



Oldcastle®
Materials
SOUTHWEST GROUP, INC.



November 14, 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

Re: Colona Pit - M-1994-005

Dear Mr. Czapla,

I am in receipt of the correspondence you have received from, Mr. Kuijvenhoven, current owner of the southern portion of the Colona Pit (Jutten property), south of Montrose, CO. For the record, during my response to this situation, I will refer to this property as the Jutten property since that is the name it was known as during the original permitting and amending of the Colona Pit permit. I will refer to the property that we own as the Oldcastle property.

The first item I would like to address is the claim by Mr. Kuijvenhoven that we do not have a legal right of entry to the Colona Pit and we have falsely responded to Item 19 on the Colona Pit annual reports since 2012.

- The Colona Pit consists of north acreage owned by Oldcastle and south acreage leased (expired) as the Jutten property.
- The only entrance gate into the Colona Pit is off of Hwy 550 located at the northwest corner of the pit that is on Oldcastle property. There is not a permitted access directly into the Jutten portion of the Colona Pit without going through Oldcastle property.
- We have a legal right to enter onto the Colona Pit through the Oldcastle property.
- We do not have a legal right to enter onto the leased (expired) Jutten property since the expiration of the Jutten lease on July 1, 2014.
- Our records show that mining of the Jutten property was completed approximately in 2005. Since then all mining has been occurring on Oldcastle property. We have used the Jutten property for stockpiling materials

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and operating an asphalt plant since 2005 and our last record of an asphalt plant to operate on the Jutten property is in 2013. Minor stockpiles related to the asphalt plant still remain on the Jutten property.

Based on the above information we feel we have a legal right to enter the Colona Pit through owned Oldcastle property and have not falsely responded on Item 19 on the annual report. No mining, operating of an asphalt plant or mining activity has occurred on the Jutten property after the expiration of the lease on July 1, 2014.

Relating to the reclamation issues I would like to offer the following information:

- For brief background information:
 - The Colona Pit was first permitted by Oldcastle/United in 1994 as a 37.1 acre 112 permit.
 - Within a year Amendment #1 was approved to add the Jutten property for additional mining area which made the pit 80.7 acres.
 - In 2006 we submitted Amendment #2 to mine below the water table for the entire Colona Pit including the Jutten property. The amendment was approved in May of 2007 and also changed the mining boundary area to 73.9 acres. Our intentions were to mine the Jutten property to create a lake and based on our production needs, at that time, we would have mined the Jutten property with the lake plan. However, due to the collapse of the economy in late 2007 we were unable to sustain the projected production and therefore did not have the sales to support going onto the Jutten property.
- Reclamation described in Amendment #2 eliminates the need to place overburden soil and topsoil on the floor of the mining area due to mining below the water table. However it addresses the side slopes and upper benches with placing 6" of topsoil, grading and harrowing the topsoil and seeding and mulching the entire area. This is what we are planning for the floor of the Jutten property and along with this adding 24" of overburden material over the entire pit floor prior to placing the topsoil.
- The revegetation plan approved in Amendment #2 is the same approved for Amendment #1 which was the recommended revegetation plan by the Shavano Soil Conservation District.
- During the mining of the Jutten property, the floor of the mining area was taken to approximately the irrigation water table level. This is evident during the irrigation season when water flows, at a minimal depth, from the Jutten property onto the Oldcastle property. This indicates the static water table rises during the irrigation season. It has been our experience that after the end of the irrigation season the irrigation water flows stop (with time allowed for irrigation water table levels to subside).
- This indicates to us that the static water table is below the floor of the Jutten property.

We have been working with Mr. Kuijvenhoven on a resolution of the reclamation of his property and we have been unable to come to an agreement that works for him.

We feel we have proposed a plan that meets the requirements of the DRMS and also meets or exceeds the approved reclamation plan in both Amendments #1 and #2. What I mean by this is since the Jutten property will no longer be a lake, we have proposed to reclaim the site the same as the reclamation that applies to the slopes and upper benches. What we have proposed is as follows:

- There is a pile of overburden material currently stockpiled on the Jutten property. This material will be utilized and placed over the pit floor. The placement thickness of this material will be equal to or less than 24" so additional overburden or topsoil can be placed on top of this material.
- Haul and place overburden material removed from the Haldorson Pit over the floor of the Jutten property to cover the balance of the floor of the pit with 24" of overburden dirt.
- Haul and place topsoil material removed from the Haldorson Pit to place 6" of topsoil over the 24" of overburden.
- Revegetate the Jutten property pit floor in accordance with the Revegetation Plan as described in Amendment #2 which is the recommendation by the Shavano Soil Conservation District.

We feel the above described process will achieve what is needed and required by DRMS:

- The material imported from Haldorson is material that has been farmed for many years. The area designated for transporting to the Jutten property is a future expansion area for gravel mining. The designated area has not been used for anything other than farming.
- By placing 24" of overburden and 6" of topsoil on top of the pit floor it will raise the floor greater than 30" above the static ground water elevation.
- The revegetation plan meets the requirements of the approved Amendment #2 which is exactly what was approved for Amendment #1.

If we can get this resolved, Oldcastle would submit or resubmit a Technical Revision to reflect the above process and submit any certifications, soil testing or submittals that are required under the Construction Materials Rules and Regulations of DRMS.

Thank you for allowing me to respond to this situation. If you feel you need additional information or clarification on any items please don't hesitate to contact me.

Sincerely,



Peter J. Siegmund
Vice President
Oldcastle SW Group, Inc.