



Dustin Czapla
Division of Reclamation, Mining and Safety
Grand Junction Field Office
101 S. 3rd Street, Suite 301
Grand Junction, Colorado 81501

RECEIVED

February 6, 2013

FEB 11 2013
GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

Via First Class Mail

RE: Bear Ranch Gravel Mine, File No. M-2013-002, Receipt of Incomplete Construction Material Limited Impact (110) Reclamation Permit Application Package

Dear Mr. Czapla:

As you are aware, Resource Engineering, Inc. (RESOURCE) is assisting Bear Ranch, LLC (Applicant) on the 110 Construction Material Reclamation Permit Application (Application) for the Bear Ranch Gravel Mine (File No. M-2013-002). We are in receipt of your January 18, 2013 memorandum which requests additional information to complete the Application and allow for technical review. The additional information is presented in detail below with responses in *italics*.

Rule 6.3.4 Exhibit D – Reclamation Plan

- 2) All 110 Limited Impact applications must provide an estimate of the actual costs to reclaim the site based on what it would cost the State of Colorado using an independent contractor to complete reclamation. (Such estimates are not required for activities contemplated by the operator and approved by the Office to be outside the scope of the proposed reclamation plan.) The unit costs should include estimates for the following activities as appropriate to the operation: backfilling, grading, topsoil application, seeding, mulching, fertilization, and labor to complete reclamation. Determine and specify the point during the operation when the site has reached a point of maximum disturbance. The cost to reclaim the site to the specifications of the Reclamation Plan at this point must be estimated. Unit costs (cost per cubic yard), volumes, haul or push distances, and grades must be included when backfilling and grading are part of the Reclamation Plan. Volume and unit costs for finish grading, subsoil and topsoil application must be provided in terms of cost per cubic yard. The estimated cost for fertilizer, seed and mulch acquisition and application must be provided as cost per acre.
 - a) Equipment costs must include such factors as equipment operator wages and benefits, fuel and lubricant consumption and depreciation. The cost to mobilize and demobilize the equipment from the nearest population center known to have the required equipment availability should be estimated.
 - b) All items referenced in the Reclamation Plan must be included in the cost calculation. These items in addition to earthwork, such as building demolition, fencing, monitoring well sealing or stream channel reconstruction must also be included in the reclamation cost estimate.
 - c) After the direct costs noted above have been estimated, the Office may add up to an additional maximum eighteen and one-half (18.5%) percent of that total, which includes private contract, typical overhead costs. This additional cost is required to cover indirect costs that an independent contractor would incur when performing reclamation of the site. Five (5%) percent additional cost shall be added to cover Office administration cost in the event of bond forfeiture and permit revocation.

February 6, 2013

*Response: An estimate of probable construction cost for the Bear Ranch Gravel Pit Reclamation as appropriate to the operation is attached to this memorandum. See **Attachment A**.*

Rule 6.3.7 Exhibit G – Source of Legal Right-to-Enter

Provide a description of the basis for legal right of entry to the site and to conduct mining and reclamation, for Owners of Record described in Rule 1.6.2(1)(e)(i). This may be a copy of access lease, deed, abstract of title, or a current tax receipt. A signed statement by the Landowner and acknowledged by a Notary Public stating that the Operator/Applicant has legal right to enter and mine is also acceptable.

*Response: A copy of the Statement of Authority, Special Warranty Deed, Bargain and Sale Deed and Assignment, and Quick Claim Deed and Assignment are attached to this memorandum. See **Attachment B**.*

We trust that this is the information you require. Please do not hesitate to contact us if you have any questions or need additional information.

Sincerely,

RESOURCE ENGINEERING, INC.



Eric F. Mangeot, P.E.
Water Resources Engineer

1162-8.1/EFM

cc: Paul Panther, Bear Ranch, LLC (email only)

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ATTACHMENT A

ESTIMATE OF PROBABLE CONSTRUCTION COST FOR BEAR RANCH GRAVEL PIT RECLAMATION

**Engineer's Preliminary Estimate of Probable Construction Cost
Bear Ranch Gravel Pit Reclamation**

January 23, 2013

HCE JOB NO: 2081048.00

Earthwork and Road Construction

ITEM	QUANTITY	UNIT	UNIT COST	COST
G&E - Regrading	15,000	CY	\$2.00	\$30,000.00
G&E - Topsoil Replacement	3,793	CY	\$2.00	\$7,586.00
Erosion Control Silt Fence	2000	lf	\$5.00	\$10,000.00
Reseed and Mulch Disturbed Areas	9.99	AC	\$3,500.00	\$34,965.00
			<i>Sub Total</i>	\$82,551.00

<i>Total</i>	<i>\$82,551.00</i>
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Contingency 10%	\$8,255.10
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<i>Total</i>	<i>\$90,806.10</i>
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This summary of probable construction cost was prepared for estimating purposes only. High Country Engineering, Inc. cannot be held responsible for variances from this estimate as actual costs may vary due to bid and market fluctuations.

ATTACHMENT B

LEGAL RIGHT-TO-ENTER SOURCE DOCUMENTS

STATEMENT OF AUTHORITY

HTC
H 332544

Pursuant to C.R.S. §38-30-172, the undersigned hereby executes this Statement of Authority on behalf of Bear Ranch LLC, a Colorado limited liability company an entity other than an individual, capable of holding title to real property (the "Entity"), and states as follows:

The name of the Entity is: Bear Ranch LLC, a Colorado limited liability company

The Entity is a: Colorado limited liability company

(state type of entity and state, country or other government authority under whose laws such entity was formed)

The mailing address for the Entity is: 1601 Forum Place Suite 307 W Palm Beach, FL 33401

The name or position of the person(s) authorized to execute instruments conveying, encumbering, or otherwise affecting title to real property on behalf of the Entity is:

Mark C. Curley, Manager

The limitations upon the authority of the person named above or holding the position described above to bind the Entity are as follows: _____

(if no limitations insert "NONE")

The instrument and recording information, including the County, of the document by which title was acquired is:

Other matters concerning the manner in which the Entity deals with any interest in real property are:

(if no matters, leave this section blank)

EXECUTED this 6/13/12

BUYER:

Bear Ranch LLC, a Colorado limited liability company

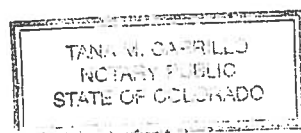
Mark C. Curley
By: Mark C. Curley, Manager

STATE OF Colorado } ss:
COUNTY OF Delta

The foregoing instrument was acknowledged before me this 13th day of June, 2012, by Mark C. Curley, Manager on behalf of Bear Ranch LLC, a Colorado limited liability company

Witness my hand and official seal.

My commission expires: 3/29/2014



When recorded return to:

HTC
H332544

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made this 13th day of June, 2012, between JONATHAN B. LEE and DORI J. LEE ("Grantor"), and BEAR RANCH LLC, a limited liability company duly organized and existing under and by virtue of the laws of the State of Colorado whose legal address is 1101 Fortin Place Suite 307 of the County of W. Palm Beach, FL 33401, State of Colorado ("Grantee").

WITNESSETH, that the Grantor, for and in consideration of the sum of **Three Million Five Hundred Forty Thousand and 00/100ths Dollars (\$3,540,000.00)** the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey, and confirm, unto the Grantee, its successors and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Gunnison, State of Colorado, described on Exhibit A attached hereto and incorporated herein by this reference:

Subject to those items as set forth on Exhibit B attached hereto and incorporated herein by this reference.

also known by street and number as: 26767 County Road 12, Somerset, Colorado 81434

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances, unto the Grantee.

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto the Grantee, its successors and assigns forever. The Grantor, for itself, its successors and assigns does covenant and agree that it shall and will **WARRANT AND FOREVER DEFEND** the above bargained premises in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor.

IN WITNESS WHEREOF, Grantor has executed this deed as of the date set forth above.

JONATHAN B. LEE

DORI J. LEE

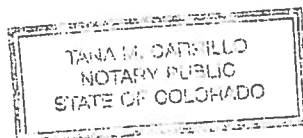
STATE OF COLORADO)
COUNTY OF GUNNISON) ss.
De He

The foregoing instrument was acknowledged before me this 13th day of June 2012, by JONATHAN B. LEE and DORI J. LEE.

WITNESS my hand and official seal. My Commission Expires:

Notary Public

[SEAL]



When recorded return to:

HTC
H332544

BARGAIN AND SALE DEED AND ASSIGNMENT

KNOW ALL BY THESE PRESENTS, That **JONATHAN B. LEE and DORI J. LEE** (whether one, or more than one), the "Grantor", whose legal address is 26767 County Road 12, Somerset, Colorado 81434, of the County of Gunnison, and State of Colorado, for the consideration of Ten Dollars (\$10.00), in hand

paid, hereby sells, conveys, and assigns to **BEAR RANCH LLC**, a Colorado limited liability company (whether one, or more than one), the "Grantee" whose legal address is 1101 Forum Place Suite 307 WPalm Beach, FL 33401 of the County of _____ and State of Colorado, all water rights, both tributary and non-tributary, whether adjudicated or unadjudicated, and all ditch and ditch rights, including, without limitation, all shares in any ditch companies, water wells and well rights, well permits, adjudicated and unadjudicated springs, reservoirs and reservoir rights, ponds and pond rights including, but not limited to, those described on Rider A attached hereto and made a part hereof by this reference, appurtenant to the following real property situate in the County of Gunnison, and State of Colorado, to wit:

See attached Exhibit A attached hereto and incorporated herein by this reference.

also known by street address as: 26767 County Road 12, Somerset, Colorado 81434

and assessor's schedule or parcel number: 3183-000-00-084

with all its appurtenances.

(CONVENIENCE DEED - NO DOCUMENTARY FEE REQUIRED)

(Consideration for this transaction is less than \$500)

Signed this 13th day of June, 2012.

[Signature]
JONATHAN B. LEE

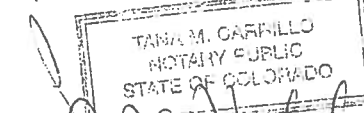
[Signature]
DORI J. LEE

STATE OF COLORADO)
) ss.
County of GUNNISON Delta)

The foregoing instrument was acknowledged before me this 13th day of June, 2012, by JONATHAN B. LEE and DORI J. LEE.

Witness my hand and official seal.

My commission expires: 3/29/2014



[Signature]
Notary Public

When recorded return to:

QUITCLAIM DEED AND ASSIGNMENT

HTC
14332544

KNOW ALL BY THESE PRESENTS, That **JONATHAN B. LEE and DORI J. LEE** (whether one, or more than one), the "Grantor", whose legal address is 26767 County Road 12, Somerset, Colorado 81434, of the County of Gunnison, and State of Colorado, for the consideration of Ten Dollars (\$10.00), in hand

paid, hereby sells, quitclaims, and assigns to **BEAR RANCH LLC**, a Colorado limited liability company (whether one, or more than one), the "Grantee" whose legal address is 1401 Forum Drive Suite 307 WPA on Ranch
FL 32401, of the County of _____ and State of Colorado, the following real and personal property, to wit:

That certain Right-Of-Way Easement and Agreement for Carriage and Transmission of Irrigation Water by Ditches, Pipelines and Natural Drainages, Including Rights of Road Access Thereto, dated January 4, 2007, and recorded in the Gunnison County Real Estate Records at Reception No. 572056.

That certain United States Department of Agriculture Forest Service Agricultural Irrigation and Livestock Watering System Easement issued to Jonathan B. Lee and Dori J. Lee dated March 8, 2007, and recorded in the Gunnison County Real Estate Records at Reception No. 573715.

That certain United States Department of Interior Bureau of Land Management Right-Of-Way Grant, Serial Number COC-70874, issued to Jonathan and Dori Lee on September 10, 2009.

With all appurtenances.

(CONVENIENCE DEED – NO DOCUMENTARY FEE REQUIRED)

(Consideration for this transaction is less than \$500)

Signed this 13th day of June, 2012.



JONATHAN B. LEE



DORI J. LEE