

March 1, 2019

Tommy Cardwell
Blue Star Exploration, LLC
17914 Asphodel Ln.
Spring, TX 77379



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Blue Star #1, Permit No. M-2014-030, Reclamation Costs Update and Notice of Surety Increase (SI-1)

Dear Mr. Cardwell:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed). ***Therefore, pursuant to Section 34-32-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Tuesday, April 30, 2019**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Staff calculations estimate the cost to reclaim the above referenced site to be \$6,688.00. This is an increase of \$1,808.00 over the \$4,880.00 currently held by the Division. This estimate is based on current costs and conditions observed during past inspections.

Please make arrangements with Barbara Coria at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria.

If you require additional information, have questions or concerns, please contact me.

Sincerely,

Dustin Czapla
Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
Phone: (970) 243-6299
Fax: (970) 241-1516

Cc: Amy Titterington, USFS
Enc: Financial Warranty Cost Estimate

