

Fw: West End Gravel Company

From: **Aaron Clay** (aaronclay@qwestoffice.net)
Sent: Tue 6/05/12 3:03 PM
To: Mardell Sutherland (mardellsutherland@hotmail.com)
1 attachment
SAND_AND_GRAVEL_LEASE.pdf (2.7 MB)

This is not the lease Bob had, but I still don't see that it has any equipment forfeiture clause. I'll call Glazier again.

----- Original Message -----

From: silverhawkranch@aol.com
To: aaronclay@qwestoffice.net
Sent: Tuesday, June 05, 2012 1:09 PM
Subject: West End Gravel Company

Aaron,

Attached is the Sand and Gravel Lease Agreement dated February 1, 1994, between Silver Hawk Ltd. and West End Gravel Company. The equipment left at the gravel pit became the property of Silver Hawk as West End agreed that in lieu of the substantial amount of royalty due on past gravel shipments the equipment would be Silver Hawks.

It will take silver Hawk at least a month to remove the equipment and remaining gravel. Silver Hawk will advise the Division of Mining and Reclamation that Sutherland will get to the reclamation by September 1, 2012. I believe this will get the State off of Bob's case for now. However, Bob must allow sufficient time for Silver Hawk to remove the equipment and gravel and rip rap material. Further, Sutherland should transfer the water right for the gravel pit to Silver Hawk Ltd.

Let me know how Bob Sutherland would like to proceed.

Thanks, George 970-864-2125
Silver Hawk Ltd.
P.O. Box 98
Nucla, CO 81424

No virus found in this message.

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Version: 2012.0.2178 / Virus Database: 2433/5048 - Release Date: 06/05/12

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DIVISION OF
RECLAMATION MINING & SAFETY

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GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

June 6, 2012

George Glazier
Silver Hawk Ltd.
Rough Range Ltd.
P.O. Box 98
Nucla CO 81424

Via email silverhawkranch@aol.com

Re: West End Gravel Company / Bob Sutherland / gravel pit

Dear George:

As you know, West End Gravel Company needs to do reclamation work in the gravel pit it leased from either Rough Range or Silver Hawk from 1994 until now. There is a dispute about the ownership of the equipment still there. You claim that you acquired ownership in lieu of royalties owed for gravel mined.

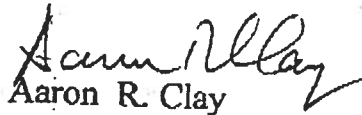
Sutherland Brothers owns this equipment. It was loaned to West End Gravel for use in this pit. The truck is still titled to Sutherland Brothers. When mining ended in 2001, West End Gravel owed you a small amount of royalties. Bob Sutherland discussed that with you, and you agreed to accept a dam in the river in lieu of the royalties. There was no discussion of the equipment. The dam was in fact installed, at the sole cost of Sutherland Brothers. At that time, there were no further royalties due. No gravel has been mined from this pit since 2001; some gravel was brought onto the site and washed there, but nothing was done which incur royalties.

Some time in 2008, Bob and his wife, Mardell, met you near the corrals near the pit and indicated to you that Bob would be moving the equipment to the Weimer pit. You said that would be fine. This also indicates that you have no claim of ownership. Bob lost his daughter June 28, 2008, and so he was not able to move the equipment at that time.

Whichever lease is effective does not have a forfeiture clause. It has provisions for you to purchase the equipment, "at a price mutually agreed upon." If you are interested in buying the equipment, Bob will determine a price and make that offer to you. But, he will not allow you to keep the equipment without payment.

As you know, Bob needs to begin the reclamation. My understanding is that you will allow him to move the equipment, gravel, and rip rap to places outside the permitted area, but near the permit. Bob would like to start that as soon as possible, so please let him know exactly where he should move the equipment. Leaving the equipment on your property is only an accommodation; by doing so, Sutherland Brothers is not giving up any of its claim to ownership.

Sincerely,


Aaron R. Clay