



WASTELINE, INC.

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Colorado Division of Reclamation Mining and Safety
ATTN: Todd Jesse, Environmental Protection Specialist
1313 Sherman Street Room 215
Denver, CO 80203

VIA Email Todd.Jesse@state.co.us

SUBJECT: M-2001-001 Line Camp Pit Status

Dear Jesse:

On Tuesday, 11 April 2023, the Montezuma Board of County Commissioners voted unanimously to approve the special use/high impact permits for Line Camp Pit to continue to operate indefinitely for the life of the Pit. They also approved in concept the proposed amendment to the current Reclamation Permit to include more of the parcel on which the Pit is located, and for the landowner to pursue a land exchange with the United States Forest Service. The BOCC did reiterate conditions that the present mining and reclamation plans already include for the existing boundaries and affected lands.

This allows our clients, Stone Sand & Gravel LLC and Smith's Materials, LLC, to continue the process of transferring operations and other tasks. At present, mining and reclamation work will concentrate mostly on the area added in AM-01 (~ 7 acres), as approved by the Division on 4 August 2011.

As discussed, the submission of the application for Secession of Operators has been delayed by the IRS not yet having provided title to the property. We just received the IRS paperwork (deed, etc.) but still need to file and record with the County.

To briefly summarize, the landowner of the parcel on which Line Camp Pit is located, DuVall (Val) Truelsen, had his land seized by the IRS and sold at auction. Grant Smith, owner/manager of Smith's Materials, LLC, purchased the property. However, because the documentation has not been filed with the Montezuma County Clerk & Recorder, the official landowner remains Val Truelsen. Therefore, Stone Sand & Gravel LLC, still has the right-to-enter required for mining. Stone Sand & Gravel in turn has contracted with Smith's Materials to operate on the Line Camp Pit under their supervision, until such time as the SO can be applied for and approved. A new right-to-enter document cannot be established until the title is clear and properly recorded with the County.

As soon as the title is clear we will file new Right to Enter documentation from Smith to Stone, to ensure that operations can continue. We hope to have this done in a matter of weeks.

The Stones and the Smiths will begin working (snow and river levels permitting) to finish mining and final grading in several areas around the ponds, and at the same time protect the operation from the expected high water levels on the Dolores River during snow melt from an exceptionally wet winter.

Smith's has already established the financial warranty for the SO, so that the Stone warranty can be released once the SO is approved.

When the succession is completed, Smith's intends to apply to the Division for an amendment to the current 112c reclamation permit to include additional acreage both for mining and for support operations. Some areas of the 29.08 acres current total are nearly ready for release, including ponds and shorelines. We may request release of some areas at the same time as the application for an amendment (in a separate application, of course). The timing on this is still very loose, depending on work and other permits, including state and local.

Please let me know any questions or additional information you need.

We look forward to working with you on this.

Respectfully,



Nathan A. Barton, CE, PE, DEE
Environmental and Permitting Compliance Engineer
for Stone Sand & Gravel LLC and Smith's Materials LLC
(WASTELINE, Inc.)