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Miller Pit 2018 Annual Report
Permit M-1982-112

General Comments: On March 5, 2018 this permit officially changed hands and is now held by Schmidt Construction Company who was the original mining contractor when the permit was held by Rick Hunt who owned the property. After his death, the land went into receivership and was eventually auctioned to Colorado Farms LLC who is the new property owner. As Colorado Farms did not desire to assume the permit but wanted the mining to continue Schmidt and the Estate of Rick Hunt who inherited the permit provided a succession of operator a short while before this annual report was due. Because of the overlap and not knowing who was going to prepare the annual report and pay the fee, Peter Hays, the specialist who was handling this case, allowed the two actions to work independently until the succession of operator was completed and approved. Thus, due to the close timing of the approval of the succession of operator and the due date for the annual report this report is submitted a tad late. Due to a communication breakdown between the various parties involved (the Estate, the Estate's attorneys, the Division, and Schmidt) the word to prepare the annual report under Schmidt's name was delayed until March 9. Preparation of the annual report proceeded at that point.

Affected Land: In 2017 it was established that the affected land that needs to be included in the permit was 66.14 acres of which 53.82 acres was directly attributable to mining. Mining in 2017/2018 was completely contained within both the 53.82 and 66.14 acres defined in 2017. Therefore there is no change in the affected land. However, in 2017 a new bonded land amount of 70.85 acres was approved and bonded by the Estate. In the succession of operator that was transferred to Schmidt and Schmidt directly replaced the bond provided by the Estate. Therefore, the 4.71 acre difference between affected and bonded land is available for future mining. An area on the map has been designated for future mining. But if the construction materials accumulated by Rick Hunt near the current mining can be cleaned up before expansion is needed future mining may be shifted to that area for operational efficiency. That does not seem likely, but it is possible.

Water Issues: The Town of Elizabeth has been contacted regarding the change in permittee for the Miller Pit and the water lease is being transferred to Schmidt who will pay the lease fee for 2018 rather than the Estate paying it. Payment may occur before transfer simply to keep the water usage available. This should be completed shortly. If the Division desires a copy of the water lease that can be provided.

No other issues seem to exist that need to be addressed in the transfer of the permit from the Estate to Schmidt. Both the Estate and Schmidt wish to express their gratitude to the Division for your help and patience in resolving this incredibly difficult and complex matter.