

DIVISION OF RECLAMATION, MINING & SAFETY-MINERALS

112d-3 Annual Report

| Permittee Name: | Cotter Corporation | Permit Number: | M-1979-094-HR |
|-----------------|--------------------|-------------------|-------------------|
| Operation Name: | JD-7 Pit | County: | Montrose |
| Annual Fee Due: | \$1,150.00 | Anniversary Date: | December 14, 2014 |
| Permit Acreage: | 504.00 | Current Bond Amt: | \$39,000.00 |

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.

| | , and the same and the same production of the same production and the same production of th | | | | |
|-----|--|--------|--|--|--|
| 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)? If "YES," please note time limits related to completion of reclamation, Rule 3.1.3. | YES NO | | | |
| 4. | What was the date of last excavation, processing or hauling activity at the mine? | 1982 | | | |
| 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. | Has this mine been granted: a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION? | YES NO | | | |
| 7. | Number of acres currently affected (mining + incomplete and or unreleased reclamation). | 402 | | | |
| 8. | Number of acres that were newly affected during the current report year. | 0 | | | |
| 9. | Number of acres that were reclaimed during the current report year. | | | | |
| 10. | Estimated new acreage to be affected in the next report year. | 0 | | | |
| 11. | Estimated acres to be reclaimed in the next report year. | 0 | | | |
| 10 | | | | | |

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

| Total acres | | Total acre | es | | 7 | Total acres | | Total a | cres | |
|--------------------------|----|-----------------------------------|--------|-----|---|--------------|-------------------------|--------------|-------------|-----|
| backfilled: | 0 | seeded w/ | | 80 | v | w/topsoil | 0 | mulche | ed w/ | |
| | | approved | mix: | 00 | | eplaced: | U | approv | ed mulch: | 0 |
| Total acres | 20 | Total acre | | _ | | Гopsoil | | Mulch | application | |
| graded: | | fertilized w/ | | 0 | | eplacement | N/A | rate (tons): | | N/A |
| | | apvd ferti | lizer: | | C | depth (in.): | | | | |
| Seed application method: | | N/A Fertilize application method: | | ion | | N/A | Mulc applic metho | cation | N/A | |

| 13. 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 treatest and treatest area. | YES tment date or | NO the re | N/A port map. |
|--|----------------------|-----------------|------------------|
| 14. Is adequate topsoil reserved for reclamation, based on your approved permit? If "NO", please explain: | YES |) NO | N/A |
| 15. Is the reserved topsoil vegetated/stabilized in accordance with Rule 3.1.9(1)? If "NO" please explain: | YES | NO | N/A |
| 16. If mining has exposed groundwater, is the site in compliance with the approved mining Engineer (Well Permit, S.W.S.P., and/or Permanent Augmentation Plan)? | plan and Offi YES | ice of th NO | ne State 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? If "Yes", please attach the required monitoring results to this Annual Report. | YES (| NO | N/A |
| 21. As required by Colorado Mined Land Reclamation Act and/or Colorado Land Reclamatic Construction Materials (C.R.S. 34-32-116 or 34-32.5-116), attach a map to this report the permit boundary, current affected area boundary and location of the acreages specified in UPDATED MAP ATTACHED: | at accurately | denicte | the |
| Division records indicate the following permittee contact information. If this information is print current contact information: | not current, p | olease t | ype or |
| | | | |

| Permittee Contact: | Glen Williams - | Ken Mushinski |
|--------------------|--------------------|-----------------------------|
| Permittee Company: | Cotter Corporation | |
| Address: | P.O. Box 700 | |
| | Nucla, CO 81424 | |
| Phone Number: | (970)-864-7347- | 858-455-3275 |
| Fax Number: | (970) 864-7287 | |
| Email Address: | Tr.PR:emait | Ken.mushinski@cotterusa.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.

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

11/04/14

Date



November 4, 2014

RECEIVED

NOV 25 2014

DIVISION OF RECLAMATION MINING AND SAFETY

Division of Reclamation, Mining and Safety Attn: Michelle Ramirez 1313 Sherman Street, Room 215 Denver, CO 80203

Subject:

JD-7 Pit Mine Annual Report

File No. M-1979-094 HR

Dear Ms. Ramirez

The JD-7 Pit Mine is located in Montrose County and operates under a 112 permit, with a permitted acreage of 490 acres. This mine has a phased reclamation plan. There was no additional affected acreage during this report year, and no additional disturbance is anticipated for the next report year.

Since there were no changes a new map has not been included with this report. This mine is currently in temporary cessation, per the Division's approval.

The sufficiency of the financial warranty for the above captioned permit has been reviewed by DRMS and Cotter Corporation and was found sufficient to cover the reclamation costs associated with this property.

Enclosed please find a completed annual report form, and a check in the amount of \$1150.00 as payment for the annual fee.

If you need additional information, please call me at 858-455-3275.

Sincerely,

COTTER CORPORATION

Ken Mushinski,

President

DRMSJD7PIT_14

Division of Reclamation, Mining, and Safety

Fee Receipt for M1979094HR

Cotter Corporation
000000000

Receipt #:

18589

Date:

11/25/2014

Permit:

M1979094HR

| Payment Method | Revenue Code Fee Description/Notes | | Amount | |
|----------------|------------------------------------|---------------------------------|------------|--|
| 238958 msr | 4300-MAF0 | Minerals Annual Fees M1979094HR | \$1,150.00 | |
| | | | | |

Receipt Total: \$1,150.00