

July 26, 2019

Mr. Greigg Newlon R E Monks Construction Co. P.O. Box 25579 Colorado Springs, CO 80936

Re: Mitchell Mine No 1, Permit M-1986-025; Follow-up Notice of Problem / Possible Violation

Dear Mr. Newlon,

On May 7, 2019 the Division of Reclamation, Mining and Safety (DRMS) sent R E Monks Construction (the Permittee) a letter stating the Permittee is required to maintain their legal right of entry for mining and reclamation, pursuant to Rule 6.3.7 of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials. This corrective action was due June 6, 2019.

We have since received several phone calls from you indicating a new Succession of Operator (SO) application is being submitted by the landowner, Garrett Balsick. As of today, we have not received a new SO application. This letter is being sent as a reminder that R E Monks as the Permittee is responsible for adhering to the approved permit, it's conditions, C.R.S. 34-32.5-101 et. seq., and the aforementioned Construction Rules. There are two ways to comply with the outstanding corrective action: 1) Obtain an agreement with the current landowner demonstrating legal right of entry for mining and reclamation, or 2) have a new Operator submit a new SO application to be reviewed and approved by the DRMS.

If this outstanding corrective action is not resolved in 60 days (Due September 24, 2019) the DRMS may pursue enforcement action which may lead to revocation of the permit and forfeiture of the financial warranty.

If you have any questions, please contact me at (303) 866-3567, ext 8169.

Sincerely

Timothy A. Cazier, P.E. Environmental Protection Specialist

CERTIFIED Mail No. 7018 2290 0001 8923 6668 Return Receipt Requested

ec: Michael Cunningham, DRMS DRMS file Garrett Balsick, landowner