November 9, 2016

Cecil Powell Powell's Gravel Pit PO Box 23 Dinosaur, CO 81610



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

1313 Sherman Street, Room 215

Denver, CO 80203

RE: Powell's Gravel Pit, Permit No. M-1995-012, Extension of Notice of Surety Increase (SI-1)

Dear Mr. Powell:

On September 6, 2016 you were sent a letter giving you an additional 60 days to either post the required additional surety amount or submit a technical revision. On November 8, 2016 the Division received your extension request regarding SI-1. In your letter you document having done reclamation to potentially help off-set the bond increase amount. At this time you are requesting that the Division perform a bond calculation so that you can make an informed decision moving forward. Based on the information submitted the Division cannot give you an accurate reclamation cost estimate. Several issues need to be clarified in your technical revision (TR) first. With that being said the Division will give you an additional 30-days to submit a technical revision or post the addition surety. Once the TR is submitted the Division will recalculate the reclamation cost estimate.

Please submit the technical revision OR additional surety amount of \$5,053 to the Denver office by Thursday, December 08, 2016. If the technical revision or additional surety is not received at the Denver office by December 8, 2016 the Division may issue a Reason To Believe a Violation Exist letter and the matter will be scheduled for a hearing before the Mined Land Reclamation Board in January.

The reclamation documented in your extension request letter largely appears to be considered prelaw mining and was not factored into you reclamation cost estimate. However once land has been affected the permittee then assume reclamation responsibility for that land. Additionally the Division did not bond for straw waddles, water bars or rock bars. We do acknowledge that these BMP's will improve the site stability, however they do not go towards decreasing the bond liability of the site.

Areas to be addressed in your technical revision that may impact the site's overall liability.

- The initial bond calculation assumed 4 acres of disturbance required seeding. Per the maps provided the active mining areas, previously unreclaimed mining areas and storage area accounts for this approximately 4 acres. It was mentioned that the flat areas will likely be used for storage in the future. Based on the current reclamation plan all disturbed areas will be seeded. If you wish to leave theses storage areas bare post reclamation they must first be requested in your technical revision and explicitly stated how this conforms to the post mining land use.
- The seed mix in the areas reclaimed in 2016 is appropriate for the area however it is not the approved seed mix for this site. The seed mix will need to be revised or areas planted with a mix other than the approved seed mix will have to be bonded for.
- The approved reclamation calls for all slopes in non-consolidated material to be grade to a 3:1. This applies to all areas that have been affected by mining. You stated that based on the



soils some slopes are stable at a steeper grade. The Division does allow up to a 2:1 slope, you may wish to revise the reclamation plan to avoid unnecessary grading.

• Given the slow progress of mining you many also wish to make commitments to limit the amount of highwall exposed at any one time. This cap the amount of highwall the Division can bond for. Likewise making commitments to have a specific number of acres disturbed at any one given time can limit the number of acres of revegetation bonded for.

The Division will assume if you do not explicitly state you wish to change a portion of your permit then all other previously approved stipulations remain in effect. You may wish to reference Rule 3, which outlines general reclamation requirements and Rule 6.3.4, the reclamation requirements for a 110c permit. Note that if your current plan doesn't address these questions (the rules have changed since 1995) you will need to address them now. Please be aware that the post mining land use may not be changed under a TR. Your approved post mining land use is general agriculture.

Your technical revision request or additional surety must be accepted by the Division's Denver office no later than December 8, 2016.

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 Geldell

Amy Yeldell Environmental Protection Specialist Department of Natural Resources Division of Reclamation, Mining and Safety Phone: (970) 254-8511 Fax: (970) 241-1516

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

Cc: Great Basin Environmental and Aquatics P.O. Box 114 Richmond, Utah 84333

Cecil Powell November 9, 2016 Page 3