

Via Email

October 24, 2016

Michael Cunningham Division of Reclamation and Mine Safety Department of Natural Resources 1313 Sherman Street, Room 2 Denver, CO 80203

RE: Schwartzwalder Mine; DRMS File No. M-1977-300; Technical Revision (TR-24)

Dear Mr. Cunningham,

The Division of Reclamation and Safety sent comments on Technical Revision (TR-24) on August 26, 2016. Following are Cotters responses.

I. The Operator has provided an accounting of the previous permitting actions in an attempt to correct a permit boundary discrepancy. The Operator has concluded the Schwartzwalder permit boundary encompasses 72.25 acres. The Division conducted an internal review of the various permitting actions and concluded the Schwartzwalder Mine is permitted for 69.72 acres. Please describe the methodology used to determine the permit boundary encompasses 72.25 acres. Was the permit boundary measured using CAD, GIS or other software capable of measuring surface area?

All areas were measured using AutoCAD, to the nearest 0.01 ft2 and converted to acres. Referring to Attachment F (Table A-1, M1977-300, AM-04), the 69.76 acres was determined by Whetstone Associates using AutoCAD for the AM-03 submission. The 72.77 acres was determined by Whetstone Associates using AutoCAD for the AM-04 submission. The difference of 3.01 acres is identified in the AM-04 Exhibit C submission (attached) as area A-1 and A-2.

The 72.77 acres includes all of the acreage for M-2001-036 and M-1977-300. As shown in Attachment A, this includes 0.53 acres of M2001-036 that is not part of the overlap into M-1977-300. Subtracting the 0.53 acres from 72.77 results in 72.24 acres for M-1977-300.

DRMS concludes that the M-1977-300 affected area is 69.72 acres. This probably excludes the 3.01 acres for A-1 and A-2. This probably includes the 0.53 of M2001-036 that is not part of M-1977-300. Making these changes, this would bring to total for M-1977-300 to 72.20 acres.

2. In order to administratively correct the permit acreage for the Schwartzwalder Mine the Division will require a revised legal description for the 72.25 acres of affected land.

For the Schwartzwalder Mine, the description of permit acreage was originally provided in Amendment 3 to M-1977-333 and was modified by Amendment 4. The description remains unchanged (72.24 Acres).

For the Black Forest Mine, the description of the permit acreage was provided in original permit, M-2001-036. The description remains unchanged (8.61 Acres).

The permit acreage for both the Schwartzwalder and Black Forest Mines is shown in Attachment A.

If you have any questions, please contact me at (720)554-6207, or via email at ken.mushinski@cotterusa.com.

Sincerely,

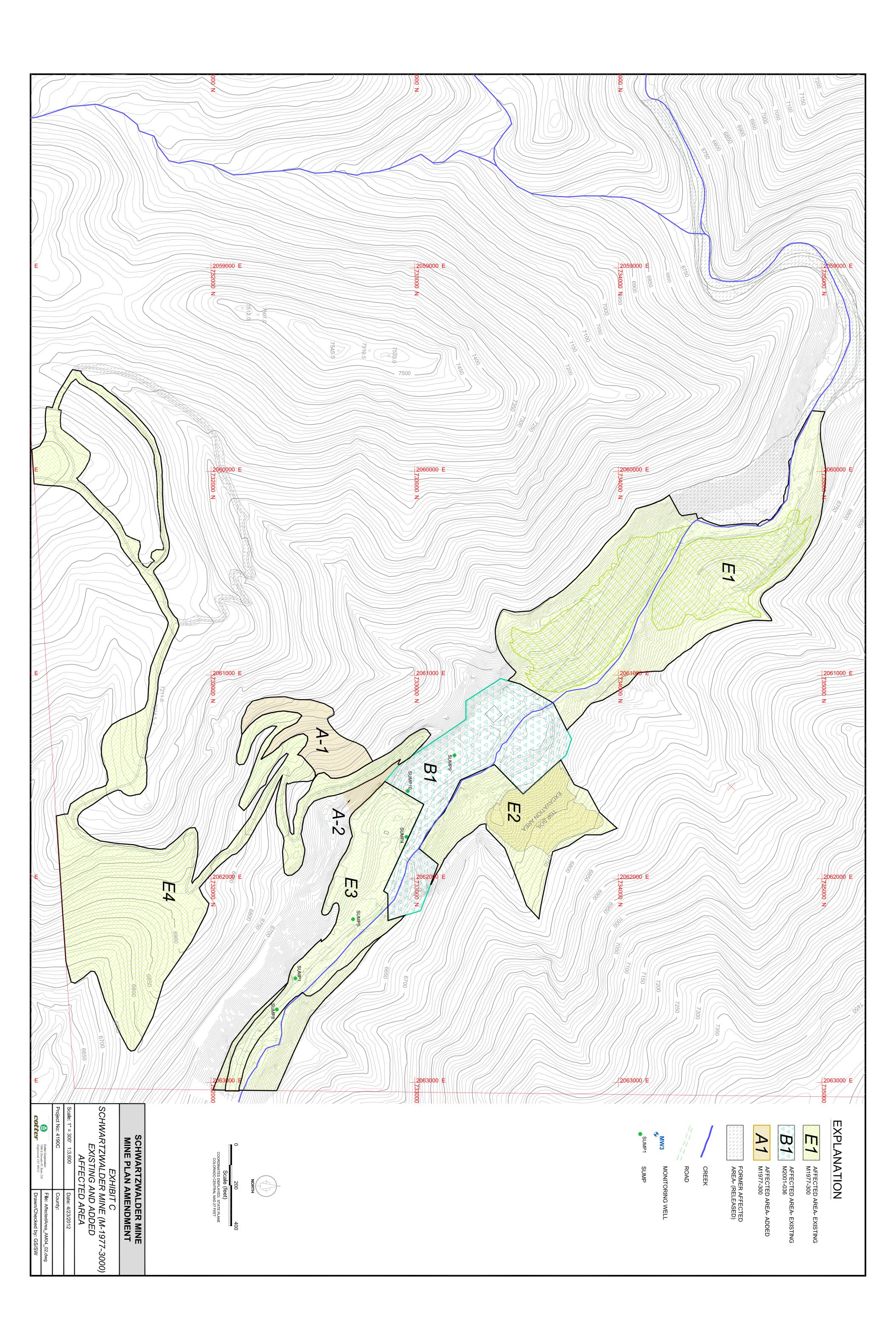
Ken Mushinski President

Cc: Tony Waldron, DRMS Steven Cohen, Cotter

Attachment F

TABLE A-1 EXISTING AND ADDED AFFECTED AREA

Existing Affected Area, Schwartzwalder	Mine (M1977-	300)
	ft ²	Acres
<u>E</u> l	938,763	21.55
E2	299,360	6.87
E3	430,495	9.88
E4	995,318	22.85
Subtotal (M1977-300, per Amendment 3)	2,663,937	61.16
Existing Affected Area, Black Forest	t (M2001-036)	*
B1	374,859	8.61
Subtotal (M2001-036)	374,859	8.606
Total Existing	3,038,796	69.76
Added Affected Area, Schwartzwalder I	Mine (M1977-3	00)
	ft ²	Acres
A-I – Hill slope	111,748	2.57
A-2 - Above Steve Portal	19,490	0.45
Total Added	131,238	3.0
Total Affected Area M1977-300	2,683,427	64.17
Total Affected Area M2001-036	374,859	8.61
Total	3,058,286	72.77



Attachment A

