## 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

May 1, 2015

Christopher L. Varra Varra Companies, Inc. 8120 Gage St. Frederick, CO 80516



John W. Hickenlooper Governor

Mike King Executive Director

Virginia Brannon

Varra Resources Project 110 (formerly Dakolios Pit No. 1), Permit M-1984-036, 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-1984-036

Operation Name: Varra Resources Project 110 (formerly Dakolios Pit No. 1)

Anniversary Date: June 1, 2015

Total Fee Due: \$791.00 (Due on or before your Anniversary Date)

Return the enclosed <u>Annual Report FORM</u>, a <u>MAP</u>, and a <u>CHECK</u> or <u>MONEY ORDER</u> 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.

## 112c Annual Report

Permittee Name:	Varra Companies, Inc.	Permit Number:	M-1984-036
Operation Name:	Varra Resources Project	County:	Weld
	110 (formerly Dakolios Pit		
	No. 1)		
Annual Fee Due:	\$791.00	Anniversary Date:	June 1, 2015
Permit Acreage:	120.00	Current Bond Amt:	\$87,200.00

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.	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.	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.	a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION?							YES YES	NO NO		
7.	Number of acre	es currently	affected (	(mining + i	ncomp	olete and or unrelea	sed recl	amation).			
8.	Number of acre	es that were	e newly af	fected duri	ng the	current report year	·.				
9. Number of acres that were reclaimed during the current report year.											
10.	. Estimated new	acreage to	be affecte	d in the nex	t repo	ort year.					
	. Estimated acres					nr. ermitted mining act	tivities b	egan:			
	Total acres		Total acre			Total acres		Total a	cres		
	backfilled:		seeded w			w/topsoil		mulche			
		approved mix:			replaced: approved			•			
-	Total acres		Total acres fertilized w/			Topsoil			application		
	graded:					replacement		rate (tons/			
	apvd fertilizer:				depth (in.):		1400 (10115, 40).				
ľ	Seed		1	Fertilizer		1 1 ( 7)	Mul	ch		I	
	application			application	ı			ication			
	mathadi			mathadi			mot1				

<ol> <li>Is weed control being conducted in accordance with an approved Weed Control Plan?</li> <li>YES NO N         If "YES", indicate the weed species, control area, control type, application rate and treatment date on the report     </li> </ol>						
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 expos	sed groundwater, is the site in con	npliance with the approved mining pl	an and Off	ice of tl	ne State	
Engineer (Well Per	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 att	YES	NO	N/A			
UPDATED MAP A	ATTACHED:  te the following permittee contact	l location of the acreages specified in time time. If this information is n				
Permittee Contact:	Christopher L. Varra					
Permittee Company:	Varra Companies, Inc.					
Address:	8120 Gage St.					
	Frederick, CO 80516					
Phone Number:	(970) 353-8310					
Fax Number:	(970) 353-4047					
Email Address:	CF.PR.email					
	by state that the information provordance with the Division approve	rided in this report is true and accurate ed mining and reclamation plans.	e, and that	site ope	erations are	
Signature of <u>Permitte</u>	e, Corporate Officer, Owner, or	Documented Designee	Date		_	