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

October 1, 2012

Scott Cowman
Peabody Sage Creek Mining LLC
36600 Routt County Road #27
P OBox 250
Hayden, CO 81025-0250



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda Director

Red Rock Pit, Permit M-1978-315, 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 (the "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-1978-315 Operation Name: Red Rock Pit Anniversary Date: November 22, 2012

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 Jim Dupler (303)866-3567 x8119 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 BE AUTOMATICALLY INIATIED. ENFORCMENT ACTIONS MAY RESULT IN CIVIL PENALTIES AND/OR REVOCATION OF YOUR PERMIT.

112c Annual Report

Permittee Name:	Peabody Sage Creek Mining LLC	Permit Number:	M-1978-315
Operation Name:	Red Rock Pit	County:	Routt
Annual Fee Due:	\$791.00	Anniversary Date:	November 22, 2012
Permit Acreage:	41.80	Current Bond Amt:	\$31,550.00

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 identi	identification sign posted in accordance with Rule 3.1.12(1).								YE	ES	NO		
2.	. Is the affected area boundary clearly marked in accordance with Rule 3.1.12(2).										YE	ES	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.								lete)?	YE	ES	NO		
4. What was the date of last excavation, processing or hauling activity at the mine?											_			
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.										YE	ES	NO	
6.	 Has this mine been granted: a) approval of TEMPORARY CESSATION Status? b) approval for INTERMITTENT OPERATION? 								YE YE		NO NO			
7.	Number of acre	s currently	affected	(mining +	incon	nple	te and or unrelea	ased	reclam	ation).	_			
8.	Number of acre	s that were	newly af	fected du	ring th	e cu	irrent report year	:.						
9.	Number of acre	s that were	reclaime	d during t	he cur	rent	report year.				_			
10.	. Estimated new	acreage to l	e affecte	d in the n	ext rep	ort	year.							
11.	. Estimated acres	to be recla	imed in t	he next re	port y	ear.								
12	. Total acres in v	zarione etac	es of rec	lamation	cinca	narn	nitted mining act	tivit	iac hage	n.				
ΙΔ,	Total acres		Total acr		Since	pern	Total acres	LI VIL		Total a	cres			
	backfilled:		seeded w				w/topsoil			mulche				
			approved				replaced:				ed mul	ch:		
	Total acres		Total acr			Topsoil		Mulch appl						
	graded:				replacement	rate (tons):								
		apvd fertilizer:		depth (in.):			`	,						
	Seed	•		Fertilize	r				Mulch			•		
	application application						applica	tion						
1	mothod:			mathade					mathad	۱.	l			

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 If "NO", please ex	YES	NO	N/A					
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 th NO	ne State N/A					
17. Are all hazardous i	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					
•	tion of the acreages specified in item te the following permittee contact in information: Scott Cowman				type or			
remittee Contact.	Scott Cowman							
Permittee Company:	Peabody Sage Creek Mining LLC							
Address:	36600 Routt County Road #27 P OBox 250 Hayden, CO 81025-0250							
Phone Number:	(970) 276-7003							
Fax Number:								
Email Address:	CF.PR.email							
_	eby state that the information provide ordance with the Division approved	•	e, and that	site ope	erations are			
Signature of <u>Permitte</u>	e, Corporate Officer, Owner, or D	ocumented Designee	Date		_			