

March 13, 2019

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

Re: M-1978-009 Apache Mine, El Paso County, Colorado

Corrective Action Extension request

Dear Mr. Cazier:

General Shale Brick, Inc. (General Shale) has received your inspection report dated November 7, 2018 for the Apache Mine. The inspection found the following problem:

"The Division has no evidence that the operator has a valid well permit, substitute water supply plan, or approved water augmentation plan for the exposed groundwater at the site. This is a problem related to 34-32.5-116(4)(h) of the Colorado Revised Statutes and 3.1.6(1)(a) of the Construction Materials Rules and Regulations governing injury to existing water rights."

General Shale has contacted the Division of Water Resources (DWR) and are working with the DWR to resolve this issue. General Shale has received a letter from the DWR dated December 30, 2018 regarding the groundwater issue. In the same letter, the DWR also listed fourteen other ponds that are on the Apache South Mine property. Eight of the fifteen ponds require a well permit, reclamation, or livestock tank permit application. General Shale has reviewed the site with the grazing lessee to determine which ponds are necessary for his grazing. This process took longer than anticipated due to the inclement weather and scheduling conflicts. General Shale is currently drafting a response letter to the DWR December 30, 2018 letter.

GSB is requesting an extension of the previous extension due date of March 8, 2019. General Shale is requesting an additional 60 days to continue working with DWR to resolve this situation and request a new due date of May 7, 2019.

Please feel free to contact me with any questions at 303-783-3058 or by email at jason.mcgraw@generalshale.com.

Sincerely,

General Shale Brick, Inc.

Jason E. McGraw P.E.

Jason & Mysal

Mine Supervisor