

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

April 29, 2013

Mr. Ken Mushinski
Cotter Corporation
7800 E. Dorado Place, Suite 210
Greenwood Village, CO 80111

**Re: Schwartzwalder Mine, Permit No. M-1977-300
Amendment AM-04, Full Approval**

Mr. Mushinski:

On April 29, 2013 the Division of Reclamation, Mining and Safety granted Full Approval of Amendment AM-04. Attachment A to this letter identifies the documents that were approved in the Full Approval. The materials approved in the Full Approval are hereby incorporated into Permit No. M-1977-300. All other conditions and requirements of Permit No. M-1977-300 remain in full force and effect.

The required additional financial warranty associated with the full approval of AM-04 has been determined to be \$2,345,428. This amount is in addition to the amount of \$1,417,309 that was associated with the Partial Approval of AM-04 on April 12, 2013. You may submit the financial warranty associated with the operations approved in the Partial Approval (\$1,417,309) and commence those operations prior to submitting the financial warranty associated with the Full Approval (\$2,345,428) and commencing the additional operations associated with the Full Approval. **Please be advised that you may not commence any approved operations until financial warranty associated with the approved operations has been submitted and accepted by our office. You will be notified in writing when it is accepted.**

If you have any questions, please contact me.

Sincerely,

Tom Kaldenbach
Senior Environmental Protection Specialist

cc (via email):

Tony Waldron, DRMS
Jeff Fugate, AGO
Tom Mountfort, Denver Water
Dan Arnold, Denver Water

Attachment A
Attached to the letter dated April 29, 2013
from the Division of Reclamation, Mining and Safety to Cotter Corporation

Items approved in Full Approval of Permit Amendment AM-04
Schwartzwalder Mine, Permit M-1977-300

All items approved in the Partial Approval of AM-04 dated April 12, 2013 are included in this Full Approval, with the exception of the Supplemental Mine Pool Monitoring Plan which is replaced with the plan specified below.

The following parts of the submittal from Cotter Corporation dated 5/1/12 are approved in this Full Approval of AM-04:

Section E-0 (Preface to Reclamation Plan)
Section E-1 (Conceptual Considerations)
Section E-4 (Mitigation Plan for Solid Source Term Materials)
Section E-4.1 and its subsections (Remediation of Alluvial Fill) as modified and
amended by the submittal dated 4/5/13
Exhibits H through T

All responses in Cotter Corporation's letter dated April 5, 2013 are included in this Full Approval, with the exception of the table of constituents in response 6 of that letter which is superseded by the Supplemental Mine Pool Monitoring Plan specified below.

Supplemental Mine Pool Monitoring Plan

This monitoring plan supplements Cotter's existing quarterly full-suite sampling of the mine pool.

Commencement of supplemental plan: Upon commencement of mine pool pumping.

Sampling frequency: Bi-weekly (once every two weeks) for first 6 months, then monthly for 18 months or longer if required by DRMS.

Reporting of analytical results to DRMS: Within 15 days of receipt of analytical results from the lab.

Analytes

pH

Temperature

Conductance

Oxidation/Reduction Potential

TDS

SO₄

Total organic carbon (field acidified sample and unacidified sample)

Total concentrations of:

As

Ba

Cl

Fe

Mn

Mo

Ra-226 + Ra-228

U