

GAM

DIVISION OF RECLAMATION
DEPT OF NATURAL
M. SAFETY
PERMIT M-1984-039^{MC}
DEAR SIR:

04-20-5

RECEIVED
YAM
MINING & SAFETY
REPORT

PLZ FIND MY BRIEF REPORT OF
ACTION DURING 2014 MINING
SEASON.

NO RECLAMATION WAS ACCOMPLISHED
DURING THIS SEASON. I WAS UNABLE TO
DO ANY MINING DUE TO LACK
OF EQUIPMENT, STAFF AND MONEY.
PLUS THIS IS AT BEST A 3 MONTH
SEASON DEPENDING ON WHEN SAN
JUAN COUNTY OPENS THE ROAD TO
UPPER WORKINGS ON THE PATENTED
CLAIM. I BELIEVE IT WAS AFTER
THE 1ST OF JULY BEFORE I COULD
GET MY CLAIM.

I DID ... PUT UP FLY ROCK AS
A RESULT OF BLA ... IN THE PREVIOUS
YEAR I ALSO PUT UP YELLOW BOUNDARY
MARKING TAPE, AND DANGER
CLAIM NUMBER & PERMIT SIGNS.

THESE I STOOD ABOUT 1 WEEK
UNTIL SHOT UP OR STOLEN BY
TOURISTS, OR LOCALS ?. I'LL DO BETTER
THIS YEAR, AS I HAVE A NEW THOUGHT
SUGGESTED BY MY MLRB GUY FROM
DURANGO

W.F. 2015

Additional Locations Noted Date.

Mineral Survey No

5547

Land District.

OF THE CLAIM OF

William H. James.

KNOWN AS THE

**TOLTEC No. 1, TOLTEC No. 2,
TEC No. 3 LODES.**

IN EUREKA MINING DISTRICT,

SAN JUAN COUNTY, COLORADO.

Containing an Area of 50.49 Acres.

Scale of 500 feet to the inch.

Variation 15° 30' East

SURVEYED September 29th **1888** **BY**

R. W. Hollis.

U. S. Deputy Mineral Surveyor,

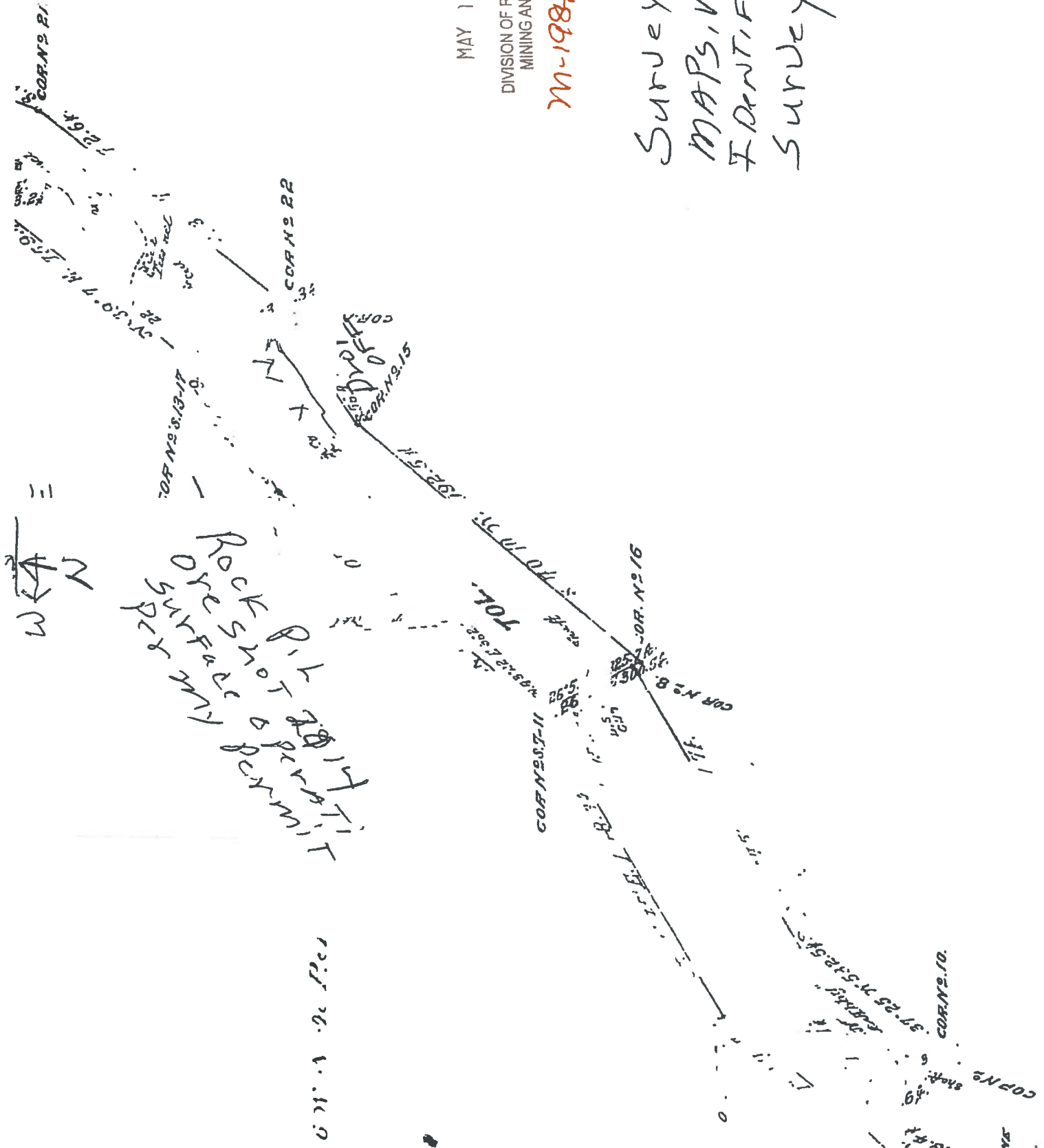
*The Original Field Notes of the Survey of the Mining Claim of
William H. James.*

known as the

*Toltec, Toltec No. 1, Toltec No. 2 and Toltec
No. 3 Lodes.*

*from which this plat has been made under my direction &
have been examined and approved, and are on file in this office;
and I hereby certify that they furnish such an accurate descrip-
tion of said Mining Claim as will, if incorporated into a patent,
serve fully to identify the premises, and that such reference
is made therein to natural objects or permanent monuments*

Survey PhAT-
MAPS, Ver 2.011
Finalized By
Survey



Division of Reclamation, Mining, and Safety

Fee Receipt for M1983037

Louis M. Wyman

000000000

Receipt #: 19486

Date: 05/04/2015

Permit: M1983037


1342	msr	4300-MAF0	Minerals Annual Fees	\$323.00
			M1983-037	



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Toltec No 2	MINE/PROSPECTING ID#: M-1984-039	MINERAL: Silver, gold, copper,	COUNTY: San Juan
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: September 10, 2015	INSP. TIME: 08:15
OPERATOR: Wilbur F Benham	OPERATOR REPRESENTATIVE: John	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: BC- Complete Bond Calculation	BOND AMOUNT: \$2,500.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 6, 2015

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Financial Warranty

PROBLEM/POSSIBLE VIOLATION: Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

CORRECTIVE ACTIONS: The operator shall submit adequate financial warranty, as determined by the Division. The Division will be sending a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.

CORRECTIVE ACTION DUE DATE: 1/27/15

INSPECTION TOPIC: Financial Warranty

PROBLEM/POSSIBLE VIOLATION: Possible Violation: The Division has reviewed the current cost of reclamation totaling \$5,935.66. Therefore, the existing \$2,500.00 financial warranty is not adequate to ensure the completion of reclamation in accordance with the approved reclamation plan and the Act and Rules. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

CORRECTIVE ACTIONS: Pursuant to Rule 4.2.1 (2), the Operator has 60 days from the date of this report, Due December 4, 2015, to provide \$3,436.00 additional surety to ensure a total financial warranty not less than \$5,936.00.

CORRECTIVE ACTION DUE DATE: 12/04/15

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The current mine plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-112 (1)(c)(VI). The operator must provide sufficient information to describe or identify how the operator intends to conduct the operation.

CORRECTIVE ACTIONS: The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine plan to reflect existing and proposed activities by the corrective action date.

CORRECTIVE ACTION DUE DATE: 1/27/15

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The mine identification sign and affected area boundary markers were not observed per the requirements of Rule 3.1.12.

CORRECTIVE ACTIONS: The operator must post a sign at the entrance to the mine site which shall be clearly visible from the access road and specify the following; the name of the operator, indicate that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board, and the permit number. The boundaries of the affected area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries.

CORRECTIVE ACTION DUE DATE: 1/27/15

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Toltec No. 2 mine is an active 110(2) operation located East of Silverton, CO. The permitted area consist of 8 acres located on County Road 9 at approximately 11,800 Ft. in elevation. Access to the site is not controlled by any means. The Division currently holds a \$2,500 financial warranty for the site that is deemed inadequate at this time and was the subject of a previous problem/possible violation. Compliance was never achieved. Six Photos accompany this report to illustrate the current site conditions as well as an updated reclamation cost estimation totaling \$5,936.00.

No mine identification sign, nor permit boundary markers were observed at this time. This has been cited as a problem/ possible violation with a compliance date of January 27, 2015. Compliance was never achieved by the Operator. In addition the site was cited with a problem/ possible violation for general compliance with the mining plan. Confusion still exists within the permit documents as to the location and boundaries of the affected lands. The permit is approved for 8 acres of affected lands within the Toltec No. 2 mine claim. However the maps of the permit delineate the mine claims for the Toltec, Toltec No. 2, and Toltec No. 3 totaling approximately 41 acres. The operator was required to submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine plan to reflect existing and proposed activities by the corrective action date. Compliance for that problem was also never achieved by the operator.

As seen in Photo One, mining is being conducted by blasting the face of an exposed rock outcrop creating a highwall and separating the material into ore, and waste rock piles. Photos Two and Three, show the stockpiles located on site. In Discussions with Mr. Benham, The Operator, he indicated that in the spring of 2015, a significant amount of his ore stockpile had been mistakenly taken and used for road base by a nearby landowner. The site shows no sign of recent activity and was confirmed by the Operator that little activity

had taken place during the 2015 mining season. The overall footprint of the site was in good condition, free from trash and debris. The highwall, approximately 20 Ft. high, as well as the waste rock pile are stable and show no signs of erosion. No noxious weeds were observed at this time.

The Operator is using the Toltec Tunnel area, located on County Road 2 at approximately 10,600ft in elevation, as a staging, encampment area and intended processing area. The area contains a fifth-wheel camper, an outhouse, various debris, explosive and detonator magazines which are stored in the tunnel behind a locked gate as seen in Photo Four. Conversations with the Operator, indicated that he had recently acquired the necessary equipment to set up a gravity separation milling process in the area. The equipment, as seen in Photos Five and Six was not active, nor set up at the time of the inspection. Equipment includes various types of crushers, screens and a sluice box approximately 15 Ft. in Length. According to permitting documentation the area is owned by the operator. Also shown in Photo Four is the tunnel, which is a preexisting disturbance and is discharging water at a rate of less than five Gallons per Minute. No milling was identified in any of the permitting documents nor existing revisions to the permit. Given the geochemistry of the area and the nature of the proposed milling operations, according to Rule 1.1 (14) the site would then be considered a Designated Mining Operation and compliance requirements outlined in Rule 7 of the Hard Rock and Metals Mining Rules shall be complied with.

In order to avoid any future problems or possible violations the operator must submit and receive Division approval of the Amendment to the permit, Environmental Protection Plan and the appropriate financial warranty must be in place prior to the installation and operation of the mill facility.

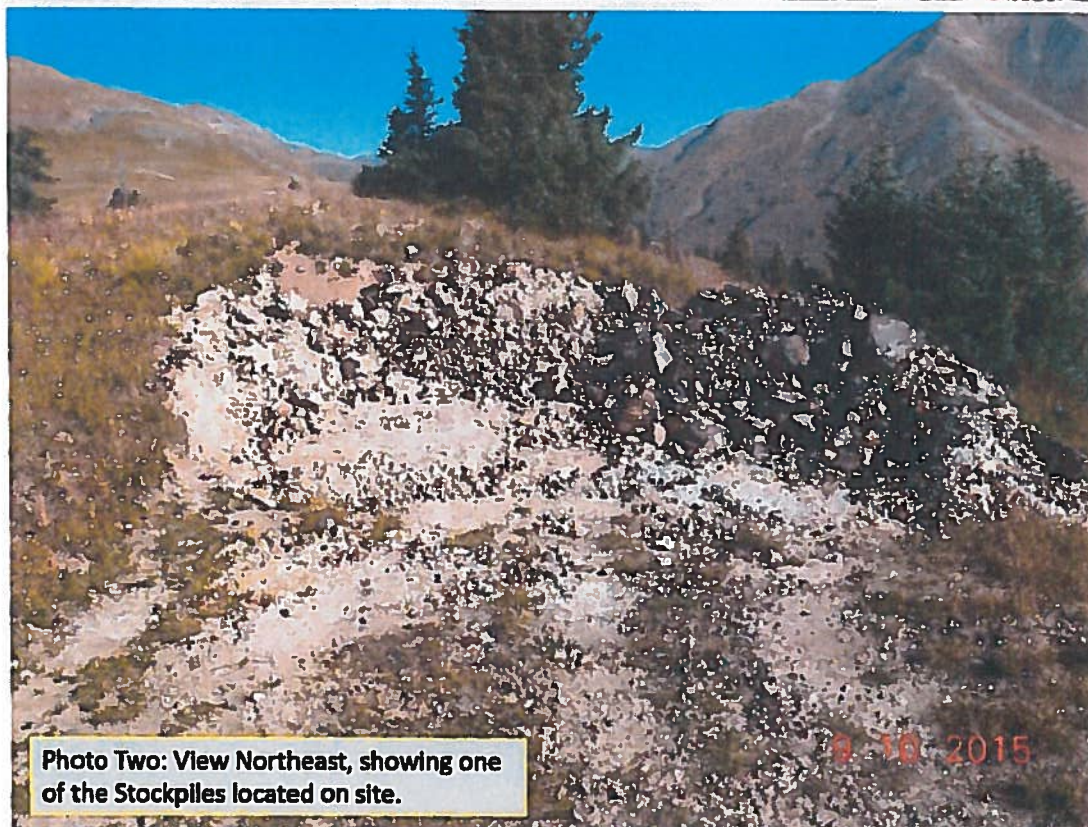
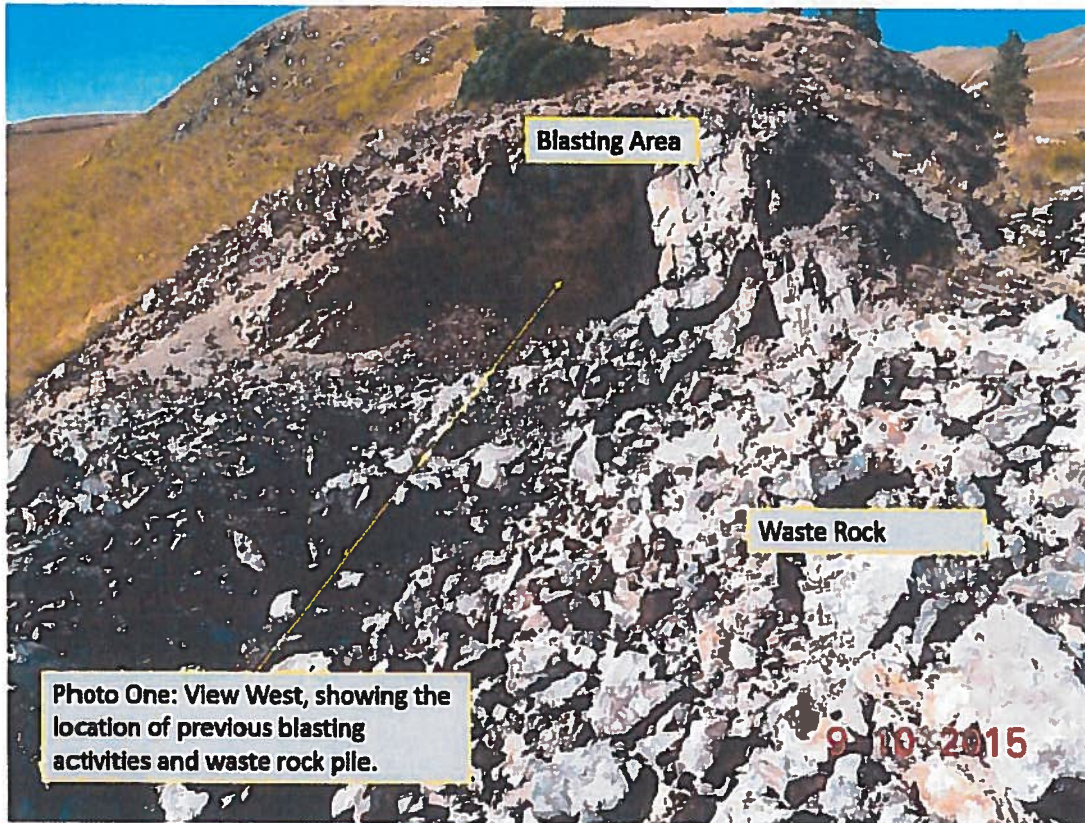
The Division has reviewed the current cost of reclamation which is now calculated at \$5,936.00. Therefore the existing \$2500 financial warranty is not adequate to ensure the completion of reclamations. Please find the enclosed 9 pages of summary and work sheets utilized by the Division to estimate the current cost of reclamation. The Division has noted a problem regarding the financial warranty and has imposed a corrective action deadline.

The Operator has 60 days from the date of this report, Due December 4, 2015, to provide \$3,436.00 additional surety to ensure a total financial warranty not less than \$5,936.00. Please note that no extensions for reclamation in lieu of bond increase will be granted due to past failures to comply.

Failure to comply with the above referenced problem could result in enforcement action, possible revocation of the permit and forfeiture of the current reclamation bond. Additional details regarding the corrective action and deadline are provided on page one of this report.

Responses to this report should be directed to Lucas West at the Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver, CO 80203 or by phone at (970)-243-6368.

PHOTOGRAPHS



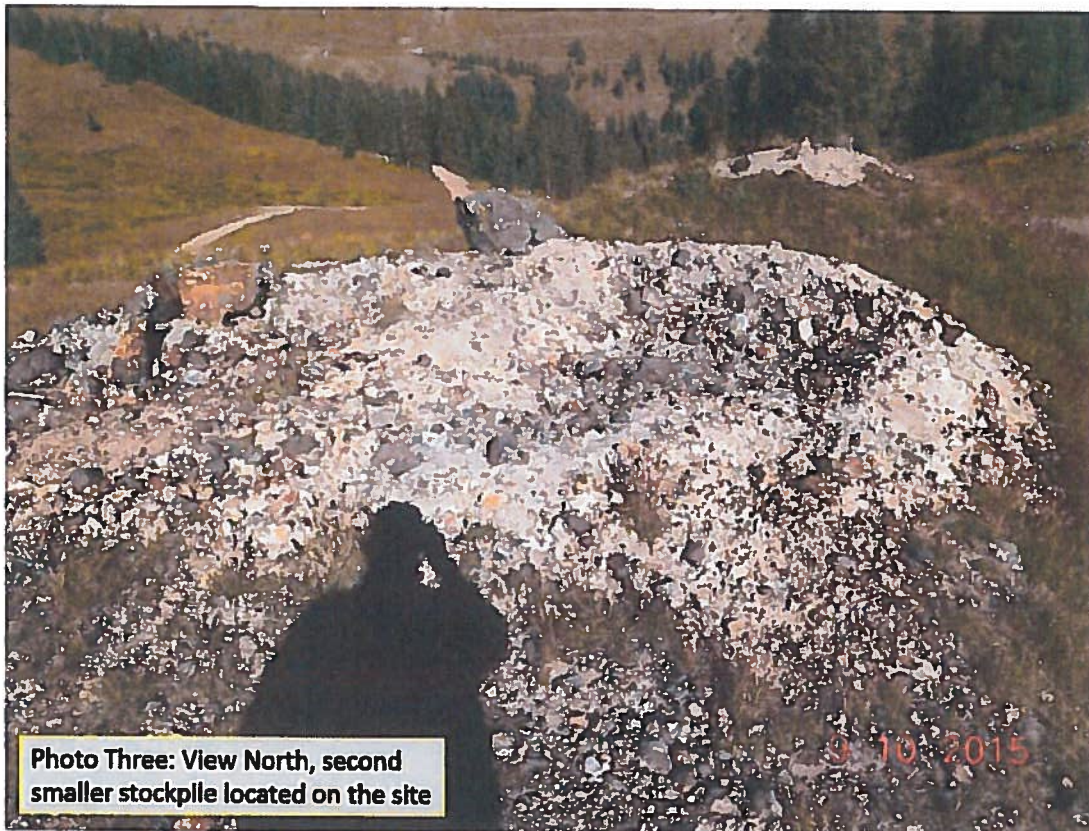


Photo Three: View North, second smaller stockpile located on the site



Photo Four: Showing gated adit closure at the Toltec Tunnel site, explosives magazine stored in tunnel as well as draining water.



Photo Five: Equipment staged in preparation of milling operations. Showing crushers, centrifugal screen and shaker table.



Photo Six: View East, close up view of centrifugal screen, shaker table and sluice box. All components of the proposed separation mill.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>PV</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SW) STORM WATER MGT PLAN--- <u>N</u>	(CI) COMPLETE INSP--- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION-- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

Inspection Contact Address

John
Wilbur F Benham
1012 Kennedy Dr., Apt. A
Norton, KS 67654

Enclosure: Bond Calculation worksheets

EC w/enclsoures: Russ Means, DRMS



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

November 2, 2015

Memo to File M-1984-039 and P-1983-010

On November 2, 2015 the Division was contacted by the Operator, Wilbur F. Benham regarding missing documents. A packet of documents was sent on October 7, 2015 to the address on file, that was also confirmed via a telephone conversation with the Operator, but was never received, the packet included;

1. Inspection Report for M-1983-049, signed 10/6/2015
2. SI01 Notice and Calculations for M-1984-039, dated 10/6/2015
3. Inspection Report for P-1983-010, signed 10/6/2015
4. SI02 Notice and Calculations for P-1983-010, dated 10/6/2015

The Operator provided a new address that was effective approximately October 19, 2015. The documents were reprinted and sent to the new address, listed below, on November 3, 2015. They were sent via USPS with return receipt requested. A copy of the return receipt is attached. The compliance date for the SI permitting actions on both permits remains unchanged.

New Address of Operator:

Wilbur F. Benham
16417 KQNK Road
P.O. Box 66
Norton, KS 67654

Signed,

Lucas West
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203
(970)-243-6368



SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Wibur F. Benklem
16417 KNAK road
P.O. Box
10570N, KS 67654

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Article Number
(Transfer from service label)



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

November 13, 2015

Wilbur F. Benham
16417 KQNK Road
P.O. Box 66
Norton, KS 67654

Re: Response to Inquiry for Permit No. M-1984-039

Dear Mr. Benham,

In recent conversations you have indicated that you wish to object to the financial warranty increase, SI01 for your mining permit, M-1984-039. Please be advised that in order to officially object to the noticed increase the following documentation must be submitted to the Division's Denver office no later than the compliance date for the revisions, which is December 4, 2015.

Required Documentation

1. A cover letter identifying the permit and financial warranty increase you are objecting to as well as an explanation the justification for your objection
2. Any new reclamation cost estimate, including all calculations, figures, diagrams, and totals for the specific tasks you are objecting too

These materials must be received by the Division's Denver office no later than December 4, 2015. Please note that the objection for the increase must be sent under a separate cover, and clearly identified as to which site the objection is in reference to.


It was also brought to the Division's attention that there has been a recent change of address for the Operator of both permits. In order to update the Division's official record and maintain compliance with Rule 1.16(1) of the Hard Rock and Metals Mining Rules, the Operator must submit a letter informing the Division of the address change. Please note that a separate letter must be sent for each permit held by the Operator. This letter must include the name of the Operator, the permit number, and the new mailing address.

Any objections to the financial warranty increase must be received by the Division's Denver office by the compliance date of December 4, 2015. Failure to submit the objection with the supporting documents by this date may result in the Division issuing a "Reason to Believe" a violation exists letter and scheduling for a hearing before the Mined Land Reclamation Board for failure to post a financial warranty increase after being noticed.

Please feel free to contact me with any further questions.




Sincerely,



Lucas West
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Ec: Russ Means, Senior Environmental Protection Specialist, GJFO



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>X Wilbur F. Benham</i></p>	
<p>1. Article Addressed to:</p> <p>Wilbur F. Benham 16417 KNOX road P.O. Box 66 NORTON, KS 67654</p>		<p>B. Received by (Printed Name) C. Date of Delivery <i>Wilbur Benham</i> <i>11/9/15</i></p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>PS Form 3811, February 2004</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>7015 1730 0002 1977 7283</p>		<p>Domestic Return Receipt</p>	
		<p>102595-02-M-1540</p>	

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

RECEIVED
STATE OF COLORADO
Division of Reclamation, Mining and Safety
Grand Junction Field Office
Department of Natural Resources
101 South 3rd Street
Grand Junction, Colorado



From: Wilbur F. Benham
16417 K&N Rd
Box 66, Norton, Kansas 67654

(1) M1984039

RECEIVED

DEC 02 2015

Division of Reclamation,
Mining & Safety

ATTN: Lucas West
Division of Reclamation Mining Specialist
1313 Sherman St. Room 215
Denver, Co. 80203

cc: Barbara Conia DPMs
* STOP The ReQuest For more Funding!
Dear Mr. West:

I Received a 30 DAY Notice (Received
LATE) Notice to increase my bond in the
Amount estimated at 16,672,000.

I Believe This estimated Amount is
Rediculous AND Founded on Bad
Thinking AND Thoughtless Consideration
by Mr. Lucas.

FIRST I WOULD LIKE TO INFORM THE
Board about my accident involving
Being Run over by my own Truck.
I WAS PHOTOGRAPHING THE STOLEN
9 YEARS OF High Grade ore FROM MY
Stockpile (see Photo), The only most
VALUABLE ore, so FAR in my Mining
Venture.

I HAD POSTED SIGNS AROUND THE
Permitted area ON JULY 4-5 my
ACCIDENT HAPPENED ON JULY 6, 2015.
I SPENT THE NEXT 90 DAYS HOSPITAL
AND Four corners Rehab Center,

UPON MY RETURN TO KANSAS, I
 MOVED MY CAMPER INTO A TRAILER
 PARK, WHERE I IMMEDIATELY CALLED
 MR. WEST WITH MY NEW ADDRESS.
 I REMAIN HERE UNTIL I CAN FIND
 SECTION 8 HOUSING.

MY MINING PERMIT ALLOWS FOR
 MINING IN THE VEIN OUTCROP WHICH
 IS IN SOLID QUARTZ FOR AT LEAST
 1,000 FEET ^{ABOVE} ~~OVER~~ THE TOLTEC TUNNEL.
 THE VEIN TRAVELS DEEPER THAN
 THAT, BUT IS SMALL, AS THE SURFACE
 EXPRESSION IS 40 FEET WIDE.
 (SEE PHOTOS) I SHOT IN A PATTERN
 WHICH IS IN MY APPROVED ~~MINING~~
~~MINING~~ PERMIT. THE ORE
 IS MIXED VALUES BUT IS ALL
 MINERABLE OR AT WHICH POINT
 MR. LUCAS CALLED "WASTE ROCK"?

IT IS UNLIKELY THAT ANY MIN-
 ING WILL BE DONE ON SITE AS NEXT YEAR,
 ALL OF THE AVAILABLE EQUIPMENT
 IS NEEDED AT THE UNFORTUNATE
 GOLD KING SITE. THE SEASON
 IS VERY SHORT JULY-SEPT, AND
 I HAD TO OPEN COUNTY ROAD
 #9 THROUGH 17 BLOW-DOWNS
 (TREES) AND THE COUNTY REFUSED
 HELP.

(3)

The Work Done in TOLTEC #2
is in solid Rock of High Acid
Content is NOT Good For Growing
Anything (see your Photo).
(AND USDA Letter.)

I AM FROM a Floral, Greenhouse,
Background, and studied at
The University of Nebraska, in
agribusiness. I KNOW THAT THIS
Area WAS ALWAYS A ROCK OUTCROP
AND NEVER Grew ANYTHING!
it is unnatural and a biological
FOR THIS outcrop TO be changed,
by useless vegetation. 40x120 ft
Please use This information
WITH RESPECT FOR THE SITE, MY
USE OF COMMON SENSE AND NOT
A MEANS FOR UNNECESSARY FUND-
ING.

Please Excuse The Lack of Forms
or my HANDWRITING. I DO NOT
OWN A COMPUTER, or TYPEWRITER
AND am NOT "COMPUTER LITERATE"

THANK YOU FOR CONSIDERING
MY TRUTHFUL INFORMATION IN
THIS REQUEST FOR HONEST CONSIDERATION
Sincerely
Edith T. Benham



Richard D. Lamm
Governor

DEPARTMENT OF NATURAL RESOURCES
David H. Getches, Executive Director

MINED LAND RECLAMATION DIVISION
DAVID C. SHELTON, Director



** NOTED DATE*

DATE March 15, 1984 FILE NO. M-84-039
NAME OF OPERATOR Wilbur F. Benham
ADDRESS Pinewood Springs
Lyons, Colorado 80540
RE: TOLTEC NO. 2

110 & 112
COMPLETE
LETTER

Dear Mr. Benham:

We have received your application for a Mining & Reclamation Permit for your gold silver etc. operation in San Juan County. Our initial review indicates that all preliminary items required by the Colorado Mined Land Reclamation Act, Article 32 of Title 32, Section 34-32-110 have been submitted; thus your application has been deemed complete for the purposes of filing on this date. All review and discussion time periods as provided for by the Act and the Rules & Regulations promulgated thereunder initiate from this date of filing, unless you notify us by March 31, 1984 that you wish a later filing date, as per amended RULE 1.1(10) of the aforementioned Rules & Regulations. Please refer to this RULE concerning compliance with local government zoning, as well.

The tentative date for consideration of your application by the Mined Land Reclamation Board is March 22-23, 1984. You should commence publication of a notice of the filing of this application accordingly (see reverse side for notice format). Notice requirements can be found in RULE 3.2. Because the date for consideration may be subject to revision, please do not include it in your notice. For Limited Impact permit applications, the final date for filing of objections, which must be stated in the publication, must be 43 hours before this tentative date for Board consideration.

You must also place a copy of this application for public review, less confidential items, with the San Juan County Clerk and Recorder. Any subsequent changes or additions to the copies on file in our offices must also be made in this local government copy.

The Mined Land Reclamation Board recommends that all mine operators check compliance of their mining operation(s) with State water law. If mining commences without prior compliance with applicable State water laws, the State Engineer may take enforcement action.

THE STAFF IS CURRENTLY REVIEWING YOUR APPLICATION TO DETERMINE WHETHER THE ITEMS YOU HAVE SUBMITTED ARE ADEQUATE TO MEET THE REQUIREMENTS OF THE ACT AND THE RULES & REGULATIONS. THIS REVIEW WILL BE COMPLETED AS WELL IN ADVANCE OF THE SCHEDULED BOARD MEETING AS POSSIBLE, SO AS TO ALLOW SUFFICIENT RESPONSE TIME.

If you have any questions concerning the materials you have already submitted or the additional information that may be required, please call this office and I will be happy to assist you.

Sincerely,

William R. Blowers
Reclamation Specialist

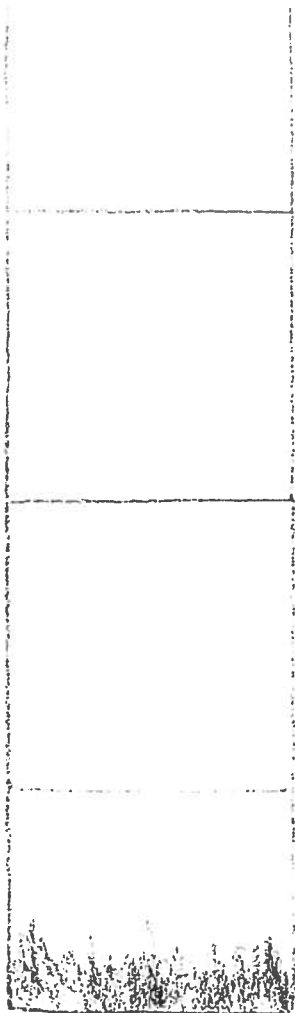
As mining begins from the North East corner of lot No. 2 as shown on the survey plat #557, a bench will be cut from the rock face to provide a working area for surface mining. Assays of the outcrop indicate the total area of the outcrop is mineralized to a value that would be profitable to mine, therefore there will be no waste rock or overburden. There will be little or no reclaimable area for a minimum of 50 (fifty) feet, where the vein dips beneath a Quartz cap which shows some mineralization, with 2 to 4 inches of topsoil which has washed onto it by snow melt. This area is approximately 200 feet wide beyond which the Quartz cap and barren rock covers the surface.

Surface mining by blocks of 20 to 30 feet at a time should limit disturbance of the area. As mining progresses to any soil or vegetation disturbance, the soil will be removed and stored for replacement in areas where removed. The replacement of soil, and replanting will be done as a new section of the ore body is mined as to minimize the effect on the little areas of vegetation, and promote faster regrowth of reseeded plants. Mined areas will be graded as to limit erosion and promote water retention in the available soil. Reseeding of those kinds of native vegetation as mentioned in the U.S. Soil conservation survey (Exhibit-D) in like density of ground cover will be done as Commercial seed is available. If a like specie is not available, a similar proven type of seed will be used.

Upon completion of the surface mining, a portal will be cut into the rock where no further disturbance of the area will be done, except for roads for working to the mine portal. Storage of mined ore will be on the Quartz outcrop as not to damage other vegetation. The portal area and road to the portal would be reclaimed in a like manner as described above.

I would like to leave existing roads on my patented property, open as they are used by many people for Jeeping or Bike riding, Hiking, and other recreation purposes.

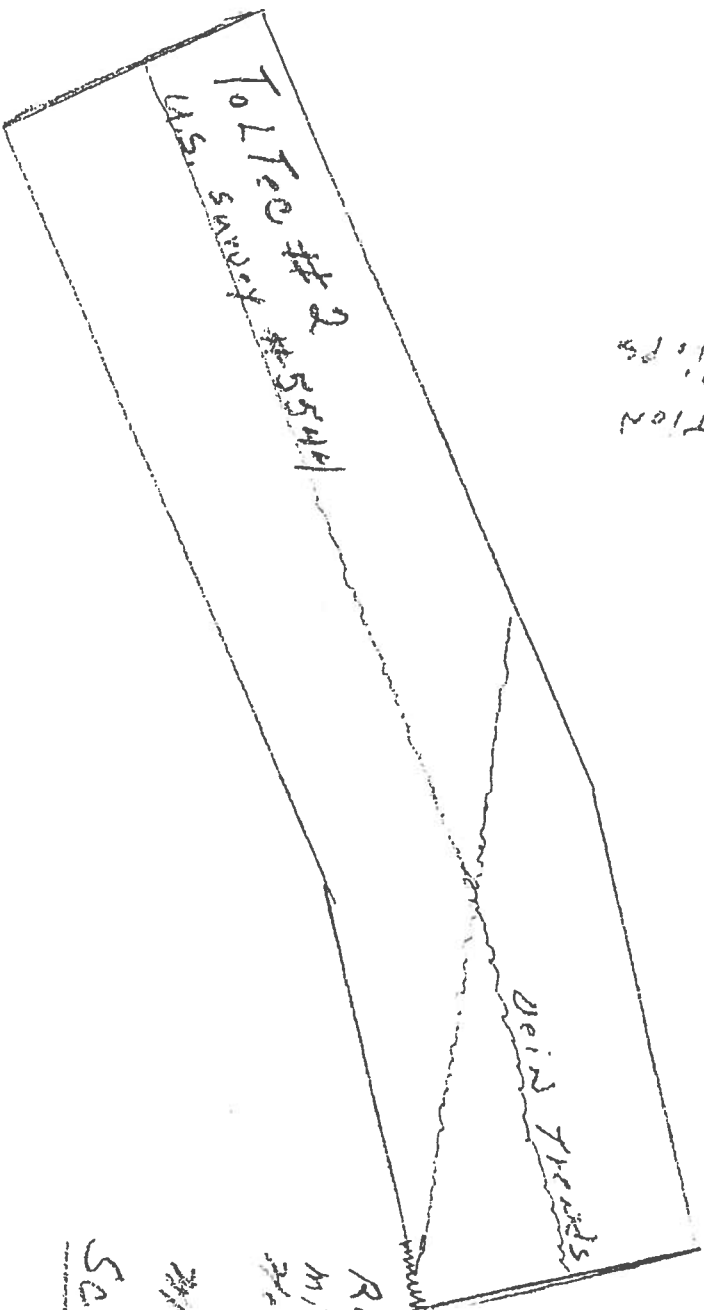
In conclusion, I would also like to state that I was raised in the Floral and Greenhouse business and have a good appreciation of the natural beauty of the area. I am also a Hunter, Fisherman and Conservation believer, so I want to pass down this property in better condition than I found it to my children.



Outcrop
Clear
45° slope

Reclamation
by SRA
mining process

1st cut
2nd cut
3rd cut
Basin Reclamation
Soil & Seeding
As Mining Develops



T-3

Rock outcrop
mining to be
done.
mining plan
Scale 1:5
302

Exhibit B Mining Plan

Mining on the mineralized rock outcrop on the North East corner of the claim would begin as soon as Permitted and road conditions would allow.

The area to be mined is a previously mined zone with access by established roads. The face of the ore body is exposed 20 feet in height, and 40 feet in width. Mining would be done by cutting a bench back from the edge which is almost vertical at present, until a suitable working area is cut from the face.

Surface mining of the ore body face would continue for approximately 50 feet until the ore body dips under the Quartz rock cap, after which normal underground mining methods would begin.

Due to the very limited working season and lack of access to the area during winter, progress is expected to be slow, with projected mine life of 20 (twenty) years. I would like to begin operation on or about June 1, 1984.

Mining is to be done by contract operators, for each stage of the project. Employment will be limited to 2 (two) employees, if required, plus myself.

Ore would be hauled via Picayune gulch road to Animas Forks road for processing by a custom mill at another location.

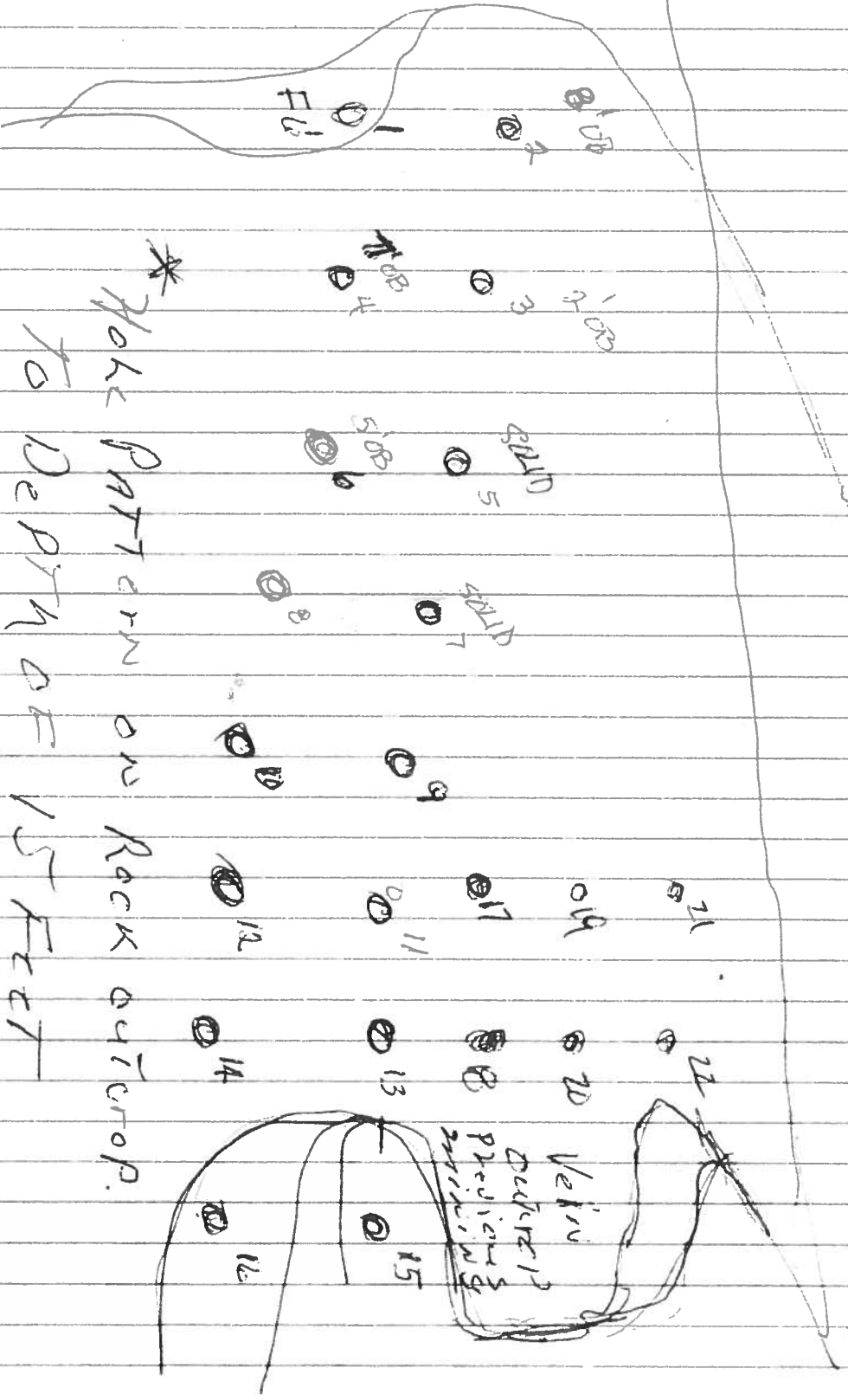
Storage of ore is not practical due to the location of the mine site and the mining plan method, which requires the removal of ore as it is mined in order to progress.

* A Temporary building will be placed below the mining operations on the Animas Forks road to be used as a repair and storage facility and shipping area for ore.

This site is on a Patented Claim #14216 "Fortune" which is owned by me, and is an associated claim to the Toltec group.

NEVER BUILT & REMOVED FROM PLAN

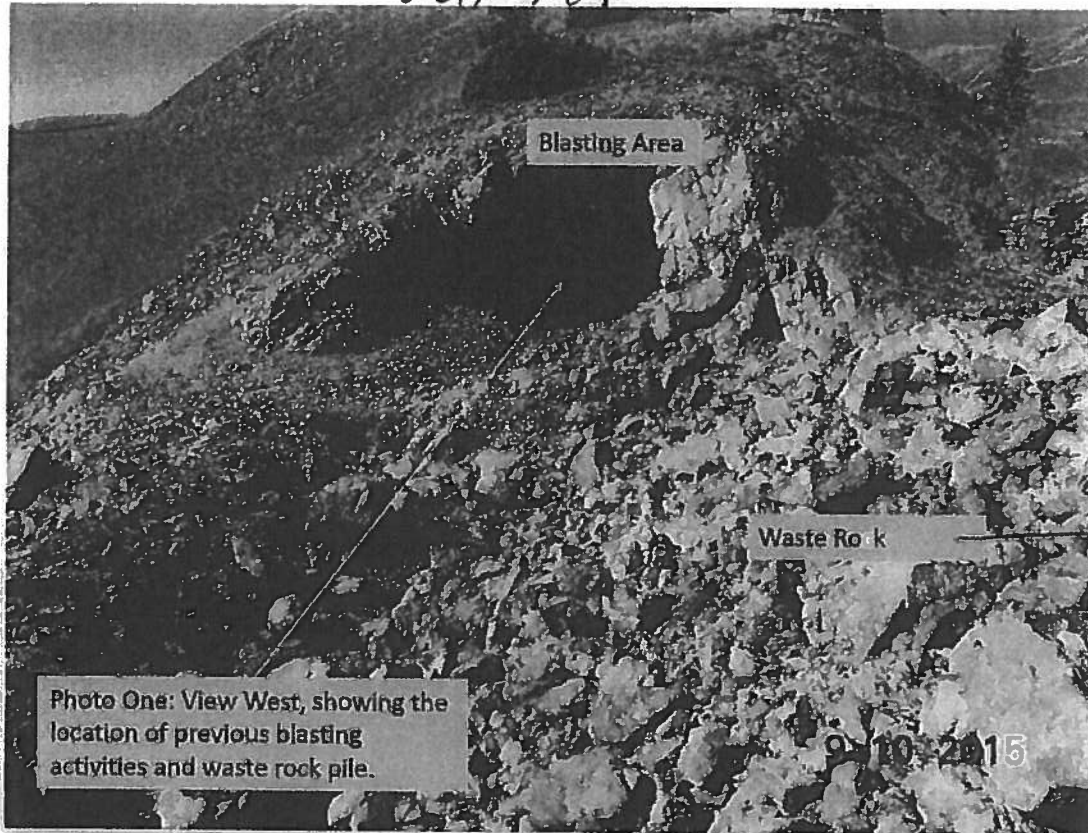
5x5x4'



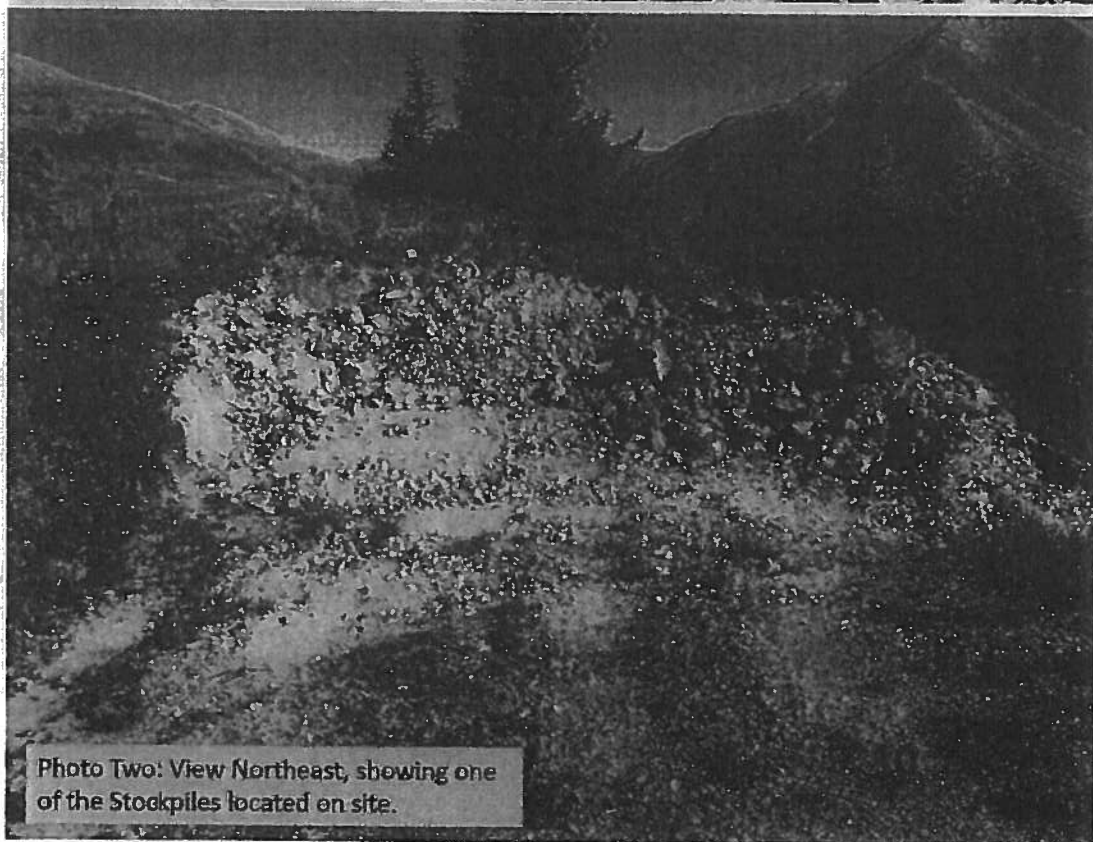
*Note Pattern on Rock outcrop.
to Depth of 15 Feet

*View of Previously
Mined Rock* **PHOTOGRAPHS**
OUTCROP

PERMIT #: M-1984-039
INSPECTOR'S INITIALS: LJW
INSPECTION DATE: September 10, 2015



*Ore
NOT WAS
ROCK. I
MR. West*



*AREA OF THEFT
HIGH GRADE ORE PILE*

PLEASE NOTE CUT PREVIOUS TO MY OWNERSHIP NO VEGETATION! GRASS DOES NOT
NATURALLY IN ROCK

Toltec No. 2
M-1984-039
September 25, 2012
Photo 8

Exploratory excavation at the Toltec 2 claim, located at approximately 11,880 feet elevation and within the DRMS permit boundary. No magazines or explosives were observed within the DRMS permit boundary.



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

December 10, 2015

Toltec No. 2
Mr. Wilbur F. Benham
16417 KQNK Road
P.O. Box 66
Norton, KS 67654

Re: Toltec No. 2; Permit No. M-1984-039; Reason to Believe a Violation Exists and Notice of Board Hearing

Mr. Benham:

On October 6, 2015, the Division of Reclamation, Mining and Safety (Division) mailed notice to you requiring a financial warranty increase in the amount of \$5,936.00 be submitted within sixty days. This was to be received by the Division no later than December 4, 2015. To date, the required financial warranty has not been submitted to the Division. The Division has reason to believe this is a violation of:

- C.R.S. 34-32-117(4) (c) (II) for failure to provide the additional required financial warranty within sixty days.

Therefore, the Division has reason to believe that a violation exists to the Mined Land Reclamation Act, C.R.S. 34-32-101 *et seq.*, and have scheduled this matter to appear before the Mined Land Reclamation Board.

A Formal Public Hearing will be held during the January 27-28, 2016 Board Meeting for consideration of these possible violations. The hearing will be held in Room 318 of 1313 Sherman Street, Denver, Colorado, beginning at 9:00 a.m. on January 27, 2016 or as soon thereafter as the matter can be considered. At that hearing you will have the opportunity to present your defense.

This is an important legal proceeding and you must appear in person for this hearing. If you fail to appear an order and money judgment may be entered against you. In addition, failure to appear at the hearing may result in legal consequences including, but not limited to, loss of party status and your ability to seek reconsideration from the Board or seek judicial appeal in district court.

If the Board finds a violation at this hearing, it may issue a Cease and Desist Order and/or assess a Civil Penalty in the amount of \$50.00 to \$200.00 for each day of violation pursuant to C.R.S. 34-32-124 (7). If you have evidence indicating that the possible violations noted above do not exist or have been corrected, please provide it to the Division as soon as possible or bring it to the hearing.

All parties have an opportunity to review and comment on a draft of the Board's order before it becomes final. If you wish to do so, you must provide the Board with a written request to review the draft Order prior to or at the



time of your hearing, or you must inform the Board orally during the hearing that you request to review the draft Order. The Board's attorney must receive your comments on the draft order within three calendar days of the date the draft Order is e-mailed, unless that deadline is extended by the Board's attorney. Submit all comments in writing, by e-mail or fax, to Mr. John Roberts, jj.roberts@state.co.us, Fax: 720-508-6037.

Please note that the Division has requested and will be allowed to review and comment on the draft Board Order.

The Board's agenda may not be finalized until the week of the Board meeting. Therefore, we recommend you contact the Board's Secretary, Johnie Abad, at (303) 866-3567, extension 8136, on January 25, 2016 to confirm the specific date for the hearing.

If you have any questions about this letter or the hearing, please contact Lucas West at (303) 866-3567, extension 8187

Sincerely,



Virginia Brannon
Division Director

CERTIFIED MAIL NO. 7014 2120 0001 7871 2346
Return Receipt Requested

cc: Tony Waldron, DRMS
Russ Means, DRMS
Jeff Fugate-AGO
Lucas West, DRMS

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State of Colorado
Department of Natural Resources
Division of Reclamation, Mining & Safety
1313 Sherman Street, Suite 215
Denver, CO 80203

Spec _____
File _____

LJW GRM AJW
M-1984-039
RTB Letter

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 - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent. Include applicable postage to cover the restricted delivery fee and endorse the mailpiece "Restricted Delivery," or see a retail associate for assistance.
 - To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

PS Form 3800, July 2014 (Reverse) PSN 7530-02-000-9047

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Toltec No. 2
Mr. Wilbur F. Benham
16417 KQNK Road
P.O. Box 66
Norton, KS 67654

2. Article Number
(Transfer from service label)

7014 2120 0001 7871 2346

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
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3. Service Type

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☐ Registered ☐ Return Receipt for Merchandise
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or PO Box No.

City, State, ZIP+4

Toltec Load

Wilbur F. Benham
16417 KQNK Road
P.O. Box 66
Norton, KS 67654

PS Form 3800, July 2014

See Reverse for Instructions

M-1984-039

100 1802

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- Attach this card to the back of the mailpiece, or on the front if space permits.

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Toltec No 2
Mr Wilbur F. Bonham
16417 KQNK Road
PO Box 66
Norton, KS 67654

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Wilbur F. Bonham ☐ Agent
☒ Addressee

B. Received by (Printed Name)

Wilbur F. Bonham

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

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☐ Registered ☐ Return Receipt for Merchandise
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4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7014 2120 0001 7871 2346

PS Form 3811, July 2013

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