

STATE OF  
COLORADO

Cazier - DNR, Tim &lt;tim.cazier@state.co.us&gt;

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**RE: M-1977-320 / 8\_Mile Clay Mine Inspection Follow-up**

1 message

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**Julie Welte** <julie.welte@summitbrick.com>  
To: "Cazier - DNR, Tim" <tim.cazier@state.co.us>  
Cc: Joe Welte <jwelte@summitbrick.com>

Fri, Oct 8, 2021 at 11:12 AM

Hi Tim,

I would characterize JAT Investments, LLC as the mine property ownership arm of Summit Brick. JAT is the owner of both the surface and the clay mineral rights for the 8-Mile Clay mine. Summit Brick does have a clay mining lease with JAT Investments, LLC for the 8-Mile mine. Attached is a copy of the current lease agreement.

Please let me know if you need anything further for this.

Thanks,

Julie Welte, PE

**VP of Mining & Environmental**

**Summit Brick Company**

[julie.welte@summitbrick.com](mailto:julie.welte@summitbrick.com)

**Lakewood Office: 303.592.7080 Ext. 3100**

**Pueblo Office: 719.542.8278 Ext. 1114**



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**From:** Cazier - DNR, Tim <tim.cazier@state.co.us>  
**Sent:** Wednesday, September 29, 2021 8:15 AM  
**To:** Julie Welte <julie.welte@summitbrick.com>  
**Subject:** M-1977-320 / 8\_Mile Clay Mine Inspection Follow-up

Good morning Julie,

I need to follow-up with you on the legal right to enter for 8-Mile. The Fremont Co Assessor shows the site is owned by JAT Investments LLC, with Thomas R Welte being the registered agent. As the Permittee name is Summit Brick & Tile Co. where it appears Joseph C. Welte is the president. please explain the relationship between JAT Investments and Summit Brick & Tile; or if there is a lease agreement between the two entities (which would be cleaner), please provide a copy.

Secondly, based on the 1993 conversion application, it appears the Wingos (Ruth Wingo/ R.L. Wingo/ B.J. Wingo) owned the clay at the time. Do they still own the mineral rights? If not, who does? And is there a lease agreement for the clay?

Tim Cazier, P.E.

Environmental Protection Specialist III - Engineering

*[I am working remotely - please call me at 303-328-5229]*



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**JAT\_8-Mile\_Lease\_2006-2026.pdf**  
478K

## CLAY MINING LEASE

THIS AGREEMENT, is made and entered into this 6th day of July, 2006, by and between JAT INVESTMENTS, LLC, a Colorado limited liability company, Thirteenth and Erie, P.O. Box 533, Pueblo, Colorado 81002-0533, hereinafter called the Lessor, and SUMMIT PRESSED BRICK AND TILE COMPANY, a Colorado corporation, Thirteenth and Erie, P.O. Box 533, Pueblo, Colorado 81002-0533, hereinafter called the Lessee.

### WITNESSETH:

For good and valuable considerations, the receipt of which is hereby acknowledged, and in consideration of the covenants herein, the parties agree as follows:

1. The Lessor hereby leases to Lessee the following described property located in Fremont County, Colorado, to-wit:

The West Half (1/2) of the Southwest Quarter (1/4) of Section 4, and the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section 5, Township 18 South, Range 71 West of the Sixth Principal Meridian, including all clay deposits on, in or under the same;

The purpose of this Lease is to give the Lessee the right to explore for, mine, develop, stockpile, remove and haul clay on, under and from the property above mentioned.

2. Lessee agrees to pay the Lessor rent of [REDACTED] per month, beginning August 6, 2006, and on or about the same date each month thereafter. In addition to the above rent payments, which are not an advance minimum royalty, Lessee agrees to pay Lessor, a royalty per ton for clay mined and shipped from the property above described as follows:

[REDACTED] per ton during the first five (5) years of the term of this Lease; [REDACTED] during the second five (5) years of the term of this Lease; [REDACTED] per ton during the third five (5) years of the term of this Lease; and [REDACTED] during the last five (5) years of the term of this Lease. Lessee shall furnish Lessor an accounting of all clay mined and hauled on a monthly basis, and shall make payment of the royalties due on or before the 20th day of the next succeeding month.

3. The Lessor does hereby lease to the Lessee, its successors and assigns, the property as above described for the above purposes, to have and to hold for a twenty year term commencing on the date of this Clay Mining Lease and

terminating on July 5, 2026.

4. The Lessee agrees that in entering upon the property, whether for prospecting or mining, or in connection with any other matters or operations incidental to the purposes of this Lease, including stockpiling and the storage of necessary equipment, it shall at all times have due regard for the rights of the Lessor, and at all times will proceed and act in a prudent and workmanlike manner, and be governed by the mining laws of the State of Colorado which may be applicable to this operation. Lessee agrees to indemnify, hold harmless and defend Lessor from and against any and all claims, demands, liabilities, damages, suits or proceedings arising out of Lessee's use or occupation of the above described property or Lessee's operations thereon, and covenants and agrees to maintain in force comprehensive general liability insurance with a combined single limit of no less than \$1,000,000.00 during the term of this Lease, naming Lessor as an additional named insured.

5. Lessee shall have such rights of way over the property and other adjoining land owned by Lessor as may be necessary or convenient for the mining, removal, stockpiling and transportation of clay or operations incidental to the purposes of this Lease.

6. The Lessee is granted the right to stockpile materials mined and to build such temporary structures as may be necessary to protect equipment and provide shelter for its employees, agents and contractors. Lessee is also granted the right to stockpile topsoil and overburden, to otherwise use the property for purposes of complying with applicable reclamation laws and land use laws, to require Lessor to restrict grazing or access to any portion of the property in the process of reclamation, and to fence the same. Lessor agrees not to disturb any such stockpiles, not to otherwise use the property in a manner which would prevent Lessee's compliance with the reclamation laws, land use laws and permits granted, and to abide by any restrictions on use during periods of reclamation.

7. Lessee agrees to timely pay all general ad valorem taxes on the property, all ad valorem taxes resulting from mining operations on said property, and on mines, mining machinery, tools, equipment, and improvements on said property by virtue of this Lease.

8. The Lessee may, upon giving thirty (30) days' written notice to Lessor, quit and surrender possession of said property to Lessor, subject to the rights and obligations of Lessee during the Reclamation Period defined below, and this Lease shall terminate at the end of said thirty-day period, and all further obligations and responsibilities of the Lessee hereunder shall thereupon

terminate, provided Lessee shall be required to pay any royalties due for clay mined prior to such termination. Said notice shall be addressed to Lessor at Thirteenth and Erie, P.O. Box 533, Pueblo, Colorado 81002-0533, and sent by United States certified mail, return receipt requested, and shall be deemed to have been given on the date of mailing thereof.

9. In the event of a default by Lessee of any of Lessee's agreements herein, the Lessor shall give written notice of such default, specifying the default in substantial detail, and in the event the Lessee does not, within thirty (30) days after the mailing of said notice, commence to cure such default, with reasonable diligence, Lessor may, at the end of said thirty day period and at Lessor's option, terminate this Lease, and the Lessor, or its agents, may thereupon enter upon said property and dispossess all persons found occupying the same; said notice shall be addressed to the Lessee at Thirteenth and Erie, P.O. Box 533, Pueblo, Colorado 81002-0533, by United States certified mail, return receipt requested, and shall be deemed to have been given on the date of receipt by Lessee. In the event of the termination of this Lease as aforesaid, the Lessor shall keep and retain all sums theretofore paid to Lessor, as liquidated damages and rent.

10. The parties agree that, upon expiration or termination of this Lease for any reason, Lessee shall have the right to the use of such portions of the property as may be necessary, for as long after expiration or termination or as is necessary, to accomplish all reclamation or restoration of any property or to make or allow such inspections as may be required by applicable law, together with the right of ingress and egress for such purposes ("Reclamation Period"). It is further agreed between the Lessor and Lessee that at the conclusion of the Reclamation Period, all machinery, equipment, improvements and stockpiles shall remain the sole and separate property of the Lessee, and said Lessee shall have ninety (90) days after the conclusion of the Reclamation Period to remove its equipment, machinery, improvements and stockpiles from the property.

11. The provisions of this Lease shall be binding upon and to the benefit of, the heirs, personal representatives, successors and assigns of the respective parties hereto.

SIGNED the day and year first above written.

LESSOR:

JAT INVESTMENTS, LLC

By: Thomas R. Wille

LESSEE:

SUMMIT PRESSED BRICK AND  
TILE COMPANY

By: Joseph C. Nette