

December 27, 2016

Peter Freedman
AuPt Industries, LLC
P.O. Box 1424
Edwards, CO 81632



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

Re: West Side Placer, File No. M-2016-081, Receipt of Hard Rock/Metal Mining Limited Impact Operation (110(1)) Reclamation Permit Application Package

Dear Mr. Freedman:

The Division of Reclamation, Mining and Safety (Division) is in the process of reviewing the above referenced application in order to ensure that it adequately satisfies the requirements of the Colorado Mined Land Reclamation Act (Act) and the associated Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rules). During review of the material submitted, the Division determined that the following issue(s) of concern shall be adequately addressed before the application can be considered for approval.

<u>Per Rule</u>			
General Requirements			
Maps, except the index map, must conform to the following criteria:			
	(b)		must be prepared and signed by a registered land surveyor, professional engineer, or other qualified person;
EXHIBIT A - Legal Description and Location Map			
(3)			A map showing information sufficient to determine the location of the affected land on the ground and existing and proposed roads or access routes to be used in connection with the mining operation. Names of all immediately adjacent surface owners of record shall also be shown. The operation location map shall be a standard 1:24,000 scale U.S. Geological Survey map. The location of the proposed operation shall be shown and labeled with the mine site name.
			What are the two labeled polygons? Map shall include the names of all immediately adjacent surface owners.
EXHIBIT C - Mining Plan			



(1)	(b)		If plant growth medium is not reapplied on a graded area immediately after salvage, then the Operator/Applicant must specify how the topsoil will be stockpiled and stabilized with a vegetative cover or other means until used in reclamation. The location of plant growth medium stockpiles must be shown on Exhibit E - Map;
			#5 Both the 4-6 and 6-8 inch boxes were checked. Please specify the topsoil depth that will be salvaged for reclamation. If necessary include an additional explanation. Clarify how topsoil will be protected if stored beyond 180 days.
	(d)		specify the thickness of the deposit to be mined;
	(e)		Will there be any permanent structures such as offices/shops/ etc.?
	(f)		specify the dimensions of any significant disturbances to the land surface such as pit excavations, mine benches, impoundments, stockpiles, waste rock disposal areas, etc;
			#4 states that 4 acres will be disturbed at any given time while #17 states that no more than an acre will be disturbed at any given time. Please keep this number uniform as it will influence bonding.
			Impoundment/ponds utilized under an NOI were referenced, please give dimensions. Will ponds be lined?
	(g)		specify the dimensions of any existing or proposed roads that will be used for the mining operation. Describe any improvements necessary on existing roads and the specifications to be used in the construction of new roads. New or improved roads must be included as part of the permitted acreage.
	(h)		specify <u>how much water</u> will be used in conjunction with the operation, and the source of this water;
	(j)		specify how you will comply with applicable Colorado water laws and regulations governing injury to existing water rights; <u>Include a copy of the well permit.</u>
(2)	(d)		Maps and Plans: Design drawings must, at a minimum, describe specific design details for tailing ponds and embankments, ponds and ditches, ore and tail transport systems, and ground and surface water monitoring systems.
			Permitted area does not encompass all disturbances associated with this operation. The pond, well, plant and stockpiles/tailings should all be within the permitted boundary.
			<p>Reclamation Costs:</p> <p>General: Bonding associated with the NOI must be incorporated into the 110(1) bond costs. This includes plugging the water well and disposal of pond liners. Other reclamation cost should be included in figures/volumes below. The maximum disturbance will determine the number of acres of volumes used in the reclamation costs.</p> <p>Backfilling: Slopes cannot be left at a 1:1 therefore some backfilling will be required. Based on mining style this is likely the same volume to be excavated since the amount of gold relative to waste material is marginal.</p> <p>Grading: Is this the same as the backfilled volume and are they done at the same time? If so clarify.</p> <p>Topsoil: You will need to topsoil 4 acres (max disturbed) to the topsoil depth specified.</p>

			Will any fuel or other hydrocarbon products be stored on site? If so commit to keeping them in a secondary containment at all times.
EXHIBIT D - Reclamation Plan			
(1)			The purpose of the Reclamation Plan is to describe the timing, procedures, criteria and materials that will be used to reclaim the affected land to the proposed future land use. This plan must be correlated to Exhibit E - Map. The description of the Reclamation Plan must be adequate to satisfy the requirements of Section 3.1 and demonstrate compliance with Rule 3. At a minimum, the Application shall include the following information:
	(a)		specify at what point in the mining plan and to what depth(s) overburden will be replaced in relation to ongoing extraction.
	(b)		specify the maximum gradient of reclaimed slopes (horizontal:vertical). If the Application proposes slopes steeper than 3:1, <u>the Operator/Applicant must include a justification that supports steeper slopes for the proposed post-mining land use, and demonstrates compliance with the applicable performance standards of Section 3.1.</u>
	(c)		specify the measures that will be taken to revegetate the site, if applicable, including:
		(i)	state the thickness of plant growth medium to be replaced. Sample and analyze available soils sufficiently to establish quantity and quality;
			Two topsoil ranges given. Specify anticipated average depth.
		(ii)	state at what point in the mining plan the site will be seeded. Explain how the seedbed will be prepared to eliminate compacted conditions (e.g., plowed, chiselled, disced). NOTE: Soil amendments shall only be applied where soil tests indicate nutrient deficiencies for the plant species to be established;
		(iii)	state the grass, forb, shrub and tree species to be planted and the applicable quantities. Specify the quantity of each grass and forb species as pounds of pure live seed per acre;
			A seed mix was selected on #5 and a different mix was provided on #11, which mix will you use? Specify if the rates provided are for drill or broadcast seeding.
		(iv)	If the seed is to be broadcast, the application rate shall be twice the rate required for seed drilling. If the seedbed has not been adequately roughened prior to seeding, the seed shall be raked or harrowed after broadcast application;
	(d)		Specify which ponds, streams, roads and buildings, if any, will remain after reclamation. These features must be shown on the Exhibit E - Map.
			Specify what installed or improved features will be removed upon final reclamation.
EXHIBIT E – Map			
(1)			In addition to the requirements of 6.2.1(2), the Operator/Applicant must provide a map that clearly describes the features associated with the mining plan and the components of the Reclamation Plan. Include one map for the mine plan and one map for the Reclamation Plan. The map(s) must be drawn to a scale no smaller than appropriate to clearly show all elements

			that are required to be delineated by the Act and these Rules; show a north arrow, note any section corners adjacent to the proposed operation, and indicate the date illustrated. At a minimum, maps must include the following information:
(2)			Mining Plan Map
	(a)		outline and label the permit boundaries, described in Exhibit A - Legal Description; for all 110 and 110d Limited Impact Operations, the Office considers the area bounded by the permit boundary to be analogous to the affected area;
			Permit boundary needs to be changed to encompass all features associated with the mining operation.
	(b)		label the names of owner(s) of record of the surface of the affected area and of the land within two hundred (200) feet of the affected area, identify the owner of the substance to be mined, and the type of structure and owners of record of any permanent or man-made structures within 200 feet of the affected area;
(3)			Reclamation Plan Map
	(a)		show the gradient of all reclaimed slopes (horizontal:vertical) sufficient to describe the <u>post mine</u> topography;
			Topography depicted shows no changes post mining yet reclamation plan states 1:1 slopes which would result in a significant depression.
			If features will be removed upon final reclamation (i.e. well, ponds, processing area) they should not be depicted on the reclamation map. Likewise stockpiles should be distributed and no longer present upon completion of reclamation.
			Narrative box states that no more than $\frac{3}{4}$ of an acre will be disturbed at any given time while Exhibit C states both 4 acres and an acre, keep figures consistent throughout
EXHIBIT G - Source of Legal Right-to-Enter			
Provide a description of the basis for legal right of entry to the site and to conduct mining and reclamation for Owners of Record described in Rule 1.6.2(1)(e)(i). This may be a copy of access lease, deed, abstract of title, or a current tax receipt. A signed statement by the Landowner(s) and acknowledged by a Notary Public stating that the Operator/Applicant has legal right to enter and is also acceptable.			
Include lease agreement with the State Land Board. Packet attached was only an agenda item not an actual signed agreement.			
EXHIBIT J - Proof of Mailing of Notices to Board of County Commissioners and Soil Conservation District			
Proof that notice of the permit application was sent to the Board of County Commissioners and, if the mining operation is within the boundaries of a Soil Conservation District, to the Board of Supervisors of the local Soil Conservation District, pursuant to Subparagraph 1.6.2(1)(a)(ii).			
Certified mail card for the Board of county commissioners has not been signed by the county. Please provide the returned green card.			

This mining operation falls within the boundaries of a Soil Conservation District, please provide notice to the Colorado First Soil Conservation District.

ADDENDUM 1 - Notice Requirements - Affidavit of Posting Notice

(1)	(b)		Prior to filing the application, post notices (signs) at the location of the proposed mine site, as required by the Office, of sufficient size and number to clearly identify the site as the location of a proposed mining operation giving name, address, and phone number of the Applicant, and stating that (name of Applicant) has applied for a mining permit with the Colorado Mined Land Reclamation Board. Anyone wishing to comment on the application may view the application at the County Clerk's or Recorder's office and should send comments prior to the end of the public comment period to the Colorado Mined Land Reclamation Office, at the address given on the cover of these Rules and Regulations. Any class of Limited Impact 110 or 110d operation need only post notice (sign) at the location of the proposed access to the site. After having posted such notice (sign), failure by an Applicant to maintain such notice shall not constitute just cause to deny approval of the application. At the time the application is filed with the Office, the Applicant shall provide a signed affidavit that such notice (sign) was posted according to the provisions of this Rule.
			Picture of sign was included. No affidavit was included and page certifying that it was posted was not signed. Please sign the page previously provided or include an affidavit.

Notice of Publication

Within ten (10) days you must publish notice in a newspaper of general circulation in the locality of the proposed mining operation. Immediately after the publication, mail a copy of the notice to all owners of record of surface rights and mineral rights, holders of any recorded easements, and all owners of record of lands that are within 200 feet of the boundary of the affected land. Proof of notice and mailings, such as Certified Mail - Return Receipt Requested, must be submitted to the Division of Reclamation, Mining and Safety prior to the decision date.

Newspaper was published prior to the application being called complete therefore the operator will need to re-publish and send new notices.

It is noted that throughout your application you reference an NOI. Anything associated with this mining operation needs to be described in the application and included within its permit boundary.

A decision date has been set for Thursday, January 26, 2017. All adequacy information needs to be received in the Divisions Denver office no later than **Friday, January 13, 2017** to allow the Division sufficient time for review.

This letter shall not be construed to mean that there are no other technical deficiencies in your application. The Division will review your application to determine whether it is adequate to meet the requirements of the Act after submittal of all required items.

If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

Sincerely,



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Ec:
Russ Means, Senior EPS, Grand Junction DRMS
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