

EXHIBIT W

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Sent Via U.S. Mail and Email

james.dubois@usdoj.gov

James J. DuBois, Esq.
U.S. Department of Justice
Environment & Natural Resources Division
999 18th Street
South Terrace - Suite 370
Denver, CO 80202

Re: *Antelope Valley Groundwater Cases*

Dear Jim:

This settlement communication is privileged and confidential.

The most recent draft of Exhibit 4 to the proposed Stipulated Judgment, which was circulated by you via email on August 13, 2014, contains the following line item on page 2:

Granite Construction Company (Little Rock Sand and Gravel, Inc.)	400.00	360.00	0.617%
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Please revise this line item to split it into two separate line items as follows:

Granite Construction Company	126.00	126.00	TBD
Little Rock Sand and Gravel, Inc.	400.00	234.00	TBD

As I am certain you recall, you proposed the average of 2011-2012 pumping, as set forth in the court's June 29, 2013 Phase IV decision, as the starting point for determining the parties' overlying production rights. I have attached a copy of the spreadsheet that was circulated February 19, 2014.

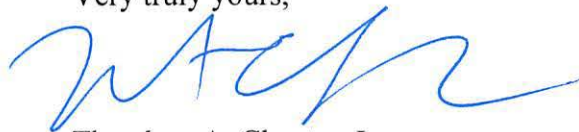
In 1987, Granite Construction Company ("Granite"), as tenant, leased 240 acres of land (the "Leased Property") from Little Rock Sand and Gravel, Inc. ("Little Rock"). The term of the lease runs to April 30, 2021. Granite has operated the Leased Property as a rock, sand and gravel quarry. In operations on the Leased Property, Granite has pumped groundwater from three wells located on the Leased Property, and used the groundwater on the Leased Property. Except for minimal dust suppression on neighboring land, Granite has not used groundwater pumped from wells on the Leased Property except for operations on the Leased Property. The 400 afy for 2011 and 2012 in the June 29, 2013 Phase IV decision is groundwater pumped from wells located on the Leased Property and used for quarrying operations on the Leased Property.

Thus, pursuant to the methodology proposed by you, the initial overlying production settlement number for the Leased Property was a percentage (61.24%) of 400 afy, or 244.97 afy. In subsequent settlement negotiations among overlying landowners, certain allocations were reduced and others were increased based upon different methodologies. The result was that the allocation for the Leased Land was reduced to 234 afy. Another result from those negotiations was that Granite was credited with a 126 afy allocation for land it owns (Big Rock), which is located about 9 miles east of the Leased Land, and on which quarrying operations have not yet commenced.

Accordingly, it is requested that Exhibit 4 be revised as set forth above to reflect ownership of the allocated overlying production rights. I note that one aspect of this change will be to increase Granite's Pre-Rampdown Production on Exhibit 4, but this is consistent with other similar changes for other parties who did not have 2011-2012 pumping numbers.

Please call me with any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'TAC', with a stylized flourish extending to the right.

Theodore A. Chester, Jr.

cc: Robert G. Kuhs, Esq.
Clients
Enclosure