

September 15, 2025

Jason McGraw
General Shale Brick, Inc.
1845 W. Dartmouth Ave.
Denver, CO 80110

RE: Buffalo No 1, Permit No. M-1978-011, Status of Required Corrective Actions

Mr. McGraw:

On March 17, 2025, the Division of Reclamation, Mining and Safety (Division) issued an inspection report for Buffalo No 1 with a problem cited for the inadequate financial warranty. The operator was given 60 days (until April 16, 2025) to review the bond estimate and provide any comments before a formal notice of Surety Increase is issued for the additional required financial warranty. On April 15, 2025, the Division approved the operator's request to extend this deadline to May 9, 2025.

On April 30, 2025, the Division issued the Problems Cited and Corrective Actions Required letter, which cited two additional problems identified at the site, including one for right of entry, and the other for reclamation success in Phase IV. For the right of entry problem, the operator was given a deadline of May 30, 2025 to provide documentation of their legal right to enter to conduct mining and reclamation on the affected lands in Phase IV. For the Phase IV reclamation problem, the operator was given a deadline of June 29, 2025 to submit a Technical Revision to include a reclamation plan and an updated bond estimate for reclaiming the existing mining disturbance in Phase IV. This corrective action requirement was based on the operator's initially stated intention to not continue mining in the eastern parcel of Phase IV, and to instead work to reclaim the existing disturbance, then release the parcel from the permit area.

On May 1, 2025, the Division approved an extension to all three corrective action deadlines (financial warranty, right of entry, Phase IV reclamation) to June 29, 2025. It was decided at that time, the full financial warranty would be recalculated through the Division's review of the forthcoming revision, and therefore, the Division would wait to issue a surety increase in association with that revision.

On June 27, 2025, the operator submitted a letter to the Division responding to the outstanding problems for right of entry and Phase IV reclamation. In this letter, the operator stated they had reviewed the April 30, 1987 lease for the Phase IV parcel in question and found it to meet the Division's right of entry requirements. The operator also informed the Division they had changed their plans for Phase IV, now intending to keep the entire Phase IV property in the permit, which will require, at a minimum, updated mining and reclamation plans and maps for that phase.

After consideration of the operator's changed plans for Phase IV, the Division has determined that an Amendment application will be required (instead of a Technical Revision). This is because the proposed changes will have a significant effect upon the approved mining and reclamation plans for the permit, which meet the criteria for an Amendment, per Rule 1.1(6). Please note, Rule 1.10.1(1) states that an Amendment must include the same content as required for an original application, except that the operator will not be



required to submit any information which duplicates applicable previous submittals. However, the operator shall clearly describe where in the original application and supporting documents the information not included in the Amendment application, but necessary to render the Amendment technically adequate, may be found. Given the known changes in ownership of the affected lands and adjoining surface owners of record, in addition to the changes needed to address mining and reclamation of Phase IV, the Division anticipates that several of the Rule 6.4 exhibits will require updating.

After additional discussions between the operator's in-house counsel, David C. Garrett, Jr., and the Division's attorney, Jeff Fugate regarding the outstanding right of entry problem, it was determined the remaining documentation needed to resolve this issue is a signed affidavit from the new landowner of the disturbed parcel in Phase IV acknowledging the property is subject to a mining and reclamation permit. If the operator is unable to obtain a signed affidavit, proof that the affidavit was received by the landowner (via a return receipt of a Certified Mailing) would also be acceptable.

Per the Division's extension approval on July 2, 2025, the corrective action deadlines for the three outstanding problems at the site (financial warranty, right of entry, Phase IV reclamation) are currently set for September 27, 2025. Because the nature of the Phase IV problem has changed, and an Amendment application is now needed to address that problem, an additional 90 days will be provided.

In summary, the following corrective actions are required for Buffalo No 1:

- 1) Submit a signed affidavit from the new landowner of the disturbed portion of Phase IV, acknowledging the property is subject to a mining and reclamation permit; or if a signed letter cannot be obtained, submit proof that the letter was received by the landowner (via a return receipt of Certified Mailing).
Due Date: September 27, 2025
- 2) Submit a 112c Amendment application, with the \$2,229.00 fee, to address mining and reclamation of Phase IV. This application must include, at a minimum, updated Exhibits C, D, E, F, L, N, O, Q, and R; but may also require updates to other exhibits. Both the inadequate financial warranty and Phase IV reclamation problems will be addressed through this revision. **Due Date: December 26, 2025**

If you have any questions, you may contact me by telephone at 303-945-9014 or by email at amy.eschberger@state.co.us.

Sincerely,



Amy Eschberger
Senior Environmental Protection Specialist

Cc: Houston Walker, General Shale Brick, Inc.
David C. Garrett, Jr., General Shale Brick, Inc.
Russ Means, DRMS
Jeff Fugate, AGO