

SO01

STATE OF COLORADO

DIVISION OF RECLAMATION
Department of Natural Resources

SAFETY

ERR/jdm

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106



**REQUEST FOR TRANSFER OF
MINERAL PERMIT AND
SUCCESSION OF OPERATORS
APPLICATION PACKET**

RECEIVED

DEC 11 2019

DIVISION OF RECLAMATION
MINING & SAFETY

The Mined Land Reclamation Board ("Board") has approved this Transfer of a Mineral Permit and Succession of Operators Application Packet pursuant to the Mined Land Reclamation Act (C.R.S. § 34-32-101 et. seq.) ("Hard Rock Act") and associated Rules (2 C.C.R. 407-1) ("Hard Rock Rules") and the Land Reclamation Act for the Extraction of Construction Materials (C.R.S. § 34-32.5-101 et. seq.) ("Construction Materials Act") and associated Rules (2 C.C.R. 407-4) ("Construction Materials Rules"). This Application Packet cannot be altered without the consent of the Board.

Applicability

This Transfer of a Mineral Permit and Succession of Operators Application Packet applies to mining operations where the current permitted mine operator ("Permittee") wishes to transfer the Reclamation Permit ("Permit"), along with all associated reclamation responsibilities and liabilities, to a Successor Operator ("Successor"). This process is referred to as a Succession of Operators ("SO").

Filing Requirements for SO Application

An SO Application is not complete until the Division of Reclamation, Mining and Safety ("Division") has received each of the six items listed below. The Board has authorized the Division to review SO Applications and to issue approvals and denials based on its review. The Division will not review incomplete Applications.

Application Form: An Application Form is included in this Application Packet. Please note that the Application Form must be fully completed, and must bear the original notarized signature of an authorized representative of BOTH the Permittee and the Prospective Successor.

Application Fee: If an Application concerns a Hard Rock or Designated Mining operation, then a filing fee of \$115.00 must be submitted to the Division. See C.R.S. § 34-32-127(2)(a)(I)(L). If an Application concerns a Construction Materials operation, then a filing fee of \$144.00 must be submitted to the Division. See C.R.S. § 34-32.5-101(a)(X). Make all checks payable to the "Colorado Division of Reclamation, Mining and Safety."

M-1996-081
Terminated!
0 Minor Infractions
ERR/jdm

SO01
0 Violations!
ERR/jdm

Application Checklist

☒ **Application Form:** Complete the form located on page 5.

NO ☐ **Application Fee:** Include check payable to Colorado Division of Reclamation, Mining and Safety.

☒ **Performance Warranty:** Complete the form located on page 11.

NO ☐ **Financial Warranty:** Submit the appropriate Financial Warranties or conditional replacement Financial Warranties using the forms posted on the Division's website (available online at <http://mining.state.co.us/Mineral%20Forms.htm>).

NO ☐ **Demonstration of Legal Right to Enter:** Identify the owners of all surface and mineral rights, obtain the documentation described above, and submit to the Division.

NO ☐ **Structure Agreements:** Obtain new Structure Agreements if Permittee had been required to do so.

- 3) **Performance Warranty Form:** The party wishing to become Successor (“Prospective Successor”) must agree to assume all liability for the reclamation of affected land, and must provide a Performance Warranty covering the same. *See* C.R.S. §§ 34-32-119 and 34-32.5-119. A Performance Warranty Form is included in this Application Packet. The Performance Warranty Form must bear the original notarized signature of an authorized representative of the Prospective Successor.
- 4) **Financial Warranty:** The Prospective Successor must provide Financial Warranties sufficient to cover the cost of completing reclamation in compliance with the Permit, the applicable Act and Rules. *See* C.R.S. §§ 34-32-119 and 34-32.5-119. In order to ensure the adequacy of the Financial Warranties, the Division must recalculate the required Financial Warranty whenever it receives an SO Application. Depending upon the state of the operation and the outstanding reclamation work, the Successor may be required to post a higher (sometimes significantly) or lower Financial Warranty than the Permittee currently has in place.

The Division must act on all SO Applications within 30 days. *See* Hard Rock and Construction Materials Rule 1.12.1(2)(a). Since the Division cannot typically review the amount of the required Financial Warranty within this 30-day period, applicants have the following two options:

Applicants may waive their right to receive a decision within 30 days. If the applicants waive their right to a decision within 30 days, the Division will recalculate the required Financial Warranty *before* issuing its decision on the Application. As a result, the Prospective Successor will know, prior to becoming Successor, whether the current Financial Warranty is adequate to cover the reclamation liability, or if the Financial Warranty must be increased. In this case, the Prospective Successor must submit the full Financial Warranty as part of the Application.

Applicants may decide not to waive their right to a decision within 30 days. If the applicants choose not to waive their right to a 30-day review, the Division will review the Financial Warranty *after* issuing its decision on the Application. In this case, the Prospective Successor must submit a conditional replacement Financial Warranty in the amount of the Permittee’s current Financial Warranty as part of the Application.

If the Application is approved, the Division will conduct an inspection within 60 days to assess the amount of the reclamation liability. If the inspection reveals that the reclamation liability exceeds the amount of the conditional replacement Financial Warranty, the Successor must submit the difference within sixty days. Failure to meet this deadline may result in an enforcement action. If the inspection reveals that the reclamation liability is less than the conditional replacement Financial Warranty, the Successor may request a Financial Warranty reduction for release of the difference.

It is the applicants' right to receive a decision on their complete Application within 30 days. The applicants are free to choose whichever option they decide is best. Permittee and Prospective Successor must designate their decision on the attached Application Form.

- 5) **Demonstration of Legal Right to Enter:** All Permittees must provide a description of the basis for legal right of entry to the site and to conduct mining and reclamation. *See* Hard Rock and Construction Materials Rules 6.3.7 and 6.4.14. To comply with this requirement, the Prospective Successor must demonstrate that he/she/it has obtained a legal right of entry from any and all surface and mineral rights owners in the affected lands, independent of the current Permittee. *See* Hard Rock and Construction Materials Rules 6.3.7, 6.4.14, and 1.6.2(1)(e)(i). This may be a copy of an access lease, deed, abstract of title, current tax receipt, or a signed and notarized statement by the property owners stating that the Prospective Successor has a legal right to enter. *See* Hard Rock and Construction Materials Rule 6.3.7.
- 6) **Structure Agreements:** In many cases, operators must provide the Division copies of agreements to compensate the owners of any significant, valuable, and permanent man-made structures and utilities within 200 feet of the affected land ("Structure Agreements"). *See* Hard Rock Rules 6.3.12 and 6.4.20; Construction Materials Rules 6.3.12 and 6.4.19. If the Permittee was required to provide Structure Agreements, the Prospective Successor must obtain *new* Structure Agreements from each owner and provide copies of the same to the Division with the Application.

Application Review Process

The Division will grant an Application if it finds that all required information has been submitted, that the Prospective Successor is capable of assuming all responsibility for original permit by virtue of acceptable performance and Financial Warranties, and that the Prospective Successor has no outstanding violations. *See* C.R.S. §§ 34-32-119 and 34-32.5-119. If the Division does not act within 30 days from the date that a complete Application has been filed, the Application will be considered automatically approved. *See* Hard Rock and Construction Materials Rule 1.12.1(2). If an Application is denied, the Division will notify the Permittee and Prospective Successor no later than 10 days from the date it renders its decision. Both the Permittee and Prospective Successor may appeal a denial of an Application to the Board by submitting a written request for an administrative appeal hearing to the Board within 30 days of final decision date. *See* Hard Rock and Construction Materials Rule 1.4.11.

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

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APPLICATION FORM FOR TRANSFER OF MINERAL PERMIT AND SUCCESSION OF OPERATORS

ADMINISTRATIVE INFORMATION

Permit Information

Permit Number: M-1996-081

Operation Name: Bad Boys Pit

Permittee Information

Contact Person: Harriet S. Graham

Company Name: Bad Boys of Cripple Creek Mining Co., Inc.

Street Address: 1429 LOCUST DRIVE

City: CANON CITY, CO.

State: COLO. Zip: 81212

Phone: (719) 276-0065

Email (optional): WORLDWIDE TREASURES ORS@yahoo.com

Prospective Successor Information

Contact Person: Dickson Cross, Heidi McKay

Company Name: North Star Turquoise, LLC

Street Address: 201 Lake Drive

City: Florissant

State: Colorado Zip: 80816

Phone: (802) 782-7330

Email (optional): Crossfamily1000@aol.com

Other Reclamation Permits held by Prospective Successor (if applicable):

None

DESIGNATION OF REVIEW TIMELINE

As explained above, the Permittee and Prospective Successor may waive their right to receive a decision on an Application within 30 days in order to allow the Division to calculate the required Financial Warranty before issuing its decision. Permittee and Prospective Successor must initial one of the following two options to designate their choice. If Permittee and Prospective Successor cannot agree, the Division will render its decision within 30 days.

Permittee

Prospective Successor

I have reviewed the information provided in this Application Packet, as well as the applicable Act and Rules. Having been fully informed, I wish to WAIVE MY RIGHT TO A DECISION ON MY APPLICATION WITHIN 30 DAYS.

K. Smith

Permittee

Quinn M. R.

Prospective Successor

I have reviewed the information provided in this Application Packet, as well as the applicable Act and Rules. Having been fully informed, I wish to MAINTAIN MY RIGHT TO A DECISION ON MY APPLICATION WITHIN 30 DAYS.

The Prospective Successor must provide an adequate Financial Warranty or *conditional* replacement Financial Warranty, consistent with the designation above. Hard Rock and Construction Materials Rule 4.3 describes the various acceptable types of Financial Warranties. Each Financial Warranty must be submitted on the Board's approved forms (available online at <http://mining.state.co.us/Mineral%20Forms.htm>).

DUE DILIGENCE CERTIFICATION

The Board wishes to ensure that Prospective Successors are fully informed of their duties and obligations should they become Successor to the Permit. Accordingly, the Prospective Successor must carefully review the items below and must initial indicating its agreement and understanding.

CLC
LM

If the Application is approved, the Prospective Successor will assume all liability for the reclamation of the affected land, and for compliance with the Hard Rock Act and Rules or the Construction Materials Act and Rules, as applicable (available online at <http://mining.state.co.us/Rules%20and%20Regs.htm>). Successor will be liable for any pre-existing conditions or violations, whether known or unknown at the time of the SO. It is the Prospective Successor's sole responsibility to investigate the operation prior to filing an Application.

CLC
LM

If the Application is approved, the Successor will be solely responsible for maintaining the mining and reclamation operations in compliance with the Reclamation Permit. The Permit includes the original approved Application, along with any and all subsequent revisions, amendments, and conversions thereto. It is not uncommon for a Permit to include dozens of documents that span many years. It is the Successor's sole responsibility to obtain a full and complete copy of the Permit and to understand the extent of his/her/its obligations thereunder. Permit documents may be purchased from the Division of Reclamation, Mining and Safety (the "Division") upon request or viewed on the Division's website at <http://drmsweblink.state.co.us/drmsweblink/search.aspx?dbid=0>

CLC
LM

If the Application is approved, the Successor must submit Annual Fees and Annual Reports to the Division on the anniversary date of the Reclamation Permit. For hard rock and designated mining operations, consult C.R.S. § 34-32-127(2) for the amount of the Annual Fee. For construction materials operations, consult the C.R.S. § 34-32.5-125 for the amount of the Annual Fee. Required annual reporting information is described in Hard Rock and Construction Materials Rule 1.15 and in the Annual Report Form provided by the Division. Failure to submit Annual Fees or Annual Reports may result in enforcement action.

**APPLICANTS' AGREEMENT TO REQUEST TRANSFER
OF MINERAL PERMIT AND SUCCESSION OF OPERATORS**

WHEREAS, on June 27, 1997 Permit Number M-1996-081 ("Permit") was granted to Bad Boys of Cripple Creek Mining Co., Inc. ("Permittee"), pursuant to which Permit, Permittee has engaged in a mining operation located in Teller County, Colorado.

WHEREAS, The Permit includes and incorporates any and all subsequent Amendments, Technical Revisions and/or Conversions.

WHEREAS, Permittee wishes to assign the entire Permit, along with all associated rights and responsibilities to North Star Turquoise, LLC ("Prospective Successor"), and Prospective Successor wishes to become Successor Permittee under the Permit.

WHEREAS, Prospective Successor has inspected the mining and reclamation operations and is fully aware of the conditions thereof.

WHEREAS, Prospective Successor understands that the Reclamation Plan (the "Plan") is an integral part of the Permit and is required by law. Prospective Successor has had an opportunity to thoroughly review the Plan, understands that the Plan has not been completed and that, if Prospective Successor becomes Successor, he/she/it will assume full responsibility for the completion of the Plan.

NOW THEREFORE, Permittee and Prospective Successor hereby agree, for their own benefit and for the benefit of the State, as follows:

Prospective Successor agrees to accept all of the conditions of the Permit, including the condition that the operation remains in compliance with all applicable laws and regulations, and to perform all of the obligations of the Permittee under the Permit.

Prospective Successor agrees to complete the Plan, and to assume all liability for the same, as to all areas presently disturbed, as well as to all areas hereafter disturbed.

Prospective Successor agrees to submit to the Division of Reclamation, Mining and Safety ("Division"), Performance and Financial Warranties, as required by applicable law and regulations, which will be substituted for the Performance and Financial Warranties previously filed by the Permittee, if and when the Division approves a Transfer of Mineral Permit and Succession of Operators ("SO") and releases the latter Warranties.

Prospective Successor represents to the State that, to the best of its knowledge, information and belief, it is not in violation of any of the provisions of the Mined Land Reclamation Act (C.R.S. § 34-32-101 *et. seq.*) ("Hard Rock Act") and associated Rules (2 C.C.R. 407-1) ("Hard Rock Rules") or the Land Reclamation Act for the Extraction of

Construction Materials (C.R.S. § 34-32.5-101 *et. seq.*) ("Construction Materials Act") and associated Rules (2 C.C.R. 407-4) ("Construction Materials Rules"), with respect to any other operation conducted by the Prospective Successor in the State of Colorado.

Permittee and Prospective Successor hereby request that the Mined Land Reclamation Board ("Board") approves their SO Application, recognizes the Prospective Successor as Successor Operator under the Permit, accepts the Prospective Successor's Performance and Financial Warranties, and releases the current Permittee's Performance and Financial Warranties.

SIGNED, SEALED AND DATED this 18th day of NOVEMBER, 2019.

PERMITTEE

Bad Boys of Cripple Creek Mining Co., Inc.

Name of Permittee

H By Harriet S. Graham
Signature of Officer

Secy/Treasurer/Owner

Title of Officer

PROSPECTIVE SUCCESSOR

North Star Turquoise, LLC

Name of Prospective Successor

By Alexis M. K. OS
Signature of Officer

North Star Turquoise/Managers
Title of Officer

NOTARY FOR PERMITTEE

STATE OF Colorado)
COUNTY OF Fremont) ss.:

H The foregoing instrument was acknowledged before me this 18th day of November, 2019,
by Harriet S. Graham as Secy/Treasurer/Owner of Bad Boys of Cripple Creek Mining Co., Inc.

Notary Public Rebekah Wolking

My Commission Expires 2-1-2022

REBEKAH H. WOLKING
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20184005385
My Commission Expires 02-01-2022

VS

NOTARY FOR PROSPECTIVE SUCCESSOR

STATE OF Colorado)
COUNTY OF Fremont) ss.:

The foregoing instrument was acknowledged before me this 18th day of November, 2019,
by Louisa McKay as manager of North Star Turquoise, LLC

Notary Public

Rebekah H. Wolking
2-1-2022

My Commission Expires

REBEKAH H. WOLKING
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20184005385
My Commission Expires 02-01-2022

STATE APPROVAL
[for completion by Division]

- (a) The Board hereby approves the transfer of permit number M-1996-081 from
Bad Boys of Cripple Creek Mining Co, INC to North Star Turquoise, LLC
- (b) The Board hereby recognizes North Star Turquoise, LLC as Successor Operator under
such Permit.
- (c) The Board hereby accepts the Performance and Financial Warranties submitted by Successor and hereby
releases Bad Boys of Cripple Creek Mining Co, INC as former Permittee from all obligations under
its Performance and Financial Warranties. The Board further releases all affected financial warrantors from
obligations under Financial Warranties associated with the former Permittee.

STATE OF COLORADO
DEPARTMENT OF NATURAL RESOURCES
MINED LAND RECLAMATION BOARD
DIVISION OF RECLAMATION, MINING AND SAFETY

By: [Signature]

Division Director

Date Executed: 4.7.20

Division of Reclamation, Mining, and Safety

Fee Receipt for M1996081

Bad Boys of Cripple Creek Mining Co., Inc.
Harriet Graham
1429 Locust Drive

Canon City

CO 812120000

Receipt #: 30995

Date: 02/19/2020

Permit: M1996081

Payment Method	Revenue Code	Fee Description/Notes	Amount
Check #220	4300-MAPP	Minerals Application Fees User: GXB Payer: Louisa McKay/NorthStar Turquoise, LLC	\$115.00

Receipt Total: \$115.00

NAME Louisa McKay 82-201/1021
ACCOUNT NO. 402102 846
DATE 2/19/20
PAY TO THE ORDER OF Mine Land Reclamation Board
one hundred fifteen 00/100 \$ 115.00
DOLLARS
Community Banks of Colorado
877.877.0395 cobnks.com
MEMO application fee
Louisa McKay

CERTIFICATION

The Applicant, North Star Turquoise, LLC (print applicant/company name),
by Clinton Cross (print representative's name), as miner/Rec Coordinator (print
representative's title), does hereby certify that City of Cripple Creek (structure owner) shall
be compensated for any damage from the proposed mining operation to the above listed structure(s)
located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation
Permit Application for Bad Boys Pit (operation name),
File Number M-1996-081.

*This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its
authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and
the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations.
Any alteration or modification to this form shall result in voiding this form.*

NOTARY FOR PERMIT APPLICANT

ACKNOWLEDGED BY:

Applicant North Star Turquoise, LLC Representative Name Clinton Cross
Date 2-14-2020 Title Miner/Rec Coordinator

STATE OF Colorado)
COUNTY OF Teller) ss.

The foregoing was acknowledged before me this 14th day of February, 2020, by
Clinton Cross as representative of North Star Turquoise, LLC

Linda K. Frakes My Commission Expires: 08-06-2023
Notary Public



NOTARY FOR STRUCTURE OWNER

ACKNOWLEDGED BY:

Structure Owner CITY OF CRIPPLE CREEK Name STEVEN A. CAMILLI

Date 02-18-2020 Title PUBLIC WORKS DIRECTOR

STATE OF COLORADO)
) ss.

COUNTY OF TELLER)

The foregoing was acknowledged before me this 18th day of February, 2020, by
Steven Camilli as Structure Owner of City of Cripple Creek
Public Works Director

Janele Sciacca
Notary Public

My Commission Expires: 10/05/2021



An example Structure Agreement which meets the requirements of the Statutes is shown below.

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

- a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or
- c) Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20*)

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. Metal Building, approx. 30 ft by 70 ft which houses the City of Cripple Creek's water treatment plant.
2. Water supply pipeline.
- 3.
- 4.
- 5.

(Please list additional structures on a separate page)



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Summary

Details			
Name	North Star Turquoise, LLC		
Status	Good Standing	Formation date	08/15/2017
ID number	20171614492	Form	Limited Liability Company
Periodic report month	August	Jurisdiction	Colorado
Principal office street address	201 Lake Drive, Florissant, CO 80816, United States		
Principal office mailing address	n/a		

Registered Agent	
Name	Louisa H McKay
Street address	201 Lake Drive, Florissant, CO 80816, United States
Mailing address	201 Lake Drive, Florissant, CO 80816, United States

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