

# STATE OF COLORADO

## DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

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John W. Hickenlooper  
Governor

Mike King  
Executive Director

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Director

April 8, 2014

Mark Cape  
Colorado Mining Enterprises, LLC  
5021 NE 23<sup>rd</sup> Terrace  
Light House Point, FL 33064

Re: CME Project, NOI File P-2011-002, Modification MD-01, Technical Review Letter

Dear Mr. Cape,

The Division of Reclamation, Mining and Safety (Division) is reviewing your Modification Application MD-01 for your NOI to ensure that there are no deficiencies. The Division posted the non-confidential Form 2 on the Division website on March 18, 2014 in accordance with the requirements of Rule 5.1.3, and no comments were received during the subsequent ten working days.

The modification application indicates that the project site is located on land managed by the U.S. Forest Service, and in Section I.7.E. you provided all necessary contact information for the USFS. Section I.7.F. of the modification indicates that evidence of sending a copy of the NOI to the USFS is attached, however no such evidence is included with the modification materials. Please provide proof of sending a copy of the packet to the Monte Vista office of the USFS.

On page 9 of the modification packet you certified that a notice was mailed to the county commissioners regarding this application. Please provide the Division evidence of sending the county commissioners such notice, as well a copy of the notice so that we may ensure that it contained all required language.

The packet contained a map that adequately showed the proposed locations of all drilling pad sites for the project. Rule 5.1.2(d)(v) requires that the application also include a map of appropriate scale that it shows all details of the operation, such as drill pad layout (with topography, drill holes, mud pits, and equipment, for example) as well as the amount of earthwork required to prepare the drill pads that are on sloped surfaces (how much cutting and filling is required).

Please ensure that one of the maps includes the proposed culvert or trough between Pads 2 and 4.

The plan states that the mud pits will be 30 ft x 30 ft x 3 ft deep. Please ensure that your map(s) show how these mud pits will fit on the proposed pads.

Previous submittals of your earlier drilling plans in this area included this quality of maps and diagrams. Please provide the maps and diagrams necessary to show sufficient detail for all proposed drill pads.

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The plan includes a small drill pad (Site 2014-4) that does not include sufficient space for a mud pit. It is up the road from a larger drill pad (Site 2014-2) which will include a mud pit. Your plan is to convey the drill water from Site 2014-4 down the road to Site 2014-2, where it will be captured in the pit. The description of cleaning out the road ditch and use of a "culvert or trough" is not clear. Please provide more information, in the form of description and diagram.

The plan states that drill holes will be diagonal, and about 600 feet deep. The information also says that water is like to be encountered at depth. As such, please be aware that drill holes that encounter groundwater must be sealed and closed in a specific manner to protect the groundwater quality. This may include cement or bentonite abandonment gel. Please acknowledge that you or your driller will have the necessary materials onsite and be prepared for performing such closure. The bond amount will include sufficient bonding to do such a closure.

The bond amount associated with drill hole closure will also depend on the number of holes open at a time. Please state the maximum number of drill holes to be open at any one time.

Since this project will be carried out on USFS-managed land, a copy of this letter will be sent to the Monte Vista USFS office. Please provide a copy to the Division of any project-related correspondence between you and the USFS. Also, please ensure that the proposed plan you present to the USFS is in compliance with their requirements and is consistent with this NOI modification.

Please be clear and thorough with your response materials. After receiving adequate responses, the Division will calculate the estimated additional bond amount for this modification.

Your maps and written response materials must be submitted to the Division within 60 days from the date of this letter, or the Division may terminate the file. Please provide two sets of all materials, and mark them as confidential or non-confidential. All materials must be mailed to the Division's Denver office (see address in letterhead, above).

If you have any questions, please contact me by telephone: 303-866-3567 ext. 8175, or 970-247-5193; or by email: [bob.oswald@state.co.us](mailto:bob.oswald@state.co.us).

Sincerely,



Bob Oswald  
Environmental Protection Specialist

Ec: Russ Means, DRMS Grand Junction  
Patrick Moran, USFS Monte Vista