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DIVISION OF RECLAMATION,  
MINING & SAFETY MINERALS  
FEE REPORT MAP

**112c Annual Report**

Permittee Name:	Flag Resources Inc	Permit Number:	M-1981-202-SG
Operation Name:	Silt Pit	County:	Garfield
Annual Fee Due:	\$791.00	Anniversary Date:	November 27, 2014
Permit Acreage:	170.70	Current Bond Amt:	\$55,400.00

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.

- Is the site identification sign posted in accordance with Rule 3.1.12(1). YES ~~XX~~
- Is the affected area boundary clearly marked in accordance with Rule 3.1.12(2). YES ~~XX~~
- Is the mine site in final reclamation (all material extraction and stockpile removal is complete)? ~~XXX~~ NO  
If "YES," please note time limits related to completion of reclamation, Rule 3.1.3.
- What was the date of last excavation, processing or hauling activity at the mine? 11-20-2013
- Does the mine operate more than 180 days per year? YES ~~XX~~  
If "NO", please review Rule 1.13 to assure that your mine is in compliance.
- Has this mine been granted: a) approval of TEMPORARY CESSATION Status? ~~XXX~~ NO  
b) approval for INTERMITTENT OPERATION? YES ~~XX~~
- Number of acres currently affected (mining + incomplete and or unreleased reclamation). 137.25
- Number of acres that were newly affected during the current report year. 0
- Number of acres that were reclaimed during the current report year. 5.33
- Estimated new acreage to be affected in the next report year. 0
- Estimated acres to be reclaimed in the next report year. 5.00
- Total acres in various stages of reclamation, since permitted mining activities began:

Total acres backfilled:	30.20	Total acres seeded w/ approved mix:	0	Total acres w/topsoil replaced:	25.58	Total acres mulched w/ approved mulch:	0
Total acres graded:	43.93	Total acres fertilized w/ apvd fertilizer:	NA	Topsoil replacement depth (in.):	12"	Mulch application rate (tons/ac):	0
Seed application method:	NA	Fertilizer application method:	NA	Mulch application method:	NA		

13. Is weed control being conducted in accordance with an approved Weed Control Plan? YES ~~XX~~ ~~XX~~  
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 ~~XX~~ ~~XX~~  
If "NO", please explain:
15. Is the reserved topsoil vegetated/stabilized in accordance with Rule 3.1.9(1)? YES ~~XX~~ ~~XX~~  
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 ~~XX~~ ~~XX~~
17. Are all hazardous materials stored within approved spill containment structures? YES ~~XX~~ ~~XX~~
18. Is your financial warranty value sufficient to cover the cost to complete reclamation? YES ~~XX~~ ~~XX~~
19. Is your basis for legal right to enter still valid? YES ~~XX~~
20. Does your permit require you to submit monitoring information annually? ~~XXX~~ NO ~~XX~~  
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: YES

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

Permittee Contact:	Fred Frei	
Permittee Company:	Flag Resources Inc	
Address:	1412 CR 311 New Castle, CO 81641	Note: Additional information provided on attached page.
Phone Number:	(970) 876-2397	
Fax Number:	(970) 876-5232	
Email Address:		flagsandandgravel@gmail.com

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.

Fred Frei Pres.  
Signature of Permittee, Corporate Officer, Owner, or Documented Designee

11/20/14  
Date



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M-1981-202-SG

NOV 24 2014

DIVISION OF RECLAMATION  
MINING AND SAFETY

LEGEND

AFFECTED LANDS

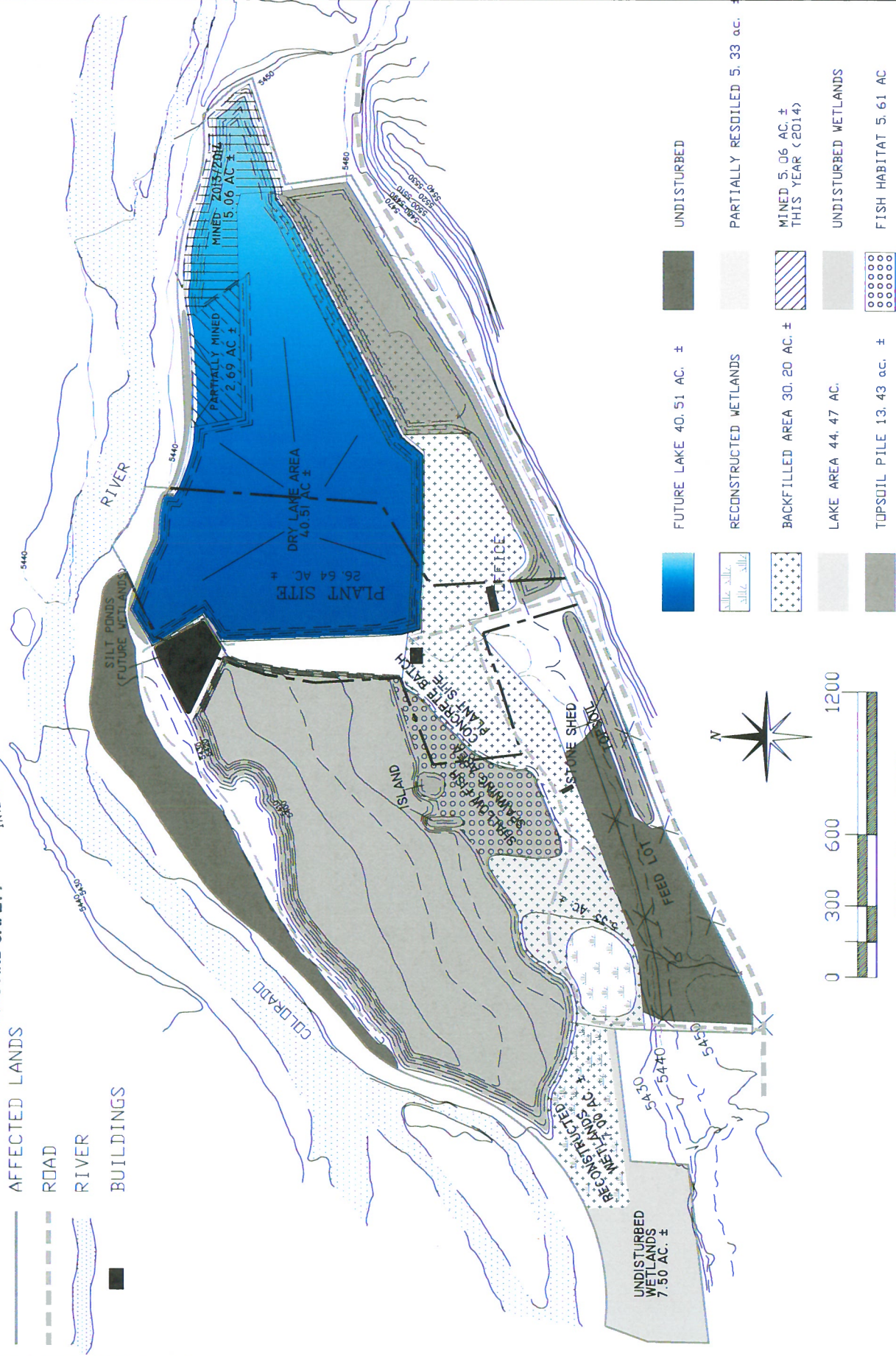
ROAD

RIVER

BUILDINGS

FLAG RESOURCES, INC.  
SILT PIT  
2014 - ANNUAL REPORT

INTERSTATE 70 R.D.W.



NOV 19, 2014 - 16:42:30



Flag Resources, Inc.  
Permit # M-1981-202SG

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Silt Pit  
2014 Annual Report

**DIVISION OF RECLAMATION  
MINING AND SAFETY**

Notes:

Please refer to the 2014 Annual Report Map for location of the areas of disturbance in the mine. We continued to remove material from stockpiles and the mined area. No reclamation is required at this time. The markings and colors noted in the text reference area on the map.

Notes:

(7) We continued to mine in the area east of the Plant Site as shown on the map. We now have 2.69 acres ± of partially mined area (\\\). No new soil was added to the topsoil piles and the total stockpiled topsoil remains at approximately 71,400 YD3 (brown) in the three stockpile areas. Approximately 8600 yard of the topsoil was hauled to the west side of the mine and used for resoiling the 5.33 acres colored yellow. We continue to mine the slopes 3h to 1v so that no sloping will be necessary when the lake fills with water. Rough grading was complete on the eastern most slope of the east lake. We are still using the Plant Site and it contains gravel stockpiles, and the office facilities.

(9) The west lake area covers approximately 44.47 acres ± (blue) and approximately 40.51 acres of the east part of the mine will fill with water when mining ends. We continue to fill and clean the settling ponds developed in 2006 (dark blue). Limited reclamation is needed in the current mining area since the slopes are shaped as mining progresses only the above water slopes will need revegetation. Sloping is complete on approximately 12,650 linear feet around the mined areas. Topsoil is stored along the perimeter of the mined area and the river for use in resoiling the slopes. We will started resoiling a 5.33 acre area (yellow) on the west end of the mine this summer and expect to have it ready for seeding this spring.

(14) Weed control was done in June 2014 this year in accordance with the Garfield Weed Management Plan on the perimeter of the mine and spot work was done on the Plant Site areas and roadways. Escort and 2-4-D was applied to the Hoary Crest, and Kochia, and Telar and Milestone was used on the Russian Knapweed. Ranger pro was used on grass areas to control the weeds in those areas. Weed control will continue in 2015.

(11) Mining will continue east of the Plant Site. We will continue to mine on the mine floor and the partially mined area. We will continue to monitor the west lake slopes and do remedial work in that area if necessary.

(10) No reclamation is required next year in the Plant Site area or in the mining area east of it. The western parcel may have additional seeding done as needed on the above water slopes next year. We will continue to monitor the west lake slopes and do remedial work in that area if necessary.

(18) The current bond is \$55,400. The Division reviewed the bond in May 2014 and found it to be adequate. This annual report shows that less area is disturbed at this time than allowed in the bond estimate. Reclamation, except seeding, is complete on the western 64.14 acres ± of the site. We feel the bond is adequate to cover all reclamation requirements for this year.



*Flag Resources, Inc.  
dba Flag Sand & Gravel  
1412 County Road 311  
New Castle, CO 81647  
970-876-2397  
Fax 970-876-5232  
Fred and Janet Frei*

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**DIVISION OF RECLAMATION  
MINING AND SAFETY**

November 20, 2014

Mr. Russ Means  
Grand Junction Field Office  
Division of Minerals and Geology  
1313 Sherman Street, Suite 215  
Denver, Colorado 80203-2273

Dear Mr. Means:

Re: Flag Resources, Inc.

Please find attached copies of the annual reports and maps for Flag Resources, Inc.'s:

Goldman Pit - Anniversary Date 11/22/2014  
MLRB Permit No. M-78-279, and

Silt Pit - Anniversary Date 11/27/2014  
MLRB Permit No. M-81-202

The effective date of all information contained on the attached Annual Reports is November 18, 2014. Check number 2792 from Flag Resources, Inc. contains the annual fees of \$323.00 for Goldman and \$791.00 for the Silt Pit. If you have any questions please call me.

Respectfully Submitted,

Fred Frei  
President

enclosure

cc File  
Environment, Inc.



# 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



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  
Director

### Silt Pit, Permit M-1981-202-SG, 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**
2. **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 \$791.00 fee is due for the following:

Permit: M-1981-202-SG  
Operation Name: Silt Pit  
Anniversary Date: November 27, 2014  
Total Fee Due: \$791.00 (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 INITIATED. ENFORCEMENT ACTIONS MAY RESULT IN CIVIL PENALTIES AND/OR REVOCATION OF YOUR PERMIT.**

**Division of Reclamation, Mining, and Safety**

**Fee Receipt for M1981202SG**

**Flag Resources Inc**

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**Receipt #:** 18587

**Date:** 11/25/2014

**Permit:** M1981202SG

Payment Method	Revenue Code	Fee Description/Notes	Amount
2792 msr	4300-MAF0	Minerals Annual Fees M1981-202SG	\$791.00
Receipt Total:			\$791.00