

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
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November 5, 2012

Louisiana Land and Gravel Company, LLC.
Dr. Michael DeJohn
P.O. Box 8419
Clinton, LA 70722

Ward Priestly
Hank Williams, Inc. dba Williams Construction Contractors
P.O. Box 704
Norwood, CO 81423

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Pineda
Director

Re: Angie Pit, Permit No. M-2000-049, Surety Increase, SI-01, Submission of Financial Warranty Required

Dear Mr. DeJohn and Priestly,

The Division of Reclamation, Mining, and Safety (Division) conducted a normal review of the reclamation liability for the above referenced site based on the March 29, 2012 inspection. Staff noted two issues that affect the overall tasks associated with the reclamation liability. The current bond was calculated for 15 acres maximum disturbance in 2000 and 2008. Field observations and review of mine maps note the disturbance to be closer to 28.5. The second factor was past calculations did not take into account the approximately 3000 linear feet of highwall along the south and southeast section of Phase 1 that must be backfilled in order to establish 2.5:1 slopes as per the approved reclamation plans. The estimated reclamation liability is now \$156,330.00 and increase over the \$54,893.00 held.

Hank Williams Construction requested an onsite visit to discuss ways to reduce the liability within 30 days of the increase notice. On May 15, 2012 Division staff and Williams Construction personnel met on site. The visit was documented in the inspection report. Based on the visit Williams Construction requested time to address highwall reclamation that runs along the Gurley Ditch and the primary working face of the pit. Staff and the operator agreed that the work should be completed by September 4, 2012 thus reducing the overall liability.

Under normal circumstances the Division does not extend increase submission dates. However, due to the large increase notice staff understood the financial burden placed upon the operator. Therefore, staff agreed to a one-time extension to September 17th, 2012 to allow time to reduce the overall liability and make adjustments. Division staff inspected the site the October 30, 2012 to verify reclamation work has been completed as Williams Construction has committed too. Based on the inspection it appears Hank Williams Construction did not take full advantage of the one time opportunity to reduce the reclamation liability as most of the highwalls along the east and south in question remain in essences unchanged. Highwalls along the working face to the north and spots along the west have been reduced to 2:1 or 3:1. This was adjusted in the reclamation liability estimate which reduced the amount.

In an effort to ensure the financial warranty remains adequate to reclaim this site per the requirements of the approved reclamation plan, the Division has updated the reclamation cost estimate (copy enclosed). Based on the current conditions noted above, the estimated reclamation liability is now \$103,365.00. This is an increase of \$48,472.00 from the current amount of \$54,893.00 held. Clearly, the site is under-bonded. **Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate financial warranty must be submitted to DRMS within 60 days of the mailing date of this notice. The due date for submission and acceptance is January 4th, 2013.** Please note no further extensions will be granted and failure to post the bond by the date noted will result in a Reason to Believe a violation exists letter being issued and a mandatory appearance before the Mined Land Reclamation Board for possible civil penalties and other corrective actions.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us.

Sincerely,



G. Russell Means
Senior Environmental Protection Specialist
West Slope Field Office Supervisor