

March 19, 2020

Mike Weldon
Weldon Construction, LLC
P.O. Box 1170
Vernal, UT 84078



1313 Sherman Street, Room 215
Denver, CO 80203

RE: North River Gravel Pit Extension, Permit No. M-1999-007, 112c Conversion Application (CN-01) Approval

Mr. Weldon:

The Division of Reclamation, Mining and Safety (Division) has approved your 112c Conversion application (CN-01), which was submitted to the Division on October 4, 2019. Through approval of CN-01 the approved affected area has increased from 9.9 acres to 18.75 acres.

The terms of CN-01 approved by the Division are hereby incorporated into Permit No. M-1999-007. All other conditions and requirements of the permit remain in full force and effect.

The estimated liability amount of \$253,762.00 exceeds the \$25,900.00 financial warranty currently held for this site. If you have not already done so, please submit additional financial warranty in the amount of \$227,862.00. The revision will not be final until the financial warranty has been received and accepted by the Division.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dustin Czapla', is positioned below the word 'Sincerely,'.

Dustin Czapla
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
Phone: (303) 866-3567, ext. 8188



13. EXHIBIT L: Reclamation Costs

The worst-case reclamation scenario at the North River Gravel Pit will be when the greatest backfill is required and will occur sometime within the mining process of the north and south pods.

- Backfilling/regrading approximately 42,592 Yds² (8.8 acres) of mining slopes at a cost of \$1.50/CY = \$63,888.
- Replace topsoil on disturbed areas, assuming excavation areas, materials storage, and topsoil storage areas, 81,699 Yds² (16.88 acres) at \$1.50/CY = \$122,548.
- Seeding and erosion control on 16.88 acres @\$700/acre = \$11,816.

Based on these costs, and a 28% DRMS cost factor, the total bond for the North River Gravel Pit will be \$253,762.

Table 4. Reclamation Costs

Activity Description	Time (Months)	Cost (\$)
Backfill	1	\$63,888
Replace Topsoil on all disturbed areas	1	\$122,548
Seed and mulch all top soiled areas	0.5	\$11,816
Sub-Total	2.5	\$198,252
DRMS Costs (28% x direct costs)		\$55,510
Total Bond Amount		<u>\$253,762</u>