

June 28, 2022

Dustin Czapla
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203
303-866-3567

Delivered Via Email and CDRMS ePermitting

RE: Colorado Stone Quarries, Inc., Pride of America Mine, M-1999-058, Technical Revision 10

Mr. Czapla:

On behalf of Colorado Stone Quarries, Inc. ("CSQ") and the Pride of America Mine ("PAM"), please allow this letter to serve as a request for revision of their 112c Reclamation Permit as Technical Revision 10:

1. Incorporate the Special Condition 3 to restore Yule Creek included in CSQ's February 3, 2022 approved United States Army Corps of Engineers ("USACE") Individual Permit ("IP") into the DRMS permit as an update to the reclamation plan.
2. Incorporate the Special Condition 9 to establish preservation acreage included in CSQ's USACE IP into the DRMS permit.
3. Raise the financial warranty for the PAM in accordance with the requirements included in the IP.

Please refer to the following attachments and designated name in quotations in support of CSQ's approved USACE IP permit:

- 2022.03.03-IndPermit Executed 201900889.pdf – "Approved IP"
- 2021.03.22 YULE CRK MITIGATION PLANS.pdf – "Yule Creek Mitigation Plans"
- Yule Creek Functional Assessment_3-22-21_final.pdf – "Yule Creek Functional Assessment"
- CCMP_7-19-21_SPK-2019-00889-v2a.pdf – "Preservation Acreage"
- Yule Creek Monitoring Plan_3-22-21_final.pdf – "Yule Creek Monitoring Plans"

In addition to the documents listed above and included with this submittal, CSQ submitted various narratives that further detail these plans and the Division process to the USACE as part of the IP application process. The Division was included as electronic copy to these narratives to the USACE at the time of submittal and they are not included here; however, any USACE submittals can be supplied again to the Division at their request. The same sentiment expressed in the more detailed submittal to the USACE is included herein but is conveyed in terms of the Division permitting process versus the USACE IP application process.

As the PAM is an active mine site and the Division is the sole agency authorized to govern active mines in Colorado, the USACE has agreed that by bringing the Yule Creek restoration, mitigation and preservation plans into the DRMS permit, such action will satisfactorily provide regulatory oversight to monitor CSQ's restoration and preservation activities. Therefore, it is CSQ's request that the Division accept the incorporation of the below described Special Conditions to the CSQ USACE IP permit #SPK-2019-00889 into CSQ's 112c Reclamation Permit. Please do not hesitate to contact Benjamin Wilson, Project Manager of the NW Colorado Branch of the Albuquerque District of the USACE to discuss these requests.

USACE IP Special Condition 3 – Yule Creek Restoration

Special Condition 3 of the IP details implementing mitigation activities within the eastern channel of Yule Creek as the March 22, 2021 Yule Creek Mitigation Plans and Yule Creek Functional Assessment prepared by Ecological Resource Consultants ("ERC"). Please refer to the attached plans for details on the approved in creek mitigation measures.

It is CSQ's intention to execute the construction portion of Yule Creek mitigation between August 1 – September 15, 2022. This timeframe was determined by Colorado Parks and Wildlife ("CPW") that requires all work be completed prior to fish spawning which begins annually ~September 15 in the Upper Crystal River drainage. Additionally, work cannot begin until August 1, or until low water conditions are met, such that heavy equipment can safely operate adjacent to and within the creek, as needed. Vegetation planting and monitoring will continue for 3-5 years to ensure the entire eastern channel is satisfactorily mitigated.

USACE IP Special Condition 9 – Preservation Acreage

In addition to the Yule Creek improvements included in Special Condition 3 of the USACE IP, CSQ is required by the USACE to include preservation acreage within their DRMS permit boundary and adjacent to Yule Creek as Special Condition 9. These areas total to 11.08 acres and are shown on the ERC prepared Preservation Acreage document attached to this submittal and are summarized here:

- Northern extent – 100' buffer east side of Yule Creek
- Northern extent – 100' buffer west side of Yule Creek
- Southern extent – variable buffer to property line/DRMS boundary east side of Yule Creek
- Southern extent – 50' buffer west side of Yule Creek

Areas included as Preservation Acreage are located within the DRMS permit boundary, but as there are undisturbed and will continue to remain undisturbed, they are not included in the Affected Land Boundary. These areas will be staked and signed so it is abundantly clear where they are located and if mining were to impact those preservation areas.

By including the Preservation Acreage into the DRMS permit and by excluding the preservation areas from the Affected Land, mining activities would not be allowed in those preservation areas. Therefore, any mining impact to the Preservation Acreage would be in violation of CSQ's reclamation permit and would be subject to a likely bond increase to cover restoration of the impacted area. This arrangement has been approved by the USACE considering the DRMS' oversight into Affected Lands and resultant financial warranty adjustments.

Increase to Financial Warranty

The current PAM financial warranty held by the State of Colorado is \$404,857.00. This amount is current as of March 4, 2022 as stated in a letter to Mr. Bombalicky of CSQ reiterating the standing financial warranty. CSQ proposes the financial warranty increases shown in Table 1 to cover the work required to fulfill Special Conditions 3 and 9 of the USACE IP. In the event that CSQ were to become in violation of the Preservation Acreage by increasing the Affected Lands area into those preservation areas as detailed in USACE IP Special Condition 9, the bond will again require increase to cover the increase to Affected Lands.

Table 1. Financial Warranty Increase

Task	Description	Units		Unit Cost (\$)	Cost (\$)
1	Eastern channel of Yule Creek Restoration (Mitigation Plan)				
	Excavator work within Yule Creek	80	hr	200.00	16,000.00
	Drum cutter work within Yule Creek	40	hr	200.00	8,000.00
	Installation of large woody debris (Excavator)	40	hr	200.00	8,000.00
	Seeding	0.3	acre	2,000.00	600.00
	Planting (root stock and tubelings)	1500	plants	16.00	24,000.00
2	Eastern channel of Yule Creek Monitoring				
	Annual ERC inspection and report - up to 5 years	5	year	12,000.00	60,000.00
3	Follow-up revegetation (as needed - 2 years included)				
	Seeding (50% year 1 rate)	0.15	acre	2,000.00	300.00
	Planting (root stock and tubelings; (50% year 1 rate))	750	plants	16.00	12,000.00
4	Replacement of culvert with bottomless crossing				
	Flatbed railcar bridge	1	bridge	30,000.00	30,000.00
	Excavator work (bridge and footings)	40	hr	200.00	8,000.00
5	Establishment and Protection of preservation area				
	Signs (e.g. Do NOT Enter) and posts	50	sign	100.00	5,000.00
	Preservation area signage insallation	20	hr	60.00	1,200.00
Subtotal					173,100.00
DRMS Administrative Costs (30%)					51,930.00
Total					225,030.00

All tasks are further detailed in the attached ERC Yule Creek Mitigation, Preservation and Monitoring plans.

Therefore, CSQ proposes that their financial warranty be increased by \$225,030.00 to total \$629,887.00.

Please do not hesitate to contact me with questions and we look forward to receiving your review.

Cheers,



Katie Todt
Geologist and Senior Consultant
Lewicki & Associates, PLLC
(303) 346-5196
katie@lewicki.biz

Enclosures:

- 2022.03.03-IndPermit Executed 201900889.pdf
- 2021.03.22 YULE CRK MITIGATION PLANS.pdf
- Yule Creek Functional Assessment_3-22-21_final.pdf
- CCMP_7-19-21_SPK-2019-00889-v2a.pdf
- Yule Creek Monitoring Plan_3-22-21_final.pdf

Ec:

Jean St-Onge, CSQ
Daniel Penfield, CSQ
Benjamin Wilson, USACE
Matthew Hoyt, Gunnison County
Donita Bishop, Gunnison County
Marlene Crosby, Gunnison County