



## COLORADO

Division of Reclamation,  
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

December 21, 2016

Lance Baller  
High Speed Mining LLC  
8480 East Orchard Rd, Suite 3600  
Greenwood Village, CO 80111

**RE: Reason to Believe a Violation Exists and Notice of Board Hearing; Katuska Pit;  
DRMS File No. M-1991-037**

Dear Mr. Baller,

On December 5, 2016, the Division conducted an inspection of the Katuska Pit and found the following:

The Operator has affected approximately 2.4 acres outside of the permit boundary.

Based on the findings of the inspection we believe this is a possible violation pursuant to:

- C.R.S. 34-32.5-109(1) for failure to obtain from the board or office a reclamation permit prior to engaging in a new operation.

Therefore, the Division has reason to believe a violation exists to the Mined Land Reclamation Act, C.R.S. § 34-32.5-101 *et seq.*, and has scheduled this matter to appear before the Mined Land Reclamation Board.

A Formal Board Hearing will be held during the January 25-26, 2017 Board meeting for consideration of this possible violation. The hearing will occur at 1313 Sherman Street, Room 318, Denver, Colorado, beginning at 9:00 a.m. on January 25, 2017, or as soon thereafter as the matter can be considered. At that hearing you will have the opportunity to present your defense.

**This is an important legal proceeding and you must appear in person for this hearing. If you fail to appear, an order and financial judgment may be entered against you. In addition, failure to appear at the hearing may result in legal consequences including, but not limited to, loss of party status and your ability to seek reconsideration from the Board or seek judicial appeal in district court.**



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If the Board finds a violation at this hearing, it may issue a Cease and Desist Order and/or assess a Civil Penalty in the amount of \$1,000.00 to \$5,000.00 for each day of violation, pursuant to C.R.S. § 34-32.5-123(2). Pursuant to C.R.S. § 34-32.5-124(6)(a), the Board may suspend, modify, or revoke the permit. If you have evidence indicating the possible violation noted above does not exist or has been corrected, please provide it to the Division as soon as possible or bring it to the hearing.

All parties have an opportunity to review and comment on a draft of the Board's Order before it becomes final. If you wish to do so, you must provide the Board with a written request to review the draft Order prior to or at the time of your hearing, or you must inform the Board orally during the hearing your request to review the draft Order. The Board's attorney must receive your comments on the draft Order within three calendar days of the date the draft Order is e-mailed, unless that deadline is extended by the Board's attorney. Submit all comments to John J. Roberts, First Assistant Attorney General, Colorado Department of Law, by fax at (720) 508-6037, or by email at John.Roberts@coag.gov.

Please note the Division has requested and will be allowed to review and comment on the draft Board Order.

The Board's agenda may not be finalized until the week of the Board meeting. Therefore, we recommend you contact the Board's Secretary, Camille Mojar by telephone at (303) 866-3567, ext. 8136 or by email at Camille.Mojar@state.co.us on Monday, January 23, 2017, to confirm the specific date for the hearing.

If you have any questions about this letter or the hearing, please contact Michael Cunningham at (303) 866-3567, ext. 8116.

Sincerely,

A handwritten signature in blue ink, appearing to read "Virginia Brannon", with a stylized flourish at the end.

Virginia Brannon  
Division Director

CERTIFIED MAIL NO. 7014 2120 0001 7885 6125  
Return Receipt Requested

cc: Tony Waldron, DRMS  
Wally Erickson, DRMS  
Michael Cunningham, DRMS  
Jeff Fugate, AGO