mine land use.

3. We realize that the slopes above the bottom area must be reclaimed to a minimum of 2H:1V, with a 6 inch topsoil cover.

In summary, as the landowners, we do not wish to be left in a position wherein we are negotiating with the operator/permit holder on issues that are clearly the in DRMS's purview. We also do not wish to be put into the position (at a much later date), of having to enforce corrections to a poorly, or incorrectly installed reclamation plan.

LANDOWNER'S REQUEST TO THE STATE OF COLORADO, DRMS

As the landowner we now respectfully request that the state review the site's present condition, and recommend that the operator develop a straightforward

plan for reclamation, in accordance with state standards, and that the plan include, at a minimum the following:

Materials and coverage

1. An engineered solution to the issue of existing exposed groundwater to a level above the existing water table, (to be determined).
2. A minimum of an additional 24 inches* of fill material, (above the level in Item 1). That the fill material be composed/engineered to be correct for the end use, which is irrigated agricultural land, and so that the fill material accounts for, and is able to support plant root systems, as required for irrigated agricultural use.
3. A top coverage of a minimum of 6 inches* of topsoil, the quality and type to be native to the site, or its direct NRCS equivalent.
4. The availability of adequate irrigation, and irrigation water.
5. The installation, and successful introduction of correct seed mix, and stabilization.
6. Any other requirements that are appropriate to the situation.

Implementation

1. That the work will be completed within 6 months, or no later than October 1, 2017.
2. That material quantities will be sufficient that after 3 years of normal use, and natural settling, that the both the 24 inch* fill layer, and the 6 inch* topsoil layer will be at, or above their designated depths.
3. That United obtain a valid lease, and right of entry with the appropriate insurance and liability coverages.
4. That a sufficient bond remain in place for a minimum of 3 years following completion, to assure proper performance of the reclamation implementation.

Items of note

1. From the original inception of pit operations it would appear that the operator did not save, or store the original topsoil. We have been advised that

the soil was also not present during 2005-2006 time frame, when the operator applied for, and was subsequently granted an amended permit to change the reclamation from re-installation of soils, to a lake.

2. We the landowners should not be penalized for the operator's error in exporting topsoil which should have been kept for this (reclamation) purpose. A rough calculation of the quantity of topsoil originally covering the 17 acres in question is 60,000 cubic yards, with a value of approximately \$780,000, (using the state's calculations)

3. The actual amount of top soil required for reclamation using a six inch coverage layer is only one fifth of the amount removed, and presumably sold by the operator.

4. The operator's current proposal to import a mixture of foreign topsoil materials from North Montrose does not appear to be consistent with proper reclamation practices, and unless it can be shown to be the direct NRCS equivalent to the soil that is native to the site, does not appear to be a reasonable, or fair proposal.

I very much appreciate your reviewing this matter, and I look forward to speaking with you at 1 pm today

Respectfully

A handwritten signature in black ink, appearing to read "John Kuijvenhoven", written over a horizontal line.

John Kuijvenhoven

* Asterisk denotes that the depths called out are final depths, after settling and a minimum of 3 years of normal use. The actual amounts installed must therefore be adequate to account for the natural settling due to environmental factors, and normal use.