



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

October 2, 2014

Kenneth Schaaf
ITC Resources, LLC
135 Meeker St.
Delta, CO 81416

Re: Vulcan Exploration, Honey Badger Project, NOI File No. P-2014-017, Deficiencies in NOI Application

Dear Mr. Schaaf,

The Division has been reviewing the Vulcan Exploration NOI application, and has noted several items that are deficient. Until these deficiencies are corrected, the NOI cannot be approved. On August 19, 2014, I wrote to your office in regard to some of these items. No response has been received yet, so I have repeated this list of questions and concerns below. Please respond to each item.

1. The pages making up the Form 1 (confidential packet) are a mixture of pages from Form 1 and Form 2, according to the label at the top of each page. The Form 2 packet looks OK in this regard, since those pages are all from Form 2. Please provide a full set of Form 1 application pages, and ensure they are all from Form 1.
2. There are no initials on the page right before the signature. Please ensure that the Form 1 replacement packet (requested above) is initialed and signed properly.
3. The drill hole locations noted under "site/claim info" says they are in T45N, although they are in T47N. Please provide a corrected version.
4. Why is there no page 5 in either the Form 1 or Form 2 packet?
5. The first page of both packets names this project as "Vulcan Exploration." Is this the correct project name, or is it the "Honey Badger Project"?
6. The bond document that is required to accompany the check is called "One Site Prospecting Financial Warranty on BLM Land Check for Deposit."
7. The Form W-9 needs to be signed by the same party who provided the check (the check received was from Ken's account).
8. The "Affidavit of Authority" form needs to be signed by same party who signs the One Site BLM Financial Warranty form.



October 2, 2014

On September 2, 2014 this office received a copy of a "Decision" document from the Gunnison office of the BLM, stating that this project exceeds the Notice level, and a Plan of Operations must be filed. If or when that revision to the proposed activity is submitted to the BLM, please also send a copy of it to our agency.

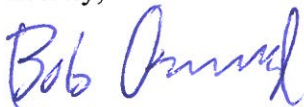
The Division's decision date had been extended due to the deficiencies communicated to you prior to the receipt of the BLM's decision document (mentioned in the paragraph above). Since some additional time may be needed in case the NOI must be revised to comply with the BLM, I have extended our decision date to October 23, 2014.

Please respond to each of the items listed above before the decision date. Your responses will allow this office to better estimate the bond amount. If additional time is still needed, please contact me to discuss another extension.

As a reminder, all written correspondence must be sent to our Denver office (see address at bottom of page 1). Please send bond-related documentation c/o Barbara Coria at our Denver office.

If you have any questions, I may be reached by phone at 970-247-5193, or by email at: bob.oswald@state.co.us.

Sincerely,



Bob Oswald
Environmental Protection Specialist

Ec: Russ Means, DRMS Grand Junction
Barbara Coria, DRMS Denver
Dave Lazorchak, BLM Gunnison