STATE OF COLORA

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

October 1, 2014

Fred Frei Flag Resources Inc 1412 CR 311 New Castle, CO 81641



John W. Hickenlooper Governor

Mike King **Executive Director**

Virginia Brannon

Goldman Gravel Pit, Permit M-1978-279, Annual Fee Invoice and Report Request

PLEASE READ CAREFULLY - ACTION REQUIRED Please attach your COMPLETED written Annual Report and Annual Report Map to this form

Under the terms of your NOI or Reclamation Permit and Colorado Statutes, you must submit Annual Fees and Annual Reports (including a map). You must pay the Annual Fee and submit an Annual Report each year until reclamation responsibility release is granted. The Annual Fee is not a renewal fee. The Fee and Report are for LAST YEAR'S mining and reclamation season, and MUST be paid even if your operation was inactive.

The Annual Report and Fee requirement will be considered submitted when we have received the following components:

- 1. APPROPRIATE ANNUAL FEE
- COMPLETED ANNUAL REPORT
- 3. ASSOCIATED MAP as required by rule

If you have requested reclamation responsibility release from the Division of Reclamation, Mining and Safety ("Division") but your permit is not released by the anniversary date listed below, the Annual Fee MUST be paid. If the permit is released before the anniversary date, then by Statute, it is not necessary to pay an Annual Fee or submit an Annual Report for that year.

Division records indicate the \$323.00 fee is due for the following:

Permit: M-1978-279 Operation Name: Goldman Gravel Pit Anniversary Date: November 22, 2014

Total Fee Due: \$323.00 (Due on or before your Anniversary Date)

Return the enclosed Annual Report FORM, a MAP, and a CHECK or MONEY ORDER made payable to: Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. If your records indicate these documents and fees have already been submitted, please notify the Division.

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. Annual Report instructions are enclosed. 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 ANNUAL FEE SUBMITTALS ARE NOT RECEIVED ON OR BEFORE YOUR ANNIVERSARY DATE, THE ENFORCEMENT PROCESS WILL AUTOMATICALLY BE INIATIED. ENFORCEMENT ACTIONS MAY RESULT IN CIVIL PENALTIES AND/OR REVOCATION OF YOUR PERMIT.

110c Annual Report

Permittee Name:	Flag Resources Inc	Permit Number:	M-1978-279
Operation Name:	Goldman Gravel Pit	County:	Garfield
Annual Fee Due:	\$323.00	Anniversary Date:	November 22, 2014
Permit Acreage:	8.50	Current Bond Amt:	\$17,300.00

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 ident	e identification sign posted in accordance with Rule 3.1.12(1).							YES	NO		
2.	2. Is the affected area boundary clearly marked in accordance with Rule 3.1.12(2).								YES	NO		
3.	3. Is the mine site in final reclamation (all material extraction and stockpile removal is complete) If "YES," please note time limits related to completion of reclamation, Rule 3.1.3.							lete)?	YES	NO		
4.	What was the date of last excavation, processing or hauling activity at the mine?											
5.	5. Does the mine operate more than 180 days per year? If "NO", please review Rule 1.13 to assure that your mine is in compliance.								YES	NO		
6.	6. Has this mine been granted: a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION?								YES YES	NO NO		
7.	Number of acre	es currently a	ffected	(mining +	incor	nple	te and or unreleas	ed reclar	nation).			
8.	Number of acre	es that were r	newly af	fected du	ring th	ne cu	ırrent report year.					
9.	Number of acre	es that were r	eclaime	d during t	he cui	rrent	report year.					
10	. Estimated new	acreage to be	e affecte	d in the n	ext re	port	year.					
	. Estimated acres						nitted mining acti	vities be	gan:			
	Total acres		Total acres				Total acres	Total acres		icres		
	backfilled:	s	eeded w	1/			w/topsoil		mulched w/			
	approved mix:			replaced:	approved		ed mulch:					
	Total acres		otal acr				Topsoil			application		
	graded:	f	ertilized w/				replacement		rate (to	ons/ac):		
		a	pvd fert	ilizer:			depth (in.):					
Ī	Seed			Fertilize	r		·	Mulcl	1			
	application			application				applic	application			
					metho	od:						

	3. Is weed control being conducted in accordance with an approved Weed Control Plan? If "YES", indicate the weed species, control area, control type, application rate and treatment.						
14. Is adequate topsoil If "NO", please exp	YES	NO	N/A				
15. Is the reserved tops If "NO" please exp	YES	NO	N/A				
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 n	YES	NO	N/A				
18. Is your financial wa	YES	NO	N/A				
19. Is your basis for leg	YES	NO					
20. Does your permit ro If "Yes", please atta	YES	NO	N/A				
Construction Mater permit boundary, co UPDATED MAP A	ials (C.R.S. 34-32-116 or 34-32.5 arrent affected area boundary and ATTACHED: te the following permittee contact	Act and/or Colorado Land Reclamation A (5-116), attach a map to this report that ac location of the acreages specified in iteration. If this information is not of	curately ms 7- 12	y depicts 2 and 14	s the		
Permittee Contact:	Fred Frei						
Permittee Company:	Flag Resources Inc						
Address:	1412 CR 311						
	New Castle, CO 81641						
Phone Number:							
Fax Number:							
Email Address:	CF.PR.email						
	by state that the information provordance with the Division approve	ided in this report is true and accurate, a ed mining and reclamation plans.	nd that	site ope	rations are		
Signature of <u>Permitte</u>	e, Corporate Officer, Owner, or	Documented Designee	Date		_		