

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
FAX: (303) 832-8106



April 1, 2014

Lawrence Fiske
Battle Mountain Resources, Inc.
P.O. Box 310
San Luis, CO 81152-0310

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

San Luis Project, Permit M-1988-112, Notice of Inadequate Annual Fee and/or Report

PLEASE READ CAREFULLY – ACTION REQUIRED

Please attach your COMPLETED written Annual Report and Annual Report Map to this form

On March 26, 2014, the Division of Reclamation, Mining and Safety received your Annual Fee/Annual Report Packet ("Packet") for Permit M-1988-112, San Luis Project. However according to Division records, the Packet is inadequate.

Annual Fee: Adequate

Annual Report: Inadequate

If the annual fee is *inadequate* please send the remaining balance. If they have *not been received*, please remit \$1,150.00.

If the annual report is *inadequate* or has *not been received*, please **submit the written report and an adequately labeled map** as required by Colorado Mined Land Reclamation Act and/or Colorado Land Reclamation Act for the Extraction of Construction Materials (C.R.S. 34-32-116 or 34-32.5-116). Enclosed is an annual report form. **The Annual Report and Fee requirement is not met until we have received the following components: fee, report, and associated map.**

The Division must receive the complete Packet no later than 5 p.m. on May 1, 2014 (if this date falls on a weekend or state recognized holiday your Packet will be due on the next regular business day), or a Notice of Violation, Cease and Desist Order from ALL mining related activities, Civil Penalties equal to the amount of the annual fee(s) due, and a Notice of Formal Public Hearing before the Mined Land Reclamation Board for consideration of POSSIBLE PERMIT REVOCATION AND FINANCIAL WARRANTY FORFEITURE will be issued for this account.

If you have additional comments and/or information that should be provided to the Division, please provide it below or attach it to this form along with your written report and map. If you have any questions, please feel free to contact Michelle Ramirez (303) 866-3567 ext 8114. Thank you for your cooperation in this matter.

IF THE COMPLETE ANNUAL FEE SUBMITTALS ARE NOT RECEIVED ON OR BEFORE THE DATE LISTED ABOVE, THE ENFORCEMENT PROCESS WILL BE AUTOMATICALLY INITIATED. ENFORCEMENT ACTIONS MAY RESULT IN CIVIL PENALTIES AND/OR REVOCATION OF YOUR PERMIT.

112d-3 Annual Report

Permittee Name:	Battle Mountain Resources, Inc.	Permit Number:	M-1988-112
Operation Name:	San Luis Project	County:	Costilla
Annual Fee Due:	\$1,150.00	Anniversary Date:	March 23, 2014
Permit Acreage:	1,801.00	Current Bond Amt:	\$7,400,000.00

According to C.R.S. 34-32.5-116 or 34-32-116, each year, on the anniversary date of the permit, an operator shall submit the Annual Fee, an Annual Report and map showing the extent of current disturbances to affected land, required monitoring information, reclamation accomplished to date and during the preceding year, any new disturbance that is anticipated to occur during the upcoming year, any reclamation that will be performed during the upcoming year, the dates for the beginning of active operations, and the date active operations ceased for the year.

Information contained in this report will be reviewed by the Division upon receipt and prior to the next compliance inspection of the site. If, while completing this report, you learn that your site is not in compliance with the rules and the act, it is advisable that the issues be rectified promptly to avoid possible enforcement action.

1. Is the site identification sign posted in accordance with Rule 3.1.12(1). YES NO
2. Is the affected area boundary clearly marked in accordance with Rule 3.1.12(2). YES NO
3. Is the mine site in final reclamation (all material extraction and stockpile removal is complete)? YES NO
If "YES," please note time limits related to completion of reclamation, Rule 3.1.3.
4. What was the date of last excavation, processing or hauling activity at the mine? _____
5. Does the mine operate more than 180 days per year YES NO
If "NO", please review Rule 1.13 to assure that your mine is in compliance.
6. Has this mine been granted: YES NO
a) approval of TEMPORARY CESSATION Status? YES NO
b) approval for INTERMITTENT OPERATION?
7. Number of acres currently affected (mining + incomplete and or unreleased reclamation). _____
8. Number of acres that were newly affected during the current report year. _____
9. Number of acres that were reclaimed during the current report year. _____
10. Estimated new acreage to be affected in the next report year. _____
11. Estimated acres to be reclaimed in the next report year. _____

12. **Total acres** in various stages of reclamation, since permitted mining activities began:

Total acres backfilled:		Total acres seeded w/ approved mix:		Total acres w/topsoil replaced:		Total acres mulched w/ approved mulch:	
Total acres graded:		Total acres fertilized w/ apvd fertilizer:		Topsoil replacement depth (in.):		Mulch application rate (tons):	
Seed application method:		Fertilizer application method:		Mulch application method:			

13. Is weed control being conducted in accordance with an approved Weed Control Plan? YES NO N/A
If "YES", indicate the weed species, control area, control type, application rate and treatment date on the report map.
14. Is adequate topsoil reserved for reclamation, based on your approved permit? YES NO N/A
If "NO", please explain:
15. Is the reserved topsoil vegetated/stabilized in accordance with Rule 3.1.9(1)? YES NO N/A
If "NO" please explain:
16. If mining has exposed groundwater, is the site in compliance with the approved mining plan and Office of the State Engineer (Well Permit, S.W.S.P., and/or Permanent Augmentation Plan)? YES NO N/A
17. Are all hazardous materials stored within approved spill containment structures? YES NO N/A
18. Is your financial warranty value sufficient to cover the cost to complete reclamation? YES NO N/A
19. Is your basis for legal right to enter still valid? YES NO
20. Does your permit require you to submit monitoring information annually? YES NO N/A
If "Yes", please attach the required monitoring results to this Annual Report.
21. As required by Colorado Mined Land Reclamation Act and/or Colorado Land Reclamation Act for the Extraction of Construction Materials (C.R.S. 34-32-116 or 34-32.5-116), attach a map to this report that accurately depicts the permit boundary, current affected area boundary and location of the acreages specified in items 7- 12 and 14.
UPDATED MAP ATTACHED: _____

Division records indicate the following permittee contact information. If this information is not current, please type or print **current** contact information:

Permittee Contact:	Lawrence Fiske	
Permittee Company:	Battle Mountain Resources, Inc.	
Address:	P.O. Box 310 San Luis, CO 81152-0310	
Phone Number:	(719) 379-0798	
Fax Number:	(719) 379-0713	
Email Address:	CF.PR.email	

I, the undersigned, hereby state that the information provided in this report is true and accurate, and that site operations are being conducted in accordance with the Division approved mining and reclamation plans.

Signature of Permittee, Corporate Officer, Owner, or Documented Designee

Date