

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

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NOV 28 2017

DIVISION OF RECLAMATION
MINING AND SAFETY



CONSTRUCTION MATERIALS REGULAR (112) OPERATION RECLAMATION PERMIT APPLICATION FORM

CHECK ONE: ☒ There is a File Number Already Assigned to this Operation

Permit # M - 19 - 83 - 139 (Please reference the file number currently assigned to this operation)

☐ New Application (Rule 1.4.5)

☒ Amendment Application (Rule 1.10)

☐ Conversion Application (Rule 1.11)

Permit # M - 19 - 83 - 139 (provide for Amendments and Conversions of existing permits)

The application for a Construction Materials Regular 112 Operation Reclamation Permit contains three major parts: (1) the application form; (2) Exhibits A-S, Addendum 1, any sections of Exhibit 6.5 (Geotechnical Stability Exhibit); and (3) the application fee. When you submit your application, be sure to include one (1) complete signed and notarized ORIGINAL and one (1) copy of the completed application form, two (2) copies of Exhibits A-S, Addendum 1, appropriate sections of 6.5 (Geotechnical Stability Exhibit), and a check for the application fee described under Section (4) below. Exhibits should **NOT** be bound or in a 3-ring binder; maps should be folded to 8 1/2" X 11" or 8 1/2" X 14" size. To expedite processing, please provide the information in the format and order described in this form.

GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, ALL information requested below.

1. **Applicant/operator or company name (name to be used on permit):** The City of Arvada
 - 1.1 Type of organization (corporation, partnership, etc.): Municipality
2. **Operation name (pit, mine or site name):** Leyden Pit
3. **Permitted acreage (new or existing site):**

	<u>320</u>	permitted acres
3.1 Change in acreage (+)	<u>-</u>	acres
3.2 Total acreage in Permit area	<u>320</u>	acres
4. **Fees:**

4.1 New Application	<u>\$2,696.00</u>	application fee
4.2 New Quarry Application	<u>\$3,342.00</u>	quarry application
4.4 Amendment Fee	<u>\$2,229.00</u>	amendment fee
4.5 Conversion to 112 operation (set by statute)	<u>\$2,696.00</u>	conversion fee
5. **Primary commodity(ies) to be mined:** N/A

5.1 Incidental commodity(ies) to be mined:	1. <u>N/A</u> - <u> </u> lbs/Tons/yr	2. <u>N/A</u> / <u> </u> lbs/Tons/yr
	3. <u>N/A</u> / <u> </u> lbs/Tons/yr	4. <u>N/A</u> / <u> </u> lbs/Tons/yr
		5. <u>N/A</u> / <u> </u> lbs/Tons/yr
5.2 Anticipated end use of primary commodity(ies) to be mined:	<u>N/A</u>	
5.3 Anticipated end use of incidental commodity(ies) to be mined:	<u>N/A</u>	



UTILITIES DEPARTMENT
FACSIMILE: 720-898-7603 ▲ TDD: 720-898-7869
PHONE: 720-898-7760

November 17, 2017

Mike Applegate
1490 W. 121st Avenue, Suite 100
Denver, CO 80234

Dear Mike:

The City of Arvada authorizes the Applegate Group to conduct permitting on the City's Leyden Pit, File No. M-1983-139. The purpose of this permitting is outlined in the Scope of Work dated April 20, 2017.

Sincerely,

A handwritten signature in blue ink that reads 'James M. Sullivan'.

James M. Sullivan
Director of Utilities
720.898.7760

EXHIBIT N – SOURCE OF LEGAL RIGHT-TO-ENTER

Please refer to following document which consists of the lease agreement between the City of Arvada and Pioneer Sand Company, Inc. signed and agreed to on May 19th, 2014. Sections 4.3 and 4.4 refer to the right to enter.

Lease Agreement

1.0 Parties. The parties to this Lease Agreement (hereafter, the "Agreement") are the City of Arvada (Arvada) a Colorado Home Rule City of the State of Colorado, whose address is 8101 Ralston Road, Arvada Colorado 80001, and Pioneer Sand Company, Inc., a Colorado corporation (hereafter "Lessee") whose address is 5000 Northpark Drive, Colorado Springs Colorado 80918.

2.0 Recitals and Purpose.

2.1 ARVADA is the owner of certain real property located generally east of Highway 93 near the 76th avenue alignment in Section 34, T2S, R70W, 6th PM, more particularly described in Exhibit A attached hereto and incorporated herein by this reference. The afore described real property may be referred to as the Leased Property.

2.2 The Leased Property has been subject to that certain Lease Agreement dated October 24, 1993 between Pattridge Leyden, Inc. and Lessee (the "Original Lease"), which Original Lease was acquired by ARVADA upon the sale of the Leased Property by Pattridge Leyden, Inc. to ARVADA, as evidenced by that Special Warranty Deed dated June 30th, 1998, recorded at Reception No. F0652537 in the office of the Jefferson County Clerk and Recorder on July 16, 1998.

2.3 The term of the Original Lease has expired, but ARVADA is willing to rent the Leased Property to Lessee for an additional ten (10) year term from the date of expiration of the Original Lease (October 31st, 2013) for the purposes stated herein and Lessee wishes to rent the Leased Property upon the terms and conditions set forth herein below.

3.0 Term of Lease.

3.1 The Leased Property is hereby leased to Lessee for the purpose of providing a sales yard for rock, decorative material, aggregate, and related landscape material and supplies along with related office use, and staff and public parking effective November 1st, 2013 (hereafter, the "Effective Date"). The term of the lease (hereafter, the "Term") shall be for a period of ten consecutive calendar years commencing on the Effective Date and ending at 11:59 p.m. MST on October 31st, 2023.

3.2 The rental for the Leased Property shall be \$2,500/per month for the Term of the Agreement, subject to abatement of the rental for the performance of in-kind services by Lessee as more fully described herein. In consideration of the performance of Lessee's responsibilities as described in Section 5, ARVADA agrees to abate rent for the duration of the Term.

3.3 ARVADA and Lessee acknowledge that Lessee is in possession of the Leased Property by virtue of holdover under the Original Lease. The parties understand and agree that the term of the Original Lease has expired and nothing in this Agreement

is intended as a renewal or extension of the Original Lease. This Lease Agreement replaces and supersedes the Original Lease. Lessee is familiar with and has actual knowledge of the condition of the Leased Property and is entering into this Lease Agreement with the express understanding that ARVADA makes no representations or warranties as to the suitability of the Leased Property for Lessees intended use. ARVADA has no obligation whatever to pay for or construct any improvements that may be needed by Lessee except as described in Section 4.

3.4 During the Term, the Leased Property shall be used by Lessee solely for those purposes described in Section 3.1. Related incidental uses consistent with existing zoning are also permitted provided the fundamental use described herein shall not be materially altered or expanded. Lessee acknowledges and agrees that Lessee shall not be permitted to continue mining or mineral extraction operations on the Leased Property. Lessee may perform excavating, processing, removal of material, grading, earthmoving and landscaping needed to provide adequate drainage for reclamation requirements limited to not more than 8 acres as shown in Exhibit B. Use of the Leased Property for any purpose not specified herein is prohibited without the express written permission of ARVADA, which permission ARVADA may grant or deny in its exclusive discretion. Prohibited uses include, but are not limited to, use of the Leased Property for continued mining of minerals and aggregate except as needed for final reclamation, use as a Medical Marijuana clinic or dispensary, use as a recreational marijuana manufacture or sales facility, or any use that would violate state, federal, or local law.

4.0 ARVADA's Responsibilities

4.1 Lessee acknowledges that it has had ample opportunity to examine the Leased Property and to satisfy itself that the Leased Property and related improvements, if any, are satisfactory for Lessee's purposes without further action taken by ARVADA.

4.2 ARVADA shall have no new or additional responsibility for constructing or maintaining any improvements on the Leased Property, or otherwise preparing the Leased Property for use by Lessee. The Leased Property shall be delivered to Lessee in its "as is" condition except as specifically provided for herein.

4.3 Upon the Effective Date, ARVADA shall covenant and warrant the quiet use and enjoyment of the Leased Property for the Term of this Agreement provided the use by Lessee shall be as described herein and Lessee shall not otherwise be in breach or default of this Agreement. ARVADA reserves the right to enter upon the Leased Property at reasonable times and with 24-hour prior notice to ascertain the condition of the Leased Property and the adherence of Lessee to the terms and conditions of this Agreement.

4.4 The parties understand that the Leased Property will be subject to certain remediation and restoration activity related to Lessees mining and use of the Leased Property during the term of the Original Lease. ARVADA shall perform the following:

4.4.1 ARVADA shall submit a Technical Revision to the approved reclamation plan to the Division of Reclamation and Mining Safety (the Division). The Technical Revision will be consistent with agreements between ARVADA, the Lessee and the Division made during a meeting that occurred on November 11, 2013. Lessee will have the option to review and comment on ARVADA's Technical Revision prior to submission to the Division and will be invited to comment on any revisions thereof that may be required by the Division.

4.4.2 Upon reasonable notice to Lessee, ARVADA shall conduct construction activity on the Leased Property to improve the drainage on the east edge of the Leased Property to facilitate drainage of ponds identified on the attached map, included herein as Exhibit C.

4.4.3 ARVADA shall remove, at ARVADA's timeframe all legacy hazardous waste material (material on-site before 1993.)

4.4.4 Lessee shall not be responsible to reclaim the southern portion of the of the Separation of Reclamation Responsibility boundary as depicted in Exhibit D. ARVADA shall have the right to enter the Leased Property without breach or default of this Agreement in order to perform reclamation work in the southern portion of the Leased Property as described in Exhibit D.

4.4.5 In the event that the Northwest Parkway is planned and constructed such that its placement or right of way eliminates existing access to or the usability of the Leased Property, ARVADA shall at its cost relocate the sales yard along Highway 93 north of the existing entrance. Such relocation includes the relocation of the existing trailer, stockpiles, fixtures and/or structures, provision of comparable electrical and telephone service, movement of the existing scale, and providing comparable parking and access. ARVADA will not require relocation between the months of March and September.

4.4.6 ARVADA will continue to conduct, at its expense, the weed management program for the entire Leased Property.

5.0 Lessees Responsibilities

5.1 Lessee shall be responsible for obtaining at its expense all necessary permissions and permits, and for constructing or maintaining, any facilities or improvements necessary for conducting its contemplated uses on the Leased Property. Lessee shall keep ARVADA reasonably informed of any construction related activity on the Leased Property. Lessee shall not install any permanent structures or buildings without first obtaining the written permission of ARVADA, which ARVADA may grant or withhold in its reasonable discretion. ARVADA acknowledges that the nature, size and location of the current Lessee's structures and improvements are acceptable.

5.2 During the Term, Lessee shall perform at its cost and expense all activities or undertakings necessary to reclaim the northern portion of the Separation of Reclamation Responsibility boundary as indicated in Exhibit D, except that area that encompasses the Lessee's Sales Yard as shown in Exhibit B and consisting of approximately 20 acres, to a condition satisfactory to the Colorado Division of Reclamation and Mining Safety. Lessee shall commence such activity not later than November 1, 2014. ARVADA will acknowledge in writing to the Lessee within 15 days of the Lessee's written request that the activity commenced prior to the deadline by submitting a completed form included as Exhibit E of this Agreement. If work is not commenced as required herein, Lessee shall pay ARVADA the rental set forth in Section 3.2 on the first of each month without demand. Reclamation requirements shall be deemed satisfactorily completed upon issuance of a release or similar document by the appropriate governmental or regulatory agency having authority to make such determination.

5.3 Lessee shall discontinue all business activity by end of the lease, October 31, 2023, but shall have six (6) months thereafter to remove all Lessee's sales yard structures, fixtures, and materials, grade, amend soil and seed the sales area (approximately 20 acres). Lessee shall be given access to the sales area property for reclamation activities. The provisions of Section 8 shall apply during the period of reclamation activity.

5.4 Prior to expiration of the Term, Lessee shall remove all nonhazardous legacy material on the Leased Property. Buried legacy material or other legacy material of which ARVADA and Lessee do not have actual knowledge of is not covered under this Lease Agreement.

5.5 Lessee shall remove or relocate to the Sales Yard as shown in Exhibit B, all hazardous material and waste generated or produced or allowed on the Leased Property by Lessee during the term of the Original Lease. Such removal shall be satisfactory performed not later than December 31, 2017. ARVADA will acknowledge in writing to the Lessee within 15 days of the Lessee's written request that the removal was accomplished prior to the deadline by submitting a completed form included as Exhibit F of this Agreement. In the event that such removal is not accomplished as provided herein, Lessee shall pay ARVADA the full rental for the time period that rent has been abated through the date the removal has been completed. ARVADA shall have the right to inspect and approve the condition of the Leased Property for this purpose unless some other governmental agency has jurisdiction over the clean-up activity. Clean-up shall be to the standard required by the governmental or regulatory agency having authority to make the requisite determination.

5.6 Not later than April 1, 2017, Lessee shall at no cost perform site preparation work for relocation of the Arvada Modeler's Association facilities containing approximately 8 acres as generally depicted in Exhibit G. ARVADA shall provide the specifications and requirements to Lessee not later than April 1, 2016, for such site

preparation. Site preparation will be limited to minimal grading and leveling (taking out high spots and filling low spots but adhering to the existing contours). Maximum cut/fill of six inches, without import or export of material and vegetation stockpiled adjacent to the site. Fill areas will be wheel compacted by grading machinery only, but not to specification. Lessee is not responsible for the construction of a perimeter fence or installation of an access gate. ARVADA may designate the area by fence or perimeter markings.

5.7 At no cost to Lessee, ARVADA may, during the term of this Lease, have access to the Leased Property for the purpose of constructing, operating, and maintaining public access trails on the Leased Property south of the Separation of Reclamation Responsibility boundary identified in Exhibit D, or at ARVADA's option, along the Drainage Improvements area along the east boundary of the Leased Property identified in Exhibit C. ARVADA will construct, maintain, and operate such trails in a manner that does not unreasonably interfere with Lessee's reclamation or sales activities described in this Lease. ARVADA shall install fencing and signage ARVADA determines is necessary to restrict public use of the Leased Property to the trails. ARVADA shall provide Lessee not less than thirty (30) calendar days advance notice of ARVADA's trail construction activity.

5.8 At the expiration of the Term, or upon early termination by either party, Lessee agrees to quit the Leased Property and remove any structures or signage unless requested otherwise by ARVADA, and to deliver the Leased Property to ARVADA in a restored and reclaimed state in accordance with the plans approved for such restoration and reclamation. Fixtures or structural changes shall be removed by Lessee except those items listed in Exhibit H that will remain.

5.9 Lessee may take such steps or actions as it deems reasonably necessary to control the use of the Leased Property, provided such actions are undertaken at Lessee's own expense, are lawfully undertaken and do not enlarge any obligation or responsibility of ARVADA, or otherwise negatively affect ARVADA's ownership of the Leased Property. Lessee may change the configuration of the land surface, may close the site for such periods as it deems necessary, may limit hours of usage, may provide security or monitor the use of the Leased Property, may establish gates and parking restrictions, may ticket or tow unlawfully or improperly parked vehicles, or take such other actions as it deems necessary in its reasonable judgment to ensure the proper use and safety of the Leased Property.

5.10 Lessee may not assign this Agreement without the express written permission of ARVADA, which ARVADA may withhold or grant in its exclusive discretion. Lessee may not alienate ARVADA's ownership of the Leased Property, pledge the Leased Property as security or collateral, or otherwise encumber the Leased Property, or permit it to become encumbered without ARVADA's express written consent, which consent may be granted or withheld in ARVADA's exclusive discretion.

6.0 Renewals. The parties understand and agree that the lease provided in this Agreement does not imply any duty or obligation on either party to renew or extend the Agreement upon its expiration. Notwithstanding the preceding, in the event it may become mutually beneficial for the parties to renew this Agreement for some additional term, the parties agree that they shall meet to discuss the terms of any extension or renewal not later than 180 days prior to the expiration date of the Term. Any extension or renewal of this Agreement shall be by written amendment hereto, duly signed and delivered by the respective parties prior to the expiration of the Term. In the event that no extension or renewal is agreed upon as required herein, except for that used for reclamation of the Sales Yard as described in Section 5.3, this Agreement shall automatically expire on at 11:59 p.m. MST on October 31st, 2023. Nothing herein shall be deemed an agreement or promise by either party that the Agreement will be extended after expiration of the Term. In the event of holdover, Lessee shall be charged \$250.00 a day, without offset, for each day or portion thereof that Lessee shall have failed to vacate the Leased Property.

7.0 Early Termination of Agreement.

7.1 For Convenience. The parties may terminate this Agreement at any time prior to the expiration of the Term with their mutual written consent.

7.2 For Redevelopment. ARVADA may separate out and terminate any portion of the Leased Property that it determines is necessary for the best interest of the City. During the Term, ARVADA shall have the right to terminate this Agreement with respect to such portion of the Leased Property upon six months written notice to Lessee. ARVADA shall at its cost relocate the Sales Yard along Highway 93 north of the existing entrance. Such relocation includes the relocation of the existing trailer, stockpiles, fixtures and/or structures, provision of comparable electrical and telephone service, movement of the existing scale, and providing comparable parking and access. ARVADA will not require relocation between the months of March and September.

7.3 ARVADA may terminate this Agreement upon ninety days' notice if Lessee fails to perform Lessee's responsibilities when and as required in Section 5.0 herein above.

7.4 During any notice period, the parties shall remain responsible for their respective duties and obligations set forth in this Agreement. Except for failure of Lessee to perform Lessee's Responsibilities as described in Section 7.3, Early Termination as otherwise described herein shall be without breach or default by either party. Upon Early Termination, excepting Section 7.3, the parties shall be released from their respective duties and obligations as may be applicable in whole or in part with respect to the portion of the Leased Property so affected.

8.0 Miscellaneous

8.1 Right of Entry. Prior to the Effective Date, Lessee shall continue to have the right to enter the Leased Property to prepare the Leased Property for the purposes described herein. Any work undertaken by Lessee shall be performed at Lessee's sole discretion, expense and at its own risk.

8.2 No Third Party Beneficiaries. This Agreement is intended solely for the benefit of the parties hereto. There are no intended or unintended third party beneficiaries, and any benefit provided to any third party shall be deemed incidental only. This Agreement shall not grant or confer any right or privilege to any third party arising from any actions of any party hereto taken pursuant to any provision hereof.

8.3 Insurance. Lessee shall procure, pay for and maintain the following types and levels of insurance through out the term of the Agreement:

- a. General Liability, written on an "occurrence" basis and including products and completed operations, with limits of not less than one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) annual aggregate. Such insurance shall name ARVADA and the City of Arvada, their respective officers, directors, successors and assigns, as additional insured, and shall contain a provision by which the insurer specifically waives its rights of subrogation against ARVADA and its designees with respect to any loss or losses paid thereunder.
- b. "All Risk" or "Special Form" property insurance covering loss or damages to any and all personal property or leasehold improvements of Lessee, as well as for business interruption. Lessee shall give prompt notice to ARVADA in case of fire or accidents in the Leased Property or of defects therein or in the fixtures or equipment.
- c. Automobile insurance for owned, non-owned and hired vehicles, in the minimum amount of \$1,000,000, combined single limit.
- d. Workers Compensation for all employees, written to statutory limits, with employer's liability in the minimum amount of \$500,000.

Coverage shall be written with companies authorized to do business by the State of Colorado with a minimum A.M. Best rating of A-:VII. Certificates of such insurance shall be delivered to ARVADA and shall provide said coverage shall not be changed, modified, reduced or canceled without thirty (30) days prior written notice thereof being given to ARVADA.

8.4 Lessee's Indemnification. Lessee agrees to defend, pay, indemnify and hold harmless, ARVADA against and from any and all claims, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind (collectively, "Claims") arising from Lessee's use and /or occupancy of the Leased Property or from any activity,

work, or other thing done, permitted or suffered by Lessee in or about the Leased Property, and shall further indemnify ARVADA against and from any and all Claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Agreement, or arising from any act or omission of Lessee, or any officer, agent employee, guest, or invitee of Lessee, and from any and against all costs, attorneys' fees, expenses and liabilities incurred in or about such Claim or any action or proceeding brought thereon, and, in any case, action or proceeding brought against ARVADA by reason of any such Claim, Lessee, upon notice from ARVADA, shall defend the same at Lessee's expense by counsel reasonably satisfactory to ARVADA. Lessee hereby waives all claims against ARVADA for damage to property or injury to persons in or upon the Leased Property, from any cause other than the gross negligence or willful misconduct of ARVADA. Nothing herein is intended to be, nor shall serve as a waiver of any of the immunities, defenses, limits on actions, or limits on damages provided ARVADA under the Colorado Governmental Immunity statute.

8.5 Governing Law. This Agreement will be governed by the internal laws of the State of Colorado, without reference to its conflict of laws principles. Venue for any action arising out of this Agreement shall be in the appropriate court in Jefferson County, Colorado.

8.6 Notices. Any notice required herein shall be deemed delivered three days after mailing if in writing and placed in the United States Mail, first class postage prepaid, and addressed to the ARVADA Director of Utilities for ARVADA, and to President for Lessee, as the case may be, at the address set forth above, or at such other address as a party may designate in writing. Notice shall also be deemed given if hand delivered or electronically delivered with confirmation of receipt to the preceding parties.

8.7 No Warranty. ARVADA makes no warranty or representation, express or implied or otherwise with respect to the condition of the Leased Property, its location, description, or fitness for any particular purposes. It shall be solely Lessee's responsibility to determine whether, and to what extent, the Leased Property is suitable for the use described or contemplated herein. Likewise, it shall be solely the responsibility of Lessee to repair or maintain the Leased Property in condition suitable for its needs during the term hereof.

8.8 Right of Entry. If for any reason, Lessee shall fail to perform Lessee's Responsibilities in full when, and as required, ARVADA shall have the right, but not the obligation to enter into the Leased Property and have the work associated therewith performed at the cost and expense of Lessee.

Signed and agreed to this 19th day of May, 2014

FOR ARVADA:

Marc Williams
Marc Williams, Mayor
City of Arvada



Attest:

for Judy R. Lydick
City Clerk

FOR Lessee

Mark J. Bell
City Attorney

Attest:

Joe Kraig
Joe Kraig, President
Pioneer Sand Company, Inc.

Victor Barrient
Name and Title

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EXHIBIT "A"

**Parcel: 96-FS-01 – Acquisition by the City of Arvada as a Leased Fee Estate
From: Pattridge Leyden, Inc.**

A parcel situated in Section 34, Township Two South, Range 70 West, of the Sixth Principal Meridian, in the County of Jefferson, State of Colorado, more particularly described as follows:

The Northwest One-Quarter (NW $\frac{1}{4}$), the Northeast One-Quarter (NE $\frac{1}{4}$), the North One-half of the Southwest One-Quarter (N $\frac{1}{2}$, SW $\frac{1}{4}$), and the North One-half of the Southeast One-Quarter (N $\frac{1}{2}$, SE $\frac{1}{4}$) of said Section 34 together with that parcel described at Reception No. 94033088, of the Jefferson County records; EXCEPTING therefrom any portions lying within those parcels described at Reception No. 94111017, Book 1858, page 44, and Book 1783, page 361, of the Jefferson County records; said parcel containing 471.772 acres, more or less.

EXHIBIT "B"

Pioneer Sand Company, Inc. Sales Yard and Drainage Improvements



Sales Yard to be maintained throughout the 10-year lease is approximately 20 acres.

Drainage Improvements to be completed by Pioneer Sand Company, Inc. is approximately 8 acres.

EXHIBIT "C"

City of Arvada Drainage Improvements



EXHIBIT E

NOTIFICATION OF COMMENCEMENT OF ACTIVITY

BY THESE PRESENCE, the City of Arvada, a municipal corporation of the State of Colorado ("Lessor"), of 8101 Ralston Road, Arvada, Colorado, hereby advises and gives notice to Pioneer Sand Company, Inc. (Lessee) that pursuant to Section 5.2 of that certain Lease Agreement by and between Lessor and Lessee, that Lessee has commenced Lessee's reclamation activities on, under, over or about the Leased Property on _____, 20____.

Signed and delivered this _____ day of _____, 20____.

City of Arvada

Director of Utilities

STATE OF COLORADO)
)
) ss.

COUNTY OF JEFFERSON)

This instrument was acknowledged before me this ____ day of _____, 20____.

by _____.

WITNESS my hand and official seal.

(Seal)

Notary Public

My Commission Expires: _____

EXHIBIT F

**CERTIFICATE OF COMPLETION OF
RECLAMATION ACTIVITY**

The City of Arvada, a municipal corporation of the State of Colorado ("Lessor"), of 8101 Ralston Road, Arvada, Colorado, hereby certifies that Mining Reclamation activity described in Section 5.5 of that certain Lease between the City of Arvada (Lessor) Pioneer Sand Company, Inc. (Lessee) have been satisfactorily completed in accordance with the terms of said Lease. This Certificate of Completion shall be a conclusive satisfaction of the obligation of Lessor with respect to the materials removal activities required of Lessee under the Lease.

Signed and delivered this _____ day of _____, 20__.

City of Arvada

Director of Utilities

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

This instrument was acknowledged before me this ____ day of _____, 20 __,
by _____.

WITNESS my hand and official seal.

(Seal)

Notary Public

My Commission Expires: _____

EXHIBIT "G"

Proposed Arvada Modelers Relocated Airpark

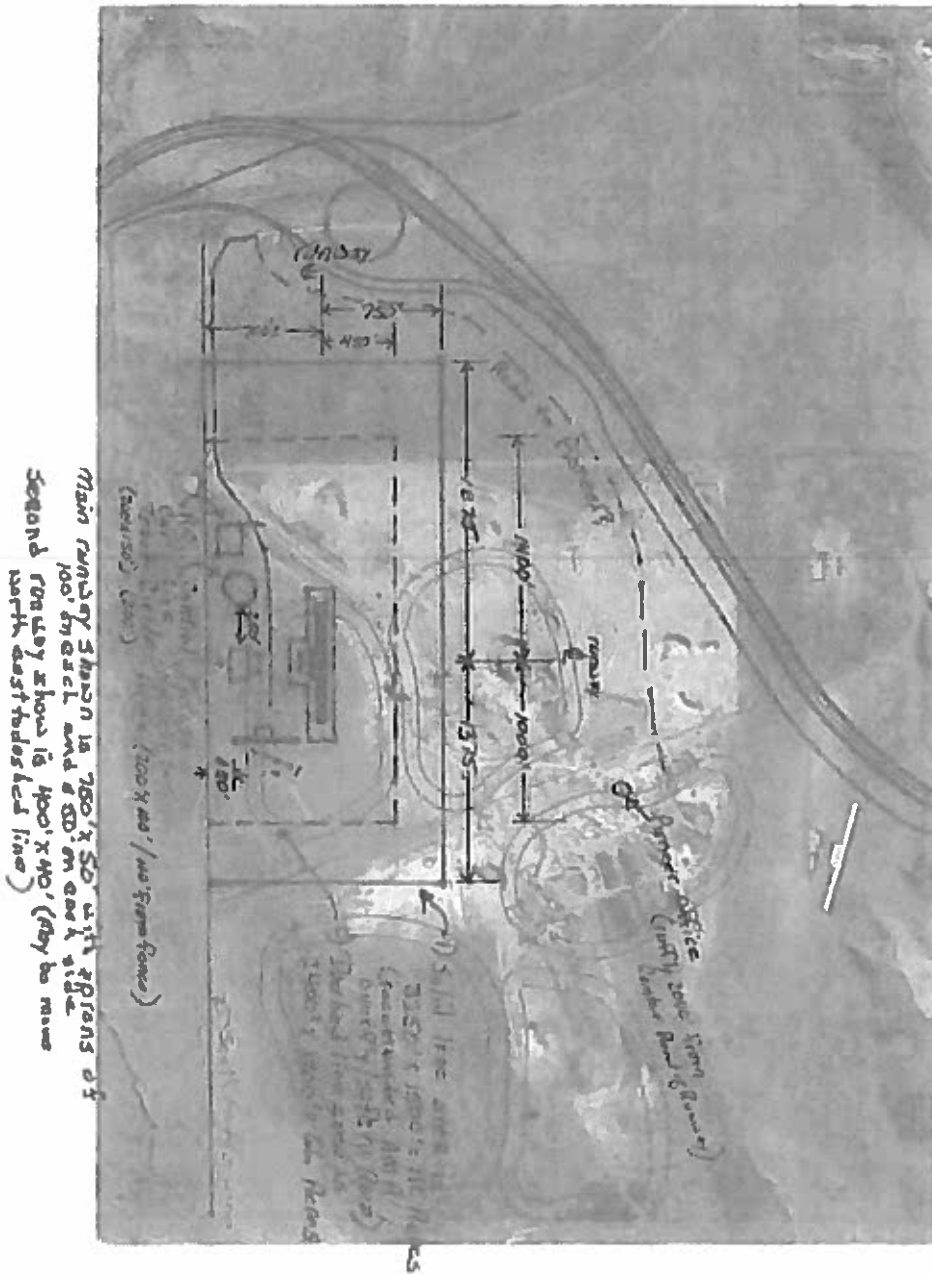


EXHIBIT "H"

Facilities to Remain on the Leased Property at the End of the Lease

- Highway 93 Entrance:
 - ⊗ Pioneer Sign to be removed
 - ⊗ Steel frame for sign to remain as is
 - ⊗ Mailbox to remain as is
 - ⊗ Landscape and gate to remain as is
- Boulders on second curve:
 - ⊗ Removed, or
 - ⊗ Sold to Arvada at \$75.00/ton
- Haul road from Highway 93 to Pioneer's Sales Yard to remain as is without reclamation
- Entrance gate to the Leased Property to remain as is
- Leyden gas mine and fencing to remain as is
- Underground drains and culverts to remain as is
- Fire hydrant on south property line to remain as is
- Electrical transformer owned by Xcel to remain as is
- Underground electrical wire to remain as is
- All power poles and aerial cable/wire to remain as is
- Access road used by Xcel for power poles and used by ARVADA to access fire hydrant to remain as is without reclamation

**EXHIBIT O – OWNERS OF RECORD OF AFFECTED LAND (SURFACE AREA) AND OWNERS OF SUBSTANCE TO
BE MINED**

The Reclamation Permit for the Leyden Pit has been previously transferred two times. In the most recent transferal, the City of Arvada purchased both surface and mineral rights. Purchase of property is dated 7/6/1998 and purchase of mineral, easements, right of way and access to the underground cavern is dated 10/31/2003 (see attached deeds).

SPECIAL WARRANTY DEED

THIS DEED, made this 30th day of June, 1998, between PATTRIDGE LEYDEN, INC., a Colorado corporation, Grantor, whose address is 1917 Table Drive, Golden, County of Jefferson, State of Colorado, and THE CITY OF ARVADA, COLORADO, a Colorado Home Rule Municipal Corporation, Grantee, whose address is c/o the City Manager, 8101 Ralston Road, P.O. Box 1801, Arvada (80001-8101), County of Jefferson, State of Colorado:

WITNESSETH, that the Grantor, for and in consideration of the sum of Two Million Seven Hundred Twenty-Five Thousand One Hundred Seventy-Three and No/100 Dollars (\$2,725,173.00), the receipt and sufficiency of which is hereby acknowledged, hereby sell and convey to Grantee, the following real property in the County of Jefferson, and State of Colorado, to wit:

See Exhibit "A" attached hereto and made a part hereof.

also known by street and number as vacant land;

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances, and subject to covenants, easement, restrictions, and rights of way of record, and subject to general property taxes for the year 1998 and subsequent years, and subject to those items as described on Exhibit "B" attached hereto and made a part hereof;

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto the Grantee, its successors and assigns forever. The Grantor, for its successors and assigns, do covenant and agree that it shall and will warrant and forever defend the above-bargained premises in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons claiming the whole or any part thereof, by through or under the Grantor.

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.



PATTRIDGE LEYDEN, INC.,
a Colorado corporation

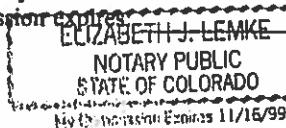
By: Frederick J. Pattridge V-Pres
Frederick J. Pattridge, Vice-President

STATE OF COLORADO)
COUNTY OF JEFFERSON) ss.

The foregoing instrument was acknowledged before me on this 30th day of June, 1998, by Frederick J. Pattridge, Vice-President of Pattridge Leyden, Inc., a Colorado corporation.

WITNESS my hand and official seal.

My commission expires



Notary Public

APPROVED AS TO FORM.

Christopher K. Daly
Christopher K. Daly, City Attorney

THE WITHIN DEED IS ACCEPTED THIS 6th DAY OF July, 1998.

CITY OF ARVADA, STATE OF COLORADO

By: Robert G. Frie
Robert G. Frie, Mayor

STATE DOCUMENTARY FEE

JUL 16 1998

5331944

EXHIBIT "A"

PARCEL A:

A parcel situated in Section 34, Township Two South, Range 70 West, of the Sixth Principal Meridian, in the County of Jefferson, State of Colorado, more particularly described as follows:

The NW1/4; the NE1/4; the N1/2 of the SW1/4; and the N1/2 of the SE1/4 of said Section 34, Together with that parcel described at Reception No. 94033088, of the Jefferson County records; Excepting therefrom any portions lying within those parcels described at Reception No. 94111017, Book 1858, Page 44, and Book 1783, Page 361 of the Jefferson County records.

County of Jefferson, State of Colorado.

PARCEL B:

A non-exclusive easement for ingress and egress purposes being described as follows:

A parcel situated in the E1/2 of Section 33, Township Two South, Range 70 West, of the Sixth Principal Meridian, in the County of Jefferson, State of Colorado, said parcel being a strip 40 feet wide with the centerline of said strip more particularly described as follows:

Beginning at a point on the East line of the SE1/4 of said Section 33, which point bears N 0 deg. 44 min. 40 sec. W a distance of 1308.94 feet from the Southeast corner of said Section 33;
thence S 88 deg. 43 min. 01 sec. W a distance of 377.48 feet;
thence S 89 deg. 32 min. 35 sec. W a distance of 928.77 feet to a point of curvature;
thence along a curve to the right, said curve having a radius of 222.00 feet and a central angle of 85 deg. 29 min. 42 sec., an arc distance of 331.26 feet to a point of tangency;
thence N 4 deg. 57 min. 43 sec. W a distance of 555.28 feet;
thence N 1 deg. 15 min. 07 sec. W a distance of 478.25 feet to a point of curvature;
thence along a curve to the left, said curve having a radius of 237.00 feet and a central angle of 29 deg. 24 min. 38 sec., an arc distance of 121.66 feet to a point of compound curvature;
thence along a curve to the left, said curve having a radius of 162.45 feet and a central angle of 60 deg. 49 min. 57 sec., an arc distance of 172.48 feet to a point of tangency;
thence S 88 deg. 30 min. 18 sec. W a distance of 34.24 feet to a point of curvature;
thence along a curve to the left, said curve having a radius of 137.86 feet and a central angle of 21 deg. 10 min. 44 sec., an arc distance of 50.96 feet to a point of tangency;
thence S 67 deg. 19 min. 34 sec. W a distance of 102.72 feet to a point on the Easterly boundary of Colorado State Highway No. 93 as described at Reception No. 86043641, of the Jefferson County records, said point being the Point of Terminus.

The bearings for said parcel are based on the assumption that the East line of the SE1/4 of said Section 33 bears N 0 deg. 44 min. 40 sec. W for a distance of 2662.52 feet. A 6 inch by 4 inch stone was found at the Southeast corner and a D.M.W.W. brass cap was found at the E1/4 corner of said Section 33.

County of Jefferson, State of Colorado.

EXCEPTING AND RESERVING FROM PARCELS A AND B, HOWEVER, UNTO THE GRANTOR, ITS SUCCESSORS AND ASSIGNS, THE FOLLOWING:

1. All rights, rentals, royalties, other income, mineral rights, easements, rights-of-way, and access to the underground cavern commonly known as the Leyden Mine Cavern and currently used for natural gas storage, including but not limited to, the right to use the Leyden Mine Cavern for any purpose Grantor deems necessary and proper.
2. All rights, rentals, royalties, other income and other benefits regarding the existing lease of the Leyden Mine Cavern to Public Service Company of Colorado as evidenced by that certain Gas Storage Lease between Pattridge Leyden, Inc., a Colorado corporation, as lessor, and Public Service Company of Colorado, a Colorado corporation, as lessee, as evidenced by the Memorandum of Gas Storage Lease recorded August 2, 1989 as Reception No. 89065819.

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EXHIBIT "B"

1. Reservation of right of proprietor of any penetrating vein or lode to extract his ore, in U.S. Patent recorded January 20, 1880 in Book 22 at Page 178 (SE1/4 SE1/4, Section 33, Township 2 South, Range 70 West); recorded August 28, 1893 in Book 32 at Page 381 (N1/2 SW1/4 and N1/2 SE1/4 Section 34, Township 2 South, Range 70 West); recorded January 12, 1898 in Book 32 at Page 512 (NW1/4 Section 34, Township 2 South, Range 70 West); recorded August 13, 1898 in Book 32 at Page 527 (NE1/4 Section 34, Township 2 South, Range 70 West); and recorded January 29, 1918 in Book 119 at Page 589 (S1/2 SW1/4 Section 34, Township 2 South, Range 70 West).
2. Reservation of right of way for any ditches or canals constructed by authority of the United States, in U.S. Patent recorded August 13, 1898 in Book 32 at Page 527 (NE1/4 Section 34, Township 2 South, Range 70 West); recorded January 12, 1898 in Book 32 at Page 512 (NW1/4 Section 34, Township 2 South, Range 70 West); and recorded January 29, 1918 in Book 119 at Page 589 (S1/2 SW1/4 Section 34, Township 2 South, Range 70 West).
3. Easement and right of way for the transmission of electricity as granted to Public Service Company of Colorado by instrument recorded February 11, 1966 in Book 1852 at Page 394. (Affects Parcel A).
4. Right of way for Leyden Mine Gas Storage Project as evidenced by Map recorded August 29, 1967 as Reception No. 250121. (Affects Parcels A and B).
5. Terms, agreements, provisions, conditions and obligations as contained in Agreement by and between the City and County of Denver, acting by and through its Board of County Commissioners and The Frederick J. Pattridge, Trustee recorded July 2, 1986 as Reception No. 86072702. (Affects Parcel B).
6. Terms, agreements, provisions, conditions and obligations as contained in Leyden Pit Official Development Plan recorded February 9, 1987 as Reception No. 87017726 and amendment thereto recorded August 27, 1987 as Reception No. 87109381. (Affects Parcel A).
7. Lease, and the terms and conditions thereof, between Pattridge Leyden, Inc., lessor, and USWest NewVector Group, Inc., lessee, as shown by Memorandum of Option and Lease Agreement recorded June 3, 1994 as Reception No. 94099336, and Notice of Exercise of Option recorded November 7, 1995 as Reception No. F0142205. (Affects Parcel B).
8. Terms, agreements, provisions, conditions and obligations of that certain Gas Storage Lease between Pattridge Leyden, Inc., a Colorado corporation, as lessor, and Public Service Company of Colorado, a Colorado corporation, as lessee, as evidenced by the Memorandum of Gas Storage Lease recorded August 2, 1989 as Reception No. 89065819. (Affects Parcel A).
9. Access Easement recorded April 1, 1997 as Reception No. F0392046. (Affects Parcel B).
10. The effect of Exemption Survey Sec 33, T2S, R70W, 97015080-Expl, recorded June 16, 1997 as Reception No. F0429258. (Affects Parcel B).
11. Oral lease with Louie Smith for pasture grazing.
12. Extraction Lease, and the terms and conditions thereof, between Pattridge Leyden, Inc., lessor, and Pioneer Sand Company, Inc., lessee.

SPECIAL WARRANTY DEED

THIS DEED, Made this 31ST day of OCTOBER, 2003 between
Pattridge Leyden Inc., A Colorado Corp.

of the County of Jefferson and State of Colorado, grantor, and
City of Arvada

whose legal address is 8101 RALSTON ROAD, Arvada, Colorado 80002

of the County of Jefferson and State of Colorado, grantees:

WITNESSETH that the grantor(s) for and in consideration of the sum of TWO HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED SEVENTY THREE AND 33/100, (\$217,873.33) Dollars, the receipt and sufficiency of which is hereby acknowledged, HAS granted, bargained, sold and conveyed, and by these presents DOES grant, bargain, sell, convey and confirm unto the grantee(s), ITS heirs and assigns forever, all real property, together with improvements, if any, situate, lying and being in the County of Jefferson and State of Colorado, described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

also known by street and number as Vacant Land #12, Arvada, Colorado

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the grantor(s), either in law or equity, of in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described with appurtenances, unto the grantee(s), ITS heirs and assigns forever. The grantor(s), for ITSELF heirs and personal representatives or successors, DOES covenant and agree that ITS shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee(s), ITS heirs and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the grantor(s).

IN WITNESS WHEREOF, the grantor(s) HAS executed this deed on the date set forth above.

BY _____ Pattridge Leyden Inc., A Colorado Corp.

Name/Title

BY Fredrick J. Pattridge
Name/Title Fredrick J. Pattridge, V.P.

STATE OF COLORADO

County of Jefferson

ss. The foregoing instrument was acknowledged before me this 31ST day of OCTOBER, 2003

by Fredrick J. Pattridge V.P. of Pattridge Leyden Inc. a Colorado Corp

Witness my hand and official seal.

My Commission Expires

Barbara J. Steven
NOTARY PUBLIC

9200 W CROSS DR #508
LITTLETON, COLORADO 80123

No. 16. Rev. 3-85

BARBARA J. STEVEN
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires

CWD

RT 199/225R @ 11

COMMONWEALTH LAND TITLE INSURANCE COMPANY

COMMITMENT FOR TITLE INSURANCE

Commitment Number DLC 03-001431-00

EXHIBIT A

Legal Description

DESCRIPTION NO. 1:

MINERAL RIGHTS, EASEMENTS, RIGHTS-OF-WAY, AND ACCESS TO THE UNDERGROUND CAVERN COMMONLY KNOWN AS THE LEYDEN MINE CAVERN AND CURRENTLY USED FOR NATURAL GAS STORAGE, INCLUDING BUT NOT LIMITED TO, THE RIGHT TO USE THE LEYDEN MINE CAVERN FOR ANY PURPOSE GRANTOR DEEMS NECESSARY AND PROPER AS EXCEPTED AND RESERVED IN SPECIAL WARRANTY DEED RECORDED JULY 16, 1998 AT RECEPTION NO. F0652537 IN THE RECORDS OF THE CLERK AND RECORDER OF THE COUNTY OF JEFFERSON, STATE OF COLORADO.

DESCRIPTION NO. 2:

MINERAL RIGHTS, EASEMENTS, RIGHTS-OF-WAY, AND ACCESS TO THE LEYDEN MINE CAVERN AS EXCEPTED AND RESERVED IN SPECIAL WARRANTY DEED RECORDED AUGUST 3, 2000 AT RECEPTION NO. F1094399 IN THE RECORDS OF THE CLERK AND RECORDER OF THE COUNTY OF JEFFERSON, STATE OF COLORADO.

DESCRIPTION NO. 3:

THE FOLLOWING DESCRIBED MINERAL RIGHTS AS EXCEPTED AND RESERVED IN SPECIAL WARRANTY DEED RECORDED JULY 26, 1950 IN BOOK 682 AT PAGE 561 IN THE RECORDS OF THE CLERK AND RECORDER OF THE COUNTY OF JEFFERSON, STATE OF COLORADO, ONLY AS IT RELATES TO THE FOLLOWING DESCRIBED REAL PROPERTY:

THE NORTHWEST ONE-QUARTER, AND THAT PORTION OF THE SOUTH ONE-HALF LYING NORTHERLY OF LEYDEN ROAD, SECTION 27, TOWNSHIP 2 SOUTH, RANGE 70 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO.

SAID RIGHTS, REFERRED TO ABOVE, ARE AS FOLLOWS:

"ONE-HALF OF ALL CLAY, GRAVEL, ROCK AND OTHER DEPOSITS AND ONE-HALF OF ALL COAL, OIL, GAS AND OTHER MINERALS AND MINERAL RIGHTS IN, ON OR UNDER THE LANDS ABOVE DESCRIBED.

VESTING DEEDS FOR THE INTERESTS ABOVE RECORDED DECEMBER 6, 1990 AT RECEPTION NO. 90103378 AND AT RECEPTION NO. 90103379 AND MARCH 10, 1992 AT RECEPTION NO. 92024889.