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AUG 0 3 2015

DIVISION OF RECLAMATION,
MINING & SAFETY-MINERALS
THE REPORT MAP TO 112c Annual Report

| Permittee Name: | Varra Companies, Inc. | Permit Number: | M-1999-006 | |
|-----------------|---------------------------|-------------------|----------------|--|
| Operation Name: | Kurtz Resource Recovery & | County: | Weld | |
| | Land Development Project | | | |
| Annual Fee Due: | \$791.00 | Anniversary Date: | August 4, 2015 | |
| Permit Acreage: | 295.40 | Current Bond Amt: | \$333,800.00 | |

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.

SUMMARY NARRATIVE: The permit was revised by Technical Revision as approved by the Colorado Office of Mined Land Reclamation (OMLR) on 20 November 2009. Extraction continues within Tract A, primarily within the existing basin limits.

There have been no changes to the extent or nature of plant and processing operations over Tract B. Construction of the conveyor system detailed under an OMLR Technical Revision as approved on 6 September 2011, has been completed and is in operation status since February 2013.

Tract C was opened following the OMLR approval of a Technical Revision on 23 August 2011. The 11.67± acre extraction limits were reached in 2012, and extraction at this Tract is completed. Final grading is nearing completion, pending backfill to 100 feet from existing well heads identified in the Technical Revision. Overall depth of the basin is approximately 30.0± feet along the west extent. No other grading or reclamation at Tract C or over the Kurtz permit area is anticipated at this time. A Technical Revision may be provided later in 2015-16 to provide for the lining of all basins at the Kurtz operation, commencing with Tract C.

| 1. | Is the site identification sign posted in accordance with Rule 3.1.12(1). | YES 1 | NO |
|----|---|-----------|----------|
| 2. | Is the affected area boundary clearly marked in accordance with Rule 3.1.12(2). | YES 1 | 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 G | NO |
| 4. | What was the date of last excavation, processing or hauling activity at the mine? | On going | g |
| 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 1 | NO |
| 6. | Has this mine been granted: a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION? | YES Q | NO NO |
| 7. | Number of acres currently affected (mining + incomplete and or unreleased reclamation). | *see Note | |

*Note: With the exception of the opening of Tract C, and noting the release of our created wetland (see Item #9, below), the itemization of affected lands is detailed under the 2009 OMLR Technical Revision, related Maps and correlated spreadsheet. All references pertain to the areas and acres identified for each area shown at that time.

| 8. | Number of acre | es that wer | e newly af | fected du | ring th | ie cu | irrent report year | r. | | | | - 0 |) _ | |
|-----|--|---------------------------|----------------------|-------------------------|---------|--------------|--|------------|----------------|-------------------|-----------------|-----------------|------------|----------------|
| 9. | Number of acres that were reclaimed during the current report year. - 0 - | | | | | | | | | | | | | |
| 10. | Estimated new | acreage to | be affecte | d in the r | ext re | port | year. | | | | | 0 | · | |
| 11. | Estimated acres | s to be recl | aimed in t | he next re | eport y | ear. | | | | | | 2.4 | 1 <u>±</u> | |
| | the completion | n of backt ling the ir | filling and nundated | l lining c basin car | of the | basi oile | cres surround t n is accomplish d and revegetat ading of the ex | ned ed. | (see S This | Summar timetab | y Narrativ | ve), 1 | the 2 | .4± |
| 12. | Total acres in | various sta | ges of rec | lamation, | since | pern | nitted mining ac | tivi | ties beg | gan: | | | | |
| | Total acres | * See | Total acr | | * See | | Total acres | | See | Total a | cres | | N/A | |
| ł | backfilled: | note, | seeded w | ./ | note, | . | w/topsoil | no | ote, | mulche | ed w/ | | | |
| - | | above. | approved | | abov | - 1 | replaced: | | ove. | | ed mulch: | | | |
| | Total acres | * See | Total acr | | - 0 - | | Topsoil | _ | 0± | | application | n | N/A | |
| | graded: | note, | fertilized | w/ | | | replacement | | ches | rate (to | | 1 | | |
| 1 | | above. | apvd. fer | tilizer: | | | depth (in.): | | | ` | Í | | | |
| | Seed | Will utili | | Fertilize | r | Bro | padcast if needed | ŀ | Mulch | ı | Sterile hy | brid | | |
| | application | drill & bi | roadcast | applicat | ion | bas | sed upon soil | | applic | ation | wheatgra | SS | | |
| | method: | as needed | i. | method: | | test | ting. | | metho | d: | application | on. | | |
| | Is adequate top | ate the we | ed species | , control | area, c | ontr | ol type, applicati | ion | rate an | | YES ent date or | NO the NO | repo | N/A rt map. |
| 15. | If "NO", please Is the reserved If "NO" please | topsoil veg | getated/sta | bilized in | accor | danc | ee with Rule 3.1. | 9(1 |)? | | YES | NO | | N/A |
| 16. | If mining has ex Engineer (Well | | | | | | iance with the apgmentation Plan | | oved m | ining pl | an and Off | ice c | | State N/A |
| 17. | Are all hazardo | us materia | ls stored v | vithin app | roved | spil | l containment str | ruc | tures? | | YES | NO |) | N/A |
| 18. | Is your financia | ıl warranty | value suf | ficient to | cover | the o | cost to complete | rec | lamatio | on? | YES | NO |) | N/A |
| 19. | Is your basis fo | r legal rigl | nt to enter | still valid | ? | | | | | | YES | NO | O | |
| 20. | Does your perm If "Yes", please | | | | | | ormation annuall o this Annual Re | | rt. | | YES | NO | \bigcirc | N/A |
| 21. | 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: | Christopher L. Varra | |
|--------------------|-----------------------------------|--|
| Permittee Company: | Varra Companies, Inc. | |
| Address: | 8120 Gage St. Frederick, CO 80516 | |
| Phone Number: | (303) 666-6657 | |
| Fax Number: | | |
| Email Address: | CF.PR.email | |

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

Varra Companies, Inc.

Office of Special Projects

8120 Gage Street Frederick, Colorado 80516 Telephone (970) 353-8310 Fax (970) 353-4047

Friday 31 July 2015

Colorado Division of Minerals and Geology 1313 Sherman Street, Room 215 Denver, Colorado 80203

Subject:

Annual Reports for:

M2010-049 Western Sugar Reclamation Land Development Project

Due 1 August; and,

M1999-006 Kurtz Resource Recovery & Land Development Project

Due 4 August.

M2013-064 Varra-Coulson Resource Project Due 28 August 2015

Enclosed, please find signed Annual Reports, and related maps, for the above operations. The \$791.00 Annual Report fee for each (check #40291 in the amount of \$2,373.00) is included with this correspondence. If you need clarification or additional information, please contact us.

Sincerely,

Varra Companies, Inc.

Bradford Janes, Forester

Liaison, Office of Special Projects

cc. Christopher L. Varra, President

Varra Companies, Inc.

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JUL 3 1 2015

DIVISION OF RECLAMATION, MINING AND SAFETY

Enclosures:

Annual Report and signed form.

Check (#40291) in the amount of \$1,582.00.

BLJ/blj.

Varra Companies, Inc.

Office of Special Projects

8120 Gage Street Frederick, Colorado 80516 Telephone (970) 353-8310 Fax (970) 353-4047

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CCTY

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CC.

Christopher L. Varra, President

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| 7/29/2015 7/29/2015 7/29/2015 | 006-07/15 049-07/15 064-07/15 | KURTZ RESOURCE RECOVERY & DEVELC M2010-049 P120 WESTERN SUGAR M2013-064 PIT 121 VARRA COULSON RES | 791.00 791.00 791.00 | 0.00 0.00 0.00 | 791.00 791.00 |
|-------------------------------------|-------------------------------------|---|----------------------------|----------------------|------------------|
| //29/2015 | 004-07/15 | M2013-064 PTT 121 VARRA COULSON RES | 791.00 | 0.00 | 791.00 |

Check: 040291

7/30/2015

COL03

CO Div of Reclamation, Mining

2,373.00

40291

VARRA COMPANIES, INC.

OPERATING ACCOUNT
8120 GAGE STREET
FREDERICK, CO 80516
(303) 666-6657



78-873/914

7/30/2015

*TWO THOUSAND THREE HUNDRED SEVENTY-THREE AND XX 100

2,373.00 **AMOUNT**

PAY TO THE ORDER

CO Div of Reclamation, Mining 1313 Sherman St Room 215 **Denver, CO 80203**



AUTHORIZED SIGNATURE



1313 Sherman St. Room 215 Denver, CO 80203

July 1, 2015

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

Kurtz Resource Recovery & Land Development Project, Permit M-1999-006, 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 Reclamation Permit and Colorado Statutes, you must submit an Annual Fee and Annual Report (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-1999-006

Operation Name:

Kurtz Resource Recovery & Land Development Project

Anniversary Date:

August 4, 2015

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.

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

July 1, 2015

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



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda Director

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Division of Reclamation, Mining, and Safety

Fee Receipt for M1999006

Varra Companies, Inc. 000000000

Payment Method

40291 SDT

Receipt #:

20018

Date:

08/04/2015

Permit:

M1999006

| Revenue Code | Fee Description/Notes | Amount |
|--------------|-----------------------|----------|
| | Minerals Annual Fees | \$791.00 |
| | M1999-006 | |

Receipt Total: \$791.00



AUG 0 3 2015

DIVISION OF RECLAMATION
MINING AND SAFETY

M. 1999.00

Kurtz Project - OMLR Permit M1999-006 VARRA COMPANIES, INC. 8120 GAGE STREET FREDERICK, COLORADO 80534 TELEPHONE: (303) 666-6657

DRAWING: Colorado Office of Mined Land Reclamation - 2015 Annual Report

NOTES: 2006 AERIAL AND CONTOUR INFORMATION