



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

Gayle Lyman
Elam Construction, Inc.
556 Struthers Ave.
Grand Junction, CO 81501-3826

May 16, 2014

RE: Elam Construction, Inc. dba Sandco, Inc., Dillon Ranch Pit (112c), File No. M-1987-064, Technical Revision – Second Adequacy Review

Dear Mr. Lyman,

The Division has reviewed Elam's responses to its Adequacy Review letter, dated February 7, 2014. The materials submitted in response to the first adequacy letter are recommendations made by Olsson Associates and Western Water and Land. The Division is assuming that Elam is committing to these recommendations. If this is incorrect, please indicate so. Additionally, the Division requires further information and commitments relative to the proposed Technical Revision, as follows.

1. Although the Division still has concerns regarding potential impacts to Cottonwoods resulting from the proposed dewatering plan, the Division is willing to approve the plan, relative to the Cottonwoods, as long as Elam commits to a monitoring plan to document any visible stresses to the Cottonwoods observed during each growing season. Please submit a monitoring plan to assure that the Cottonwoods are not negatively impacted by the project.
2. In the event that the Cottonwoods do show signs of stress, Elam must commit to incorporating a mitigation plan, in the form of a technical revision, to protect the Cottonwoods from any further damage resulting from the mining operation.
3. Elam proposes to incorporate a groundwater monitoring plan to monitor the impacts to ground water levels resulting from dewatering of the pit. Please submit a map with the proposed monitoring well locations, whether private wells or wells installed by Elam for the purpose of monitoring. Please include the depths of the proposed monitoring wells.

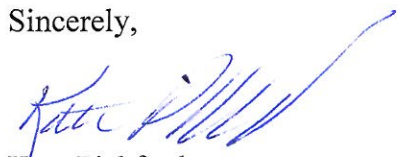


4. The proposed plan indicates that water level monitoring is recommended at least one month prior to the start of dewatering operations each year, continue throughout each dewatering period, and cease when water levels fully recover once dewatering has stopped. Please indicate how frequently water level data will be collected during the dewatering period.
5. The Division is relying on the model that was originally submitted with the Technical Revision application. This model appears to be based on ambient groundwater level data. The Division requires that background water level data be established for the groundwater that has the potential to be affected by the project. Elam must submit 5 quarters of water level sampling data from the approved monitoring wells prior to commencement of dewatering activities at the site. This requirement is the Division's policy relative to any mining operation proposing dewatering activities.

Elam submitted a request for the extension of the decision date for this Technical Revision application until May 30, 2014. Although the Rules indicate that an extension request does not have a set a deadline date, since Elam has, the Division requests that Elam submit a second request for an extension to the decision date. The Division does not believe, based on the required information, that there is adequate time for Elam to respond to the adequacy issues in this letter and allow adequate time for Division review. Please be advised that the Elam Construction, Inc, Dillon Ranch Pit (112c), Technical Revision may be deemed inadequate, and may be denied May 30, 2014 unless the above mentioned adequacy review items are addressed to the satisfaction of the Division. Response to these adequacy concerns must be received by the Division to allow adequate time for review prior to the decision date. The Division can grant an extension to the decision date. This will be done upon receipt of a written waiver of your right to a decision by May 30, 2014 and request for additional time. This request must be received no later than May 30, 2014. Please be aware that depending on the answers that are received regarding the above adequacy issues, the Division may have further adequacy questions.

If you have any questions, please do not hesitate to call me at (970) 259-5861.

Sincerely,



Kate Pickford
Environmental Protection Specialist

