



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

August 2, 2019

Brannan Sand and Gravel, LLC.

Attn: Joshua Oliver

2500 E. Brannan Way

Denver, Colorado 80229

Re: Pit 29, DRMS Permit No. M-1980-183, Surety Reduction Request, Review

Dear Mr. Oliver,

On June 21, 2019 the Colorado Division of Reclamation, Mining and Safety (DRMS or Division) received your surety reduction application (SR02). Brannan Sand and Gravel, LLC. (Brannan) is seeking a reduction in surety to \$154,646.41. The Division concurs that a warranty reduction is appropriate for this site. The Division's policy regarding lined water storage reservoirs that have passed the State Engineer's Office leak test requirements; is to hold 20% of the installation costs for the liner until the site is fully released. The purpose of this is to retain a cost for any needed repairs to the slurry wall. Given this, the Division will retain a cost associated with the slurry wall installation. The Division understands that the cost for slurry wall installation was not included in the estimate conducted by the Division for Amendment No. 2 (AM02), however this was an oversight and should have been included in the estimate. The Division reviewed the tasks remaining to be completed at the site provided by Brannan with the SR02 application and found them to be representative of the remaining reclamation tasks required for Pit 29. Enclosed is a cost estimate conducted by the Division for the SR02 application.

The Division currently holds a corporate surety in the amount of \$1,377,450.00 for Pit 29. Based on the Division's estimate, this bond may be reduced to \$592,700.00, this is a reduction of \$784,750.00. The Division is required to issue a decision on the SR02 application by August 23, 2019. If you concur with the Division's estimate please let me know as soon as possible. Otherwise the Division will approved the surety reduction as calculated by the Division on the decision date.

If you have any questions, please feel free to contract me at Jared.Ebert@state.co.us or at (303) 866-3567 ext. 8120.

Sincerely,

Jared Ebert

Environmental Protection Specialist III

Enclosure: 1.) *CIRCES Cost Estimate, August 2, 2019*

