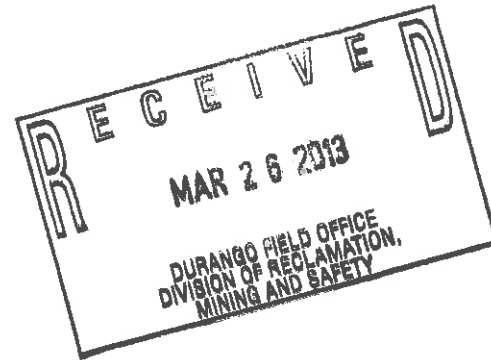


Southwest Ready Mix, Inc.

117 White Pine Dr.
Alamosa, CO 81101
Phone 719-589-5105

March 21, 2013

Mr. Bob Oswald
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
Durango Office
691 CR 233, Suite A-2
Durango, CO 81301



RE: Southwest Ready Mix, Inc. Alamosa Pit #2, Permit No. M-1983-175
Request Financial Warranty Reduction

SR-2

PERMITTE NAME: Southwest Ready Mix, Inc.

OPERATION NAME: Alamosa Pit #2, Permit No. M-1983-175

ANNIVERSARY DATE: November 25, 2013

COUNTY: Alamosa

OPERATOR CONTACT ADDRESS:

Southwest Ready Mix, Inc.
117 White Pine Dr.
Alamosa, CO 81101
Phone: 719-589-5105

Dear Mr. Oswald:

Southwest Ready Mix, Inc., the operator of the MLRB Alamosa Pit #2, Permit No. M-1983-175 is asking for bond reduction of the financial warranty assigned to this MLRB permit. The Operator believes that segments of the reclamation plan have been accomplished. The site has been cleared of all of the scrape steel and rubbish. Backfilling has taken place on 3.55 acres, which is shown on the enclosed map. Please see the Exhibit "L" for the revised calculations that we are asking the Division of Reclamation, Mining and Safety to consider for reduction of the Financial Warranty. Southwest Ready Mix, Inc. is the operator and landowner.

The contact information for the landowner is as follows:

Landowner:
Southwest Ready Mix, Inc.
117 White Pine Dr.
Alamosa, CO 81101
Phone: 719-589-5105

In summary Southwest Ready Mix, Inc. is requesting an \$ 183,390 dollar reduction of the bond. I can be reached on the phone at 719-589-5106 or e-mail safety@southwayco.com.

Sincerely,

Roy Burtraw



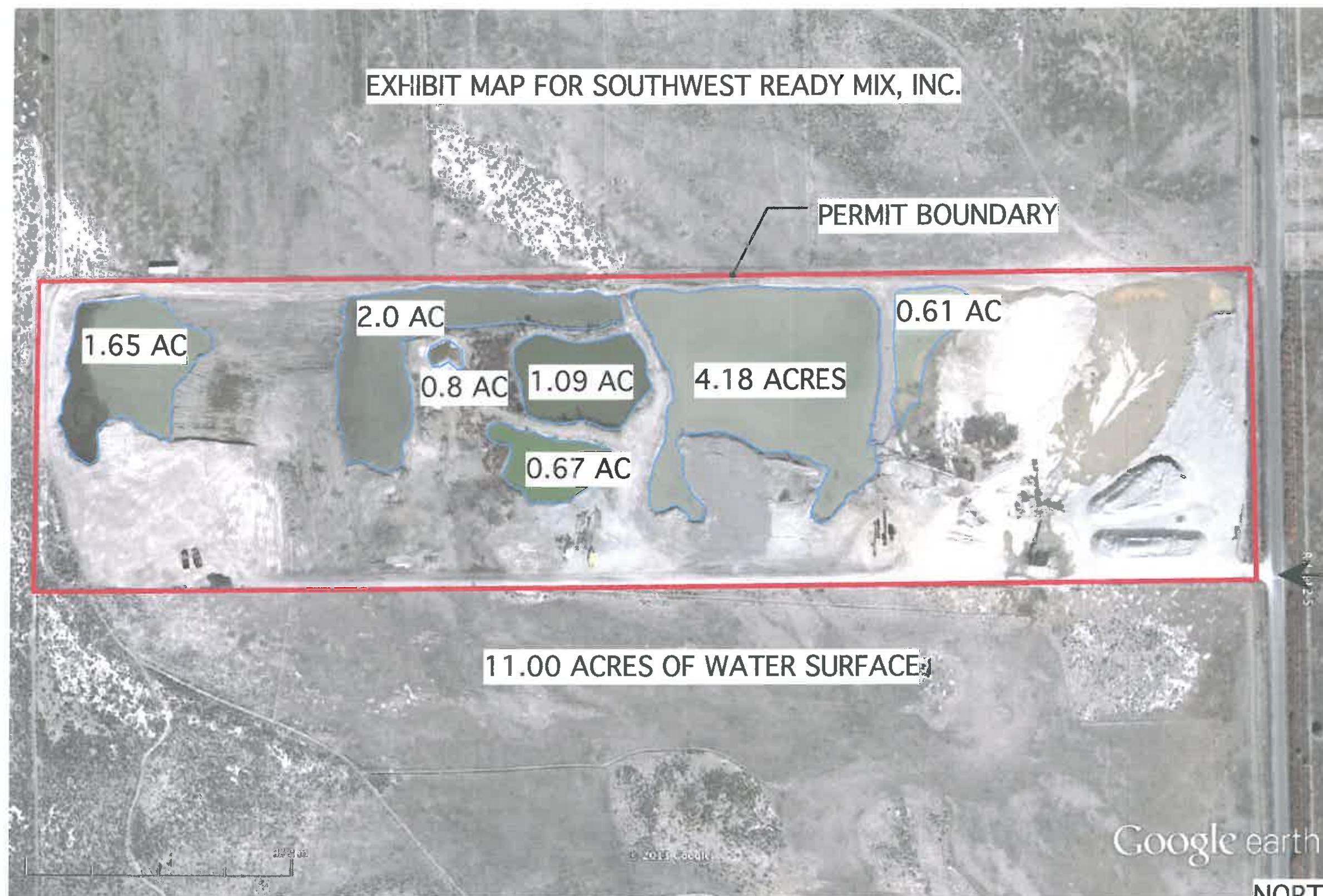
Enclosure: Exhibit: "L"
Exhibit Map for Southwest Ready Mix, Inc.

Cc: L J Development, Inc.

CERTIFIED MAIL # ups Track# J 122 - 179 - 750 - 9

ALAMOSA PIT # 2, PERMIT M-1983-175, REVIEW OF RECLAMATION COSTS: NOTICE OF BOND REDUCTION REQUEST

RECLAMATION COST		March 21, 2013							
TASK No.		OPERATORS ESTIMATE	UNIT	UNIT COST	TASK HOURS	DIRECT COST	QTY CHANGE +/-	TOTAL AFTER REDUCTION	REMARKS
OO1	REMOVE SCRAPE STEEL & RUBBISH REMAINING TO BE REMOVED	300	HOURS	\$149.31		\$44,793	-300		\$0 AREA CLEARED OF SCRAPE & RUBBISH
OO2	BACKFILL MATERIAL REQUIRED 143600 CY AVAILABLE ON SITE 47388 CY MATERIAL TO BE IMPORTED 93600 CY	93600	CY	\$4.50		\$421,200	-22837		\$318,433 BACKFILLED 3.55 AS OF MARCH 2013
OO3	SPREAD BACKFILL MATERIAL TO PONDS	143600	CY	\$0.45		\$64,620	0		\$64,620 UNCHANGED
OO4	TOPSOIL REQUIRED TO REVEGETATED 32267 CY 10000 CY IS AVAILABLE	22267	CY	\$4.50		\$100,202	0		\$100,202 UNCHANGED
OO5	SPREAD TOPSOIL OVER THE SITE 32267 CY	32267	CY	\$0.75		\$24,200	0		\$24,200 UNCHANGED
OO6	RIP SITE PER APPROVED PLAN	20	AC	\$283.00		\$5,660	0		\$5,660 UNCHANGED
OO7	REVEGETATED SITE PER APPROVED PLAN, INCLUDES WEED CONTROL	40	AC	\$1,312.90		\$52,516	0		\$52,516 UNCHANGED
OO8	HAUL RECLAMATION EQUIPMENT TO & FROM SITE	1	LS	\$2,383.00		\$2,383	0		\$2,383 UNCHANGED
	TOTAL DIRECT COST					\$715,574			\$568,014
	INDIRECT COST								
	PUBLIC LIABILITY INSURANCE				2.02%	\$14,455			\$11,474
	PERFORMANCE BOND				1.05%	\$7,514			\$5,964
	JOB SUPERINTENDENT	80	HOURS	\$52.10		\$4,168	-20		\$3,151 REDUCED JOB SUPERVISION BY 20 MANHOURS
	CONTRACTOR PROFIT				10.00%	\$71,557			\$56,801
	TOTAL DIRECT COST & INDIRECT COST					\$813,267			\$645,404
	DIVISION OF MINERALS & GEOLOGY ADMIN. EXPENSE								
	LEGAL/RELATED COST	1	LS	\$500.00		\$500	0		\$500
	ENGINEERING WORK				4.25%	\$34,564			\$27,430
	DRMS MANAGEMENT AND/OR ADMINISTRATION				5.00%	\$40,663			\$32,270
	CONTINGENCY								
	TOTAL OPERATOR ESTIMATED BOND AMOUNT					\$888,994			PROPOSED FINANCIAL WARRANTY AFTER REVIEW. \$705,604 AMOUNT OF REDUCTION IS \$ 183,390 DOLLARS.



Google earth

MAP DATE 10/22/2011



Southwest Ready Mix, Inc.
117 White Pine Dr.
Alamosa, CO 81101
Phone: 719-589-5105

NORTH

DATE: 3-19-2013

PREPARED BY: J. P. GAGLIANO