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 2, 2012

Breck Vassios Crystal Springs Ranch Inc. 108 E. 6th St. P O Box 389 Flagler, CO 80815



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda

Hansel Pit #1, Permit M-2010-036, 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 \$323.00 fee is due for the following:

Permit: M-2010-036
Operation Name: Hansel Pit #1
Anniversary Date: August 10, 2012

Total Fee Due: \$323.00 (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 Jim Dupler (303)866-3567 x8132 or Christine Brookshire (303)866-3567 x8132. 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.

110c Annual Report

| Permittee Name: | Crystal Springs Ranch Inc. | Permit Number: | M-2010-036 |
|-----------------|----------------------------|-------------------|-----------------|
| Operation Name: | Hansel Pit #1 | County: | Phillips |
| Annual Fee Due: | \$323.00 | Anniversary Date: | August 10, 2012 |
| Permit Acreage: | 9.90 | Current Bond Amt: | \$23,875.00 |

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 ident | Is the site identification sign posted in accordance with Rule 3.1.12(1). | | | | | | | | YES | NO | |
|----|--|---|-------------|------------|----------|--------------------------|--------------------|-----------|-------------|-------------|----|--|
| 2. | 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. | 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. | 6. Has this mine been granted: a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION? | | | | | | | | YES YES | NO NO | | |
| 7. | Number of acre | es currently a | affected | (mining + | incor | nple | te and or unreleas | ed reclar | mation). | | | |
| 8. | Number of acre | es that were i | newly af | fected du | ring th | ne cu | rrent report year. | | | | | |
| 9. | Number of acre | es that were 1 | reclaime | d during t | he cui | rrent | report year. | | | | | |
| 10 | . Estimated new | acreage to b | e affecte | d in the n | ext re | port | year. | | | | | |
| | . Estimated acres | | | | | | nitted mining acti | vities be | gan: | | | |
| | Total acres | | Total acres | | | Total acres | | | Total acres | | | |
| | backfilled: | s | seeded w | ./ | | | w/topsoil | | mulche | | | |
| | approved mix: | | | replaced: | approved | | ed mulch: | | | | | |
| | Total acres | | Total acr | | | | Topsoil | | | application | | |
| | graded: | nded: fertilized w/ | | | | replacement rate (tons/a | | ons/ac): | | | | |
| | | a | ipvd fert | ilizer: | | | depth (in.): | | | | | |
| Ī | Seed | | | Fertilize | r | | | Mulcl | 1 | | | |
| | application | plication application application | | | | | | | | | | |
| | method: method: method: | | | | | | | | | | | |

| 13. Is weed control being conducted in accordance with an approved Weed Control Plan? YES NO N/A If "YES", indicate the weed species, control area, control type, application rate and treatment date on the report map. | | | | | | | | |
|--|--|---|-----------------|----------|--------------|--|--|--|
| 14. Is adequate topsoil reserved for reclamation, based on your approved permit?YES NO If "NO", please explain: | | | | | | | | |
| 15. Is the reserved tops If "NO" please exp | YES | NO | N/A | | | | | |
| 16. If mining has expo Engineer (Well Per | lan and Off YES | ice of the | he State N/A | | | | | |
| 17. Are all hazardous r | YES | NO | N/A | | | | | |
| 18. Is your financial w | YES | NO | N/A | | | | | |
| 19. Is your basis for le | YES | NO | | | | | | |
| 20. Does your permit r If "Yes", please att | YES | NO | N/A | | | | | |
| boundary and local Division records indica print <u>current</u> contact in | tion of the acreages specified in iterate the following permittee contact information: | ecurately depicts the permit boundar ms 7- 12 and 14. UPDATED MAP information. If this information is n | ATTACH | ED: _ | | | | |
| Permittee Contact: | Breck Vassios | | | | | | | |
| Permittee Company: | Crystal Springs Ranch Inc. | | | | | | | |
| Address: | 108 E. 6th St. P O Box 389 Flagler, CO 80815 | | | | | | | |
| Phone Number: | (719) 349-1785 | | | | | | | |
| Fax Number: | | | | | | | | |
| Email Address: | CF.PR.email | | | | | | | |
| | eby state that the information proviordance with the Division approve | ded in this report is true and accurat d mining and reclamation plans. | e, and that | site ope | erations are | | | |
| Signature of <u>Permitte</u> | e, Corporate Officer, Owner, or | Documented Designee | Date | | _ | | | |