

Lynx-Royal JV LLC

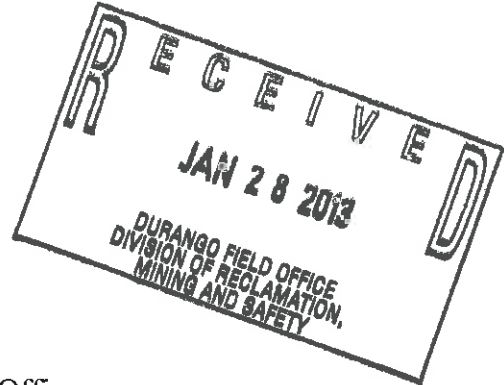
813 14th Street, Suite A
Golden, CO 80401

Phone: (303) 955-5820
Fax: (303) 862-5900

Michael G. Leidich, P.E.
mike@lynx-royal.com

CERTIFIED MAIL 7006 2760 0002 0137 1567

January 25, 2013



Bob Oswald
Environmental Protection Specialist
Division of Reclamation, Mining and Safety, Durango Field Office
691 CR 233, Suite A-2
Durango, CO 81301

Re: Wray Mesa Project – Abandonment Reports for (NOI) File No. P-2011-025

Dear Bob Oswald,

Enclosed are two Abandonment reports for the referenced Notice of Intent to Conduct Prospecting Operations (NOI's). The drilling campaigns were in two phases so we have done an Abandonment Report for each phase.

If you have any questions or concerns please contact me at 303-955-5820.

Sincerely,

Michael G. Leidich, P.E.
Manager

Cc: Robert Ernst Via Email

Enclosure (3)

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



MINERAL PROSPECTING DRILL HOLE PERMANENT ABANDONMENT FINAL REPORT

Pursuant to the terms of 34-32-113(5.5)(d) and (e) of the Act, all information provided in this report shall be protected as confidential information by the Mined Land Reclamation Board and shall never be a matter of public record.

Prospect Site Name: Wray Mesa Prospect NOI No.: P-2011-025
Drill Hole I.D. No. 11 Holes - See Attachment Table 1
Date Drilled: 11-7-11 Through 11-17-11 Date Permanently Abandoned: See Attachment 1 Table

OPERATOR: (PROSPECTOR)

Name: Lynx-Royal JV LLC
Address: 813 14th Street, Ste. A
City: Golden St.: CO Zip: 80401
Telephone No.: (303) 955-5820

DRILLER:

Name: Gordon Smith
Address: PO BOX 667
City: Nucla St.: CO Zip: 81424
Telephone No.: (970) 417-8516

LOCATION:

The following information is required for all prospecting drill holes:

1/4 of the see Table 1 1/4 of Section 25,26, Township 47N, Range 20W,
NM Prime Meridian, Montrose County.

If the area has not been surveyed, supply the Longitude See Attachment 1 West and Latitude See Attachment 1 North,
or attach a location map, preferably a USGS Quad.

The following additional information is required for artesian flowing holes:

Distances must be provided with an accuracy of ± 200 feet (34-32-113(5.5)(d))

_____ feet ☐ north ☐ south from the ☐ south ☐ north section line
_____ feet ☐ east ☐ west from the ☐ west ☐ east section line

NOTE: In the case of closely spaced drill holes having similar geologic and hydrologic characteristics, the Operator may, with the approval of the Division, submit a single consolidated final report including the location of all drill holes and a description of abandonment technique. In such a case, complete one abandonment final report form and attach a list of drill hole locations. If more space is needed to provide any of the information for this form, please attach separate sheets.

Complete **One (1)** of Either Subsections A or B; and Subsection C.

A. PERMANENT ABANDONMENT (Check the appropriate box and provide information)

☒ Plugged dry hole, method of plugging: Holes backfilled with cuttings to 7' below surface, 5' concrete plug poured on top

Depth at which concrete plug set: 2 feet below ground surface.

☐ Sealed Hole:

☐ Neat Cement Grout, top to bottom: grout mixture used: _____

☐ Neat Cement Grout, interval grouting: grout mixture used: _____

Intervals grouted (feet beneath ground surface, method and materials): _____

☐ Abandonment Fluid Mixture (Such as Sodium Bentonite with Polymer) Brand Name: _____

Marsh Funnel viscosity of abandonment fluid: _____ sec.

Type of surface plugging used: _____

Depth at which plug set: _____ feet below ground surface,

Method: _____

☐ Other method used with approval of the Division of Reclamation, Mining and Safety; describe in detail method and materials used on a separate attached sheet.

B. CONVERSION TO A WATER WELL

State Engineer's Permit No.: _____ (attach copy of permit)

County Where Well is Located: _____

Water Well Use: _____

C. METHOD OF RECLAIMING DRILL SITE DISTURBANCE:

Cuttings pit backfilled, covered with topsoil and seeded. All equipment and unnatural debris removed, entire area seeded and logs/brush strewn about drill site and disturbed areas

The Operator who conducted the prospecting drill operation states that the information set forth hereupon is true to the best of their knowledge.

Name of Operator's Representative: Michael Leidich Title: Manager

Signature of Operator's Representative:  Date: 1/25/13

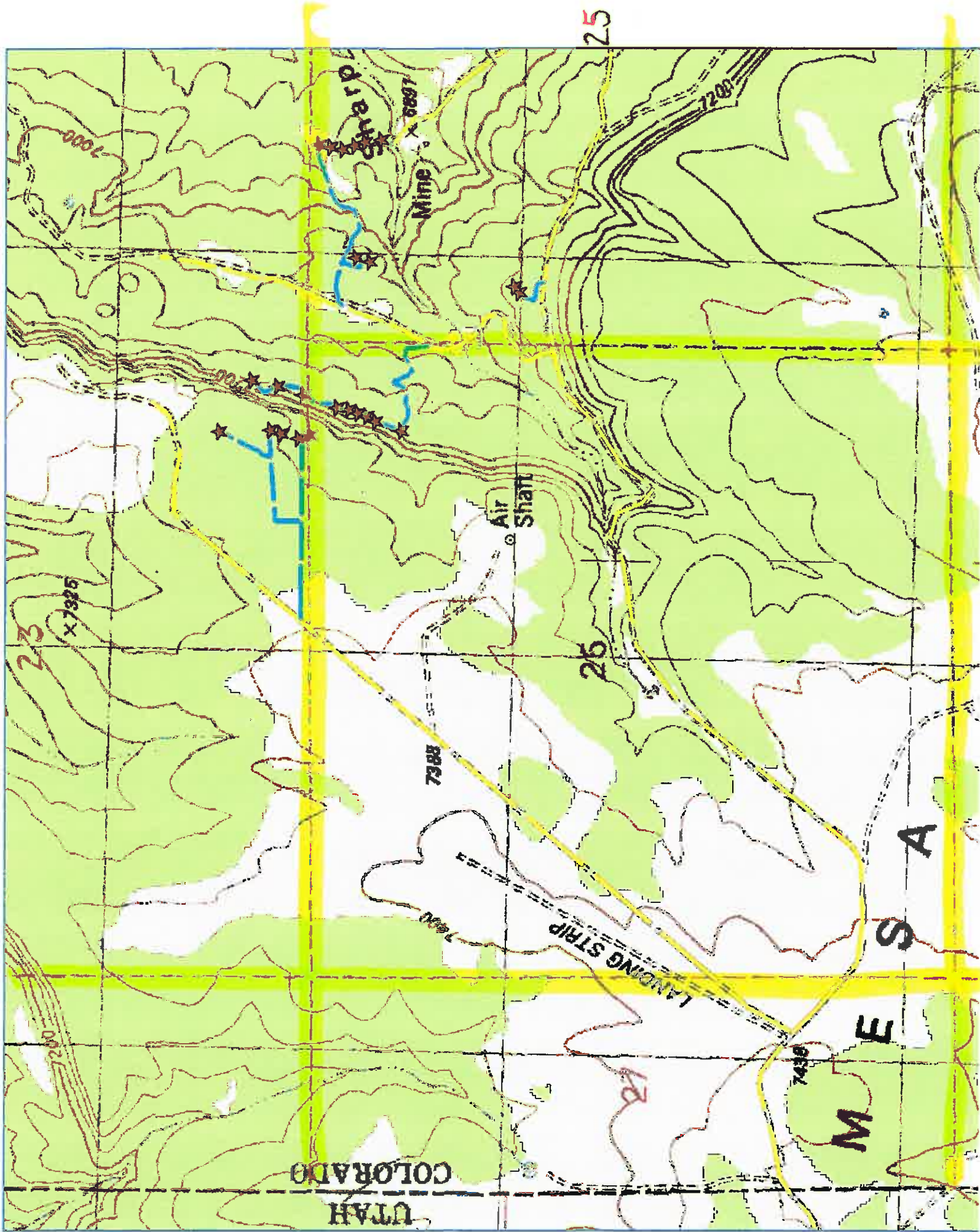
Attachment 1 Table

Wray Mesa DRMS NOI No. P-2011-025

(UTM Zone 12 Nad83)

Hole ID	Section	Township	Range	Qtr	Qtr-Qtr	Meridian	Northing	Easting	TD (ft)	Date Completed	Date Abandoned	Reclamation Completion Date
WM-12-001	26	47N	20W	NE	NE	NMPM	4241649	671557	450	11/7/2012	11/11/2012	11/26/2012
WM-12-002	26	47N	20W	NE	NE	NMPM	4241620	671553	440	11/8/2012	11/11/2012	11/26/2012
WM-12-003	26	47N	20W	NE	NE	NMPM	4241597	671544	390	11/9/2012	11/11/2012	11/26/2012
WM-12-004	26	47N	20W	NE	NE	NMPM	4241575	671537	460	11/10/2012	11/14/2012	11/26/2012
WM-12-005	26	47N	20W	NE	NE	NMPM	4241552	671524	440	11/13/2012	11/14/2012	11/26/2012
WM-12-006	25	47N	20W	NW	NE	NMPM	4241708	672216	200	11/15/2012	11/15/2012	11/21/2012
WM-12-007	25	47N	20W	NW	NE	NMPM	4241680	672212	200	11/15/2012	11/16/2012	11/21/2012
WM-12-008	25	47N	20W	NW	NE	NMPM	4241650	672206	220	11/15/2012	11/16/2012	11/21/2012
WM-12-009	25	47N	20W	NW	NE	NMPM	4241620	672216	220	11/16/2012	11/18/2012	11/21/2012
WM-12-010	25	47N	20W	NW	NE	NMPM	4241594	672225	220	11/17/2012	11/18/2012	11/21/2012
WM-12-011	25	47N	20W	NW	NE	NMPM	4241553	672232	200	11/17/2012	11/18/2012	11/21/2012

Total: 11 Holes



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Prospect Site Name: Wray Mesa Prospect NOI No.: P-2011-025
Drill Hole I.D. No. 13 Holes - See Attachment Table 1
Date Drilled: 9-19-11 Through 10-29-11 Date Permanently Abandoned: See Attachment 1 Table

OPERATOR: (PROSPECTOR)

Name: Lynx-Royal JV LLC
Address: 813 14th Street, Ste. A
City: Golden St.: CO Zip: 80401
Telephone No.: (303) 955-5820

DRILLER:

Name: Gordon Smith
Address: PO BOX 667
City: Nucla St.: CO Zip: 81424
Telephone No.: (970) 417-8516

LOCATION:

The following information is required for all prospecting drill holes:

1/4 of the see Table 1 1/4 of Section 23,25,26, Township 47N, Range 20W,
NM Prime Meridian, Montrose County.

If the area has not been surveyed, supply the Longitude See Attachment 1 West and Latitude See Attachment 1 North,
or attach a location map, preferably a USGS Quad.

The following additional information is required for artesian flowing holes:

Distances must be provided with an accuracy of ± 200 feet (34-32-113(5.5)(d))

 feet north south from the south north section line
 feet east west from the west east section line

NOTE: In the case of closely spaced drill holes having similar geologic and hydrologic characteristics, the Operator may, with the approval of the Division, submit a single consolidated final report including the location of all drill holes and a description of abandonment technique. In such a case, complete one abandonment final report form and attach a list of drill hole locations. If more space is needed to provide any of the information for this form, please attach separate sheets.

Complete One (1) of Either Subsections A or B; and Subsection C.

A. PERMANENT ABANDONMENT (Check the appropriate box and provide information)

☒ Plugged dry hole, method of plugging: Holes backfilled with cuttings to 7' below surface, 5' concrete plug poured on top

Depth at which concrete plug set: 2 feet below ground surface.

☐ Sealed Hole:

☐ Neat Cement Grout, top to bottom: grout mixture used: _____

☐ Neat Cement Grout, interval grouting: grout mixture used: _____

Intervals grouted (feet beneath ground surface, method and materials): _____

☐ Abandonment Fluid Mixture (Such as Sodium Bentonite with Polymer) Brand Name: _____

Marsh Funnel viscosity of abandonment fluid: _____ sec.

Type of surface plugging used: _____

Depth at which plug set: _____ feet below ground surface,

Method: _____

☐ Other method used with approval of the Division of Reclamation, Mining and Safety; describe in detail method and materials used on a separate attached sheet.

B. CONVERSION TO A WATER WELL

State Engineer's Permit No.: _____ (attach copy of permit)

County Where Well is Located: _____

Water Well Use: _____

C. METHOD OF RECLAIMING DRILL SITE DISTURBANCE:

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The Operator who conducted the prospecting drill operation states that the information set forth hereupon is true to the best of their knowledge.

Name of Operator's Representative: Michael Leidich Title: Manager

Signature of Operator's Representative: Michael Leidich Date: 1/25/13

Attachment 1 Table

Wray Mesa DRMS NOI No. P-2011-025

(UTM Zone 12 Nad83)

Hole ID	Section	Township	Range	Qtr	Qtr-Qtr	Meridian	Northing	Easting	ID (ft)	Date Completed	Date Abandoned	Reclamation Competition Date
WM-11-001	25	47N	20W	NW	SW	NMPM	4241201	671856	460	9/19/2011	9/21/2011	11/2/2011
WM-11-002	25	47N	20W	NW	SW	NMPM	4241213	671870	460	9/20/2011	9/21/2011	11/2/2011
WM-11-003	23	47N	20W	SE	SE	NMPM	4241733	671587	440	9/22/2011	9/24/2011	11/3/2011
WM-11-004	23	47N	20W	SE	SE	NMPM	4241798	671607	500	9/23/2011	9/24/2011	11/3/2011
WM-11-005	23	47N	20W	SE	SE	NMPM	4241862	671621	440	9/24/2011	9/26/2011	11/4/2011
WMCO-11-001	26	47N	20W	NE	NE	NMPM	4241487	671502	210	9/25/2011	9/26/2011	11/4/2011
WM-11-006	23	47N	20W	SE	SE	NMPM	4241743	671478	640	9/27/2011	9/30/2011	10/25/2011
WM-11-007	26	47N	20W	NE	NE	NMPM	4241714	671485	590	9/28/2011	9/30/2011	10/25/2011
WM-11-008	23	47N	20W	SE	SE	NMPM	4241787	671489	620	9/29/2011	9/30/2011	10/25/2011
WM-11-009	23	47N	20W	SE	SE	NMPM	4241813	671497	620	10/9/2011	10/11/2011	10/25/2011
WM-11-010	23	47N	20W	SE	SE	NMPM	4241941	671491	660	10/12/2011	10/13/2011	10/25/2011
WM-11-011	25	47N	20W	NW	NW	NMPM	4241576	671925	327	10/28/2011	10/30/2011	11/2/2011
WM-11-012	25	47N	20W	NW	NW	NMPM	4241611	671935	340	10/29/2011	10/30/2011	11/2/2011

Total: 13 Holes