



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

March 5, 2015

Michael Moore
B-Mining Company
P.O. Box 326
Nucla, Colorado 81424

Dan Collins
1417 S. Grand View Dr.
Tempe, AZ 85281

Re: Deep Creek Placer, Permit M-1986-102, Permit Contact Authorization Issue and Notice of Surety Increase, SI-03.

Dear Mr. Moore,

The Division of Reclamation, Mining, and Safety (Division) has been working on a financial warranty increase issue for the Deep Creek Placer. Per the attached notice letter and estimate the reclamation liability was required to be increased by April 6, 2015. The notice went to Mr. Dan Collins as he is listed as the permit contact for the permit. During discussions with Mr. Collins the Division became aware that the permit record does not contain the proper legal authorizations for him to represent you as the permit holder. The error goes back to 1999 according to our records review. In order to correct this issue the Division needs a notarized statement from you giving Mr. Collins the authority to act on your behalf for the Deep Creek Placer permit. Please be aware that you are the permit holder and ultimately responsible for all permit requirements including any bond increase. The Division unfortunately will not be able to accept any further official correspondence or requests from Mr. Collins until we receive the requested authorization from you.

The Division has conducted an audit of the reclamation liability for the above referenced site. Staff notes the reclamation liability was updated in 2009 under SI-02 and repeated requests for submission of the proper amount have not been addressed by B-Mining. Division staff should have taken enforcement action then but for some reason did not. Therefore, instead of pursuing any action on an outdated estimate the Division has updated the 2009 estimate using annual reports. (copy enclosed) The estimate shows inflation has increased the liability to \$18,394.00.



Therefore, in an effort to ensure the financial warranty remains adequate to reclaim this site per the requirements of the approved reclamation plan, the Division has updated the reclamation cost estimate (copy enclosed). Based on the current conditions noted above, the estimated reclamation liability is now \$18,894.00. This is an increase of \$6,394.00 from the current amount of \$12,000.00 held. Clearly, the site is under-bonded. **This notice to B-Mining is to ensure that the legal contact for the permit is being properly noticed. Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate financial warranty must be submitted to DRMS within 60 days of the mailing date of this notice. The due date for submission and acceptance is May 5, 2015.**

Please note failure to submit the increase by the date specified shall result in the matter being scheduled for an enforcement hearing that may result in civil penalties of \$100 to \$1000 per day, permit revocation, and financial warranty forfeiture. No extensions can or will be granted. This is a path the Division does not wish to pursue so your prompt attention will be appreciated.

If you need additional information please visit our website @ <http://mining.state.co.us>. You may also contact me directly at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us.

Sincerely,



G. Russell Means
Senior Environmental Protection Specialist
West Slope Field Office Supervisor

Enclosure: SI-03, Reclamation Liability Update, GRM, 10/15/2014

