STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215 Denver, Colorado 80203 Phone: (303) 866-3567 FAX: (303) 832-8106

June 1, 2012



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda

Matt Dankers Blattner Energy, Inc. 9232 Ballybunion Rd. Peyton, CO 80831

Re: File No. M-2012-013, Higgins Pit II, 112c Decision Letter - Financial and Performance Warranty Request - Construction Material Operation

Matt Dankers:

On June 1, 2012, the Division of Reclamation, Mining and Safety approved your 112c mining permit application.

The amount of financial warranty set by the Division for this operation is \$192,000.00. 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 have enclosed it in this letter. If you have not, please select a type of financial warranty from Rule 4.3. 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 <u>AFTER</u> RECEIPT OF YOUR FINANCIAL WARRANTY AND PERFORMANCE WARRANTY. A PERMIT WILL NOT BE ISSUED UNTIL WE VERIFY THE ADEQUACY OF BOTH YOUR FINANCIAL WARRANTY AND PERFORMANCE WARRANTY.

If you have any questions, please contact me at (303)866-3567 x8116.

Sincerely,

Michael A. Cunningham

Environmental Protection Specialist

Enclosure

Cc:

Tom Kaldenbach, DRMS Barbara Coria, DRMS