



January 5, 2017

Mr. Travis Marshall
Environmental Protection Specialist
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

RE: Notice of Partial Completion of Reclamation and Request for Release of Reclamation Responsibility, AMSO Prospecting Permit P-2008-046

Dear Travis:

American Oil Shale, LLC (AMSO) has partially completed site reclamation activities at their Oil Shale Research, Development and Demonstration lease located on U.S. Bureau of Land Management lands in W ½ SE ¼ , E ½ SW ¼ S21, T2S, R98W, Rio Blanco County, Colorado. This prospecting activity is permitted under DRMS permit no. P-2008-046. Reclamation activities completed to date include facility demolition and disposal, grading and contouring, seeding, mulching, and installation of reclamation fencing. You conducted a site inspection on November 23, 2016. No problems or violations were identified during the inspection.

According to the DRMS bond calculation of Jun 26, 2014 (Attachment A), the total bond amount is \$860,802.06. This includes a direct cost of \$657,382 and an indirect cost of \$203,420.06. AMSO installed reclamation fencing at the site after seeding and mulching tasks were finished. The removal of the reclamation fencing was not added to the bond amount. Western States Reclamation, Inc. provided a cost estimate of \$14,000 to remove the fence. The other task remaining at the site is reseeding, Task 14a, an estimated cost of \$21,371. Based on DRMS indirect cost calculations, WWL calculated estimated indirect costs of \$4,322 and \$7,097 for fence removal and Task 14a, respectively.

WWL understands that DRMS will conduct a bond calculation to determine the appropriate amount to be released. WWL calculated an approximate amount of bond to be released by subtracting costs for remaining reclamation tasks from the total amount of the bond. Reclamation Tasks 01a through 13a and a portion of 15a of the bond calculation are completed. There are two tasks remaining on the bond, a reseeding task (Task 14a), and fence removal. Note that WWL used the following assumptions to make the bond release estimate:

- 66% of the mobilization cost (Task 15a) was assumed to be associated with Tasks 01a – 13a.
- Superintendent hours were calculated on ratios of cost and hours and an hourly rate of \$75/hr.
- No financial warranty processing fee (\$500) was applied to the fence removal calculation.

Using DRMS percentage calculations, the sum total estimated cost for these tasks, including indirect costs, is calculated to be \$46,789. Accordingly, the total amount anticipated to be released is \$860,802 - \$46,789 = \$814,013. Therefore, \$46,789 will be retained in the bond until DRMS approves release of the revegetation and fence removal at the site. WWL understands that DRMS may arrive at amounts slightly different from those estimated here.

January 5, 2017

The owner of record of the affected land is as follows:


U.S. Bureau of Land Management
White River Field Office
220 East Market Street
Meeker, CO 81641
Phone: 970-878-3800

Correspondence with AMSO should be directed to the following:

Avi Goldin, CFO
Genie Energy
520 Broad St, 4th floor
Newark, NJ 07102,
Phone: 983-438-4075

Signed Statement:

I, Bruce D. Smith, as agent/consultant to AMSO, do hereby state that all applicable portions of the Reclamation Plan requirements have been satisfied in accordance with the Mined Land Reclamation Board rules and all applicable requirements under the Colorado Mined Land Reclamation Act.



Signature

January 5, 2017

Date

Principal Hydrogeologist


Title

Western Water & Land, Inc.

Company

Please address bond release documents to Mr. Goldin and provide a copy to WWL. Should you have any questions, please contact me at (970) 242-0170.

Sincerely,


Bruce D. Smith
WESTERN WATER & LAND, INC.

cc: Claude Pupkin, Genie Energy
Avi Goldin, Genie Energy
Kent Walter, USBLM, WRFO