December 3, 2012

Palmer Pipe & Construction, LLC 381 Ute Junction Circle Durango, CO 81303

FINAL NOTICE

Please be advised that according to records of the Division of Reclamation, Mining and Safety (the "Division") the annual fee and report listed below is past due.

The Division <u>must</u> receive all fees due accompanied by an adequate report no later than 5 p.m. on <u>January 2, 2013</u>, or a Notice of Violation, Cease and Desist Order from <u>ALL</u> mining related activities, Civil Penalties equal to the amount of the annual fee due, and a Notice of Formal Public Hearing before the Mined Land Reclamation Board for consideration of <u>POSSIBLE PERMIT REVOCATION AND FINANCIAL WARRANTY FORFEITURE</u> will be issued for this account.

Please be aware that no permits for new mining operations shall be granted to any operator who is currently found to be in violation in this state (C.R.S. 34-32-120 or C.R.S. 34-32.5-120). The Annual Report and Fee requirement is not met until we have received the following components: fee, report, and associated map. If no new disturbances or reclamation have occurred during the previous year and no new changes to the previous year's map are necessary, then no new map is required, provided that the Operator shall state this in the Annual Report.

Division records indicate \$323.00 is due.

Permit No.: M-2008-044

Operation Name: Fork Horn Mesa Subdivision

Anniversary Date: November 18, 2012

Total: \$323.00 (Due on or before)

If your records indicate different facts than those stated above please inform the Division no later than <u>January 2</u>, <u>2013</u>. If you receive this notice and you have mailed your payment and report to the Division, please disregard this notice. The Division appreciates your prompt attention in this matter.

Any questions concerning your annual report or fee, may be directed to Christine Brookshire at (303) 866-3567 ext. 8132 or Jim Dupler (303) 866-3567 ext. 8119.

Make checks payable to the Division of Reclamation, Mining and Safety.