



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

August 22, 2022

Doug Flowers
BDF, LLC
20965 Hwy 550
Montrose, CO 81403

**Re: Base Products Gravel Pit 2 – File No. M-2022-025
BDF, LLC
112c Construction Materials
Reclamation Application**

Dear Doug Flowers:

On August 22, 2022 the Division of Reclamation, Mining and Safety concluded its review of the Construction Materials Reclamation Permit Application submitted to the Division on May 27, 2022. The decision reached by the Division is: Awaiting warranty. The amount of financial warranty set by the Division for this operation is \$193,346.00. You must submit a financial warranty in this amount and a performance warranty in order for us to issue a permit. In the event you have requested a financial warranty form, we will provide you with the applicable form. If you have not, please select a type of financial warranty from Rule 4.3, and then contact us so that we can provide you with the appropriate warranty form. We have enclosed a performance warranty form with this letter for your use.

PLEASE NOTE THAT MINING OPERATIONS MAY NOT COMMENCE UNTIL A PERMIT HAS BEEN ISSUED BY THE DIVISION AFTER RECEIPT OF YOUR FINANCIAL AND PERFORMANCE WARRANTIES. A PERMIT CANNOT BE ISSUED UNTIL WE HAVE VERIFIED THE ADEQUACY OF YOUR FINANCIAL AND PERFORMANCE WARRANTIES.

M-2022-025: Approved Surety and Acreage	
Reclamation Liability (Required Surety):	\$193,346.00
Approved Permit Acreage:	73.80

If you have any questions, please contact me by telephone at (303) 866-3567 x 8188, or by email at dustin.czapla@state.co.us

Sincerely,



Dustin M. Czapla
Environmental Protection Specialist

cc: Ben Langenfeld



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PERFORMANCE WARRANTY

Permittee/Operator: BDF, LLC
Operation known as: Base Products Gravel Pit 2

Permit Number: M-2022-025

This form is approved by the Colorado Mined Land Reclamation Board ("Board") pursuant to C.R.S. 34-32-117 of the Colorado Mined Land Reclamation Act and C.R.S. 34-32.5-117 of the Colorado Land Reclamation Act for the Extraction of Construction Materials.

All parties are on Notice from this Document that:

The above listed Operator provides this warranty to the Board in conjunction with a reclamation Permit to conduct the above described mining operation on certain lands in Colorado. The "Affected Lands" are described in the above listed reclamation Permit, and include any Permit Amendment(s) approved by the Division of Reclamation Mining and Safety ("Division").

The Colorado Mined Land Reclamation Act, C.R.S. 34-32-101 et seq. ("Hard Rock Act"), and the Colorado Land Reclamation Act for the Extraction of Construction Materials, C.R.S. 34-32.5-101 et seq. ("Construction Materials Act"), both require a permit issued by the Board to include a written promise by the Operator to comply with all requirements of the Hard Rock and Construction Materials Acts (referred to herein together as "Acts").

Through the terms and conditions of this performance warranty and Permit, the Operator agrees to be bound by all requirements of the Acts and all Mineral Rules and Regulations of the Board for Hard Rock, Metal, and Designated Mining Operations (2 C.C.R. 407-1) and all Mineral Rules and Regulations of the Board for the Extraction of Construction Materials (2 C.C.R. 407-4) (referred to herein together as "Rules").

The Operator hereby provides the Board warranties of performance pursuant to C.R.S. 34-32-117(2), (3), and (4)/C.R.S. 34-32.5-117(2), (3), and (4), and promises the Board it will comply with all applicable requirements of the Acts and Rules.

The Operator hereby promises the Board it will comply with all of the terms of the reclamation Permit, including any Permit Amendment(s) approved by the Division. This performance warranty obligation of the Operator shall continue until the Operator's liability is released by the Board.

The Operator promises to be responsible for reclamation costs up to the amount established by the Board and incorporates its financial warranty to this performance warranty. The Operator agrees to maintain a financial warranty (or warranties) in good standing for the reclamation costs for the entire

life of the Permit. The amount of the financial warranty shall be sufficient to assure the completion of reclamation of affected lands if the Division has to complete such reclamation due to forfeiture. If the Board determines the Operator is in default under this performance warranty and the Operator fails to cure such default, the Operator's financial warranty shall be subject to forfeiture pursuant to C.R.S. 34-32-118/34-32.5-118.

This performance warranty by the Operator is perpetual and shall remain in full force and effect until all obligations have been met and all associated financial warranty is released by the Board. Any release of liability in a succession of Operators shall comply with C.R.S. 34-32-119/34-32.5-119.

The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND

DATED this _____ day of _____ , _____
(date) (month) (year)

Operator: BDF, LLC

Signature:

Name: _____

Title: _____

NOTARIZATION OF OPERATOR'S ACKNOWLEDGEMENT

STATE OF _____)
_____) ss.

COUNTY OF _____)

The foregoing instrument was _____ day
acknowledged before me this _____ of _____ , _____
(date) (month) (year)

by: _____ as _____ of BDF, LLC
(name) (title) (Operator)

Notary Public: _____

My Commission Expires _____



APPROVED:

State of Colorado

Mined Land Reclamation Board

Division of Reclamation, Mining and Safety

By: Virginia Brannon
Division Director

Date Executed: _____