



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

July 28, 2016

Lance Barker
Mineral Mountain Gold, LLC
P.O. Box 247
Cripple Creek, CO 80813

Art Braun
Braun Environmental, Inc.
355 South Teller Street, Suite 200
Lakewood, CO 80226

RE: Second Deficiency Notice, Mineral Mountain Gold, NOI No. P-2016-011

Dear Mr. Barker and Mr. Braun:

On July 28, 2016, the Office received written authorization from Lance Barker, manager of Mineral Mountain Gold, LLC (the "Applicant"), designating Mr. Braun as permitting representative for the review process of the above referenced NOI. Therefore, the Office is authorized to accept Mr. Braun's correspondence, dated July 26, 2016, as official response to the deficiency issues previously raised by the Office. Please be advised, pursuant to Rule 5.1.3(c), on August 20, 2016, the Office may determine the NOI deficient and terminate the NOI file unless the following deficiency issues are addressed to the Office's satisfaction.

Deficiency Issues for NOI No. P-2016-011

1. The boundary of the proposed NOI overlaps an existing and previously approved NOI. Pursuant to C.R.S. 34-32-102, the Office is mandated to foster the development of a stable mining industry and to encourage the orderly development of the state's natural resources. Clearly, the issuance of multiple NOI for the same ground, to competing operators, is contrary to the intent of C.R.S. 34-32-102.

In preliminary discussions occurring prior to the application, the Office attempted to clarify permitting options for the Applicant. The Office attempted to clarify the redundantly permitted ground might not conflict with the intent of the statute if the following conditions were satisfied:

- The new NOI assumed all reclamation liability remaining from the old NOI
- The operator of the old NOI agreed to cooperate and submit a request to terminate the old NOI immediately after the new NOI is approved, thereby eliminating the temporary overlap

The new NOI overlaps the boundaries of the old NOI. However, the new NOI does not agree to assume all reclamation liability remaining from the old NOI. Additionally, the new NOI does not discuss the coordinated plan whereby the old NOI will be terminated. Please demonstrate how the conflict of overlapping boundaries will be resolved.



2. The exchange of deficiency documents includes several troubling statements from the Applicant, asserting the new NOI is not necessary because the Applicant may conduct prospecting activities under the old NOI, and if the new NOI is necessary, the bond from the old NOI can be transferred to the new NOI.

Such assertions are erroneous.

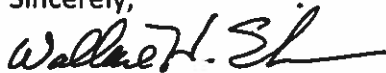
NOI are issued to the original applicant for the life of the NOI. NOI are not transferable and the Applicant is not authorized to conduct prospecting activities under any NOI not issued to the Applicant. If the Applicant conducts prospecting activities without proper authorization the Applicant could be found in violation of C.R.S. 34-32-113(1), for unpermitted prospecting, with an associated range of civil penalties from \$1,000 to \$5,000 per day for each day of violation, pursuant to C.R.S. 34-32-123(2). The bond from the old NOI is not transferable to the new NOI. Response to this deficiency issue #2 is not required.

3. The Applicant has acknowledged the presence of BLM lands and private lands, located within the boundary of proposed activity, and has affirmatively stated all prospecting activities will affect only lands owned by the Prospector; all lands not owned by the Prospector will not be affected.
 - a. Please provide a map which clearly delineates and labels not only the boundary of proposed activity, but also all lands located within said boundary, both private and federal ownership, which are not to be affected by prospecting activities. Please ensure the map is of sufficient scale and detail for the protected properties to be located in the field.
 - b. Pursuant to Rule 5.6(1)(f), please commit to using this same base map for illustrating the location(s) of all prospecting activities in the annual reports for the life of the NOI.
 - c. When preparing the base map, the Applicant is encouraged to consider the basic map requirements of Rule 6.2.1(2).
4. The NOI application identifies the presence of historic prospecting and/or mine-related disturbance located within the boundary of proposed activity. Pursuant to Rule 5.1.2(d)(v), on the map discussed above, please locate and label all known prospecting and/or mine-related features and facilities which may be affected and those which are not anticipated to be affected.

5. Pursuant to Rule 5.5.2(h), on the map discussed above, please delineate all existing roads.
6. If there exists an infestation of noxious weeds on-site and pre-dating this NOI P-2016-011, you are encouraged to identify such pre-NOI infestation on the base map, and discuss in the text, pursuant to Rule 5.5.2(g) and 3.1.10(6).
7. The Office is reviewing the cost of reclamation and will inform the Applicant as soon as such may be determined.

Please contact me at 1313 Sherman Street, Room 215, Denver, CO 80203, phone (303) 866-3567 extension 8176, or by email at wally.erickson@state.co.us, if you have any questions.

Sincerely,



Wallace H. Erickson
Senior Environmental Protection Specialist

cc: Lance Barker email, lbarker@aumining.net
Art Braun email, braunenv@msn.com