



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

February 10, 2017

Robert Blake
Mount Falcon Processing, LLC
33 Sierra Dr.
La Junta, CO 81050

**Re: Mount Falcon Processing, LLC; Sugar City Mill; File No. P-2017-002
Acceptance of Notice of Intent to Conduct Prospecting Operations**

Mr. Blake:

The Division of Reclamation, Mining and Safety (Division) has reviewed your Notice of Intent to Conduct Prospecting Operations (NOI) application, File No. P-2017-002 that was submitted on January 18, 2017. The Division has received and accepted the reclamation bond in the amount of \$2,000.00 that is considered adequate to reclaim the site per the requirements of the accepted reclamation plan.

Therefore, final acceptance from the Division for your NOI at the Sugar City Mill site is hereby granted and you may commence operations at this site pending the appeal period described below. However, if your operation is located on Federal surface or is accessing Federal minerals, you will also need to obtain a permit from the Federal government prior to commencement of operations. Pursuant to Hard Rock Rule 5.1.3(d)(iv), the Division's determination will not take effect until the expiration of the five (5) business days allowed for an appeal, or in the case of an appeal, until the Mined Land Reclamation Board issues its decision.

Please note you are responsible for obtaining all other federal, state, county, and local permits necessary prior to commencement of any activities. Also, in accordance with Hard Rock Rule 5.6, an Annual Report and associated fee of \$86.00 per site must be submitted on your NOI approval anniversary for each year following the filing of an NOI until reclamation responsibility release is granted. Additionally, Hard Rock Rule 5.7 requires the submittal of a final report for drill holes within 60 days of completion of the abandonment for artesian flow holes and within one year of completion of the abandonment for any other drill holes (form enclosed and also available on the Division's website at <http://mining.state.co.us>).

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger
Environmental Protection Specialist



Enclosure: Mineral Prospecting Drill Hole Permanent Abandonment Final Report

CC: Bruce Humphries
Regulatory Permits Management, Inc.
22151 E. Euclid Pl
Aurora, CO 80016

Wally Erickson, DRMS





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MINERAL PROSPECTING DRILL HOLE PERMANENT ABANDONMENT FINAL REPORT

Pursuant to the terms of 34-32-113(5.5)(d) and (e) of the Act and Rule 5.7 of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations, abandonment reports shall be submitted to the Division within 60 days of abandonment for any drill hole with artesian flow, or within 12 months of abandonment for any other drill hole.

<input type="text"/>	P <input type="text"/>
(PROSPECT SITE NAME)	(PROSPECT NOI No.)

I. DRILL HOLE: Drill Hole I.D. No.

For this Section I, please attach completed drill hole logs **OR** complete the following information:

<input type="text"/>	<input type="text"/>	<input type="text"/>
(Total Depth)	(Depth of Unconsolidated Material)	(Depth of Penetration into Bedrock)
Was water encountered: No <input type="checkbox"/> Yes <input type="checkbox"/> if so, at what depth(s): <input type="text"/>		
Was water encountered in either Volcanic or Sedimentary Rock: No <input type="checkbox"/> Yes <input type="checkbox"/>		
Date Drilled: <input type="text"/>	Date Permanently Abandoned: <input type="text"/>	

II. OPERATOR (PROSPECTOR) :

DRILLER:

<input type="text"/>	<input type="text"/>
(Name)	(Name)
<input type="text"/>	<input type="text"/>
(Address)	(Address)
<input type="text"/>	<input type="text"/>
(City)	(City)
<input type="text"/>	<input type="text"/>
(State)	(State)
<input type="text"/>	<input type="text"/>
(Zip)	(Zip)
<input type="text"/>	<input type="text"/>
(Telephone No.)	(Telephone No.)



III. LOCATION:

The following information is required for ALL prospecting drill holes:

1/4 of the 1/4 of Section Township Range

Prime Meridian County

If the area has not been surveyed, supply the Longitude West and Latitude North,
or attach a location map, preferably a USGS Quad.

The following additional information is required for artesian flowing holes:

Feet North South from the South North section line
 feet east West from the west East section line

NOTE: In the case of closely spaced drill holes having similar geologic and hydrologic characteristics, the Operator may, with the approval of the Division, submit a single consolidated final report including the location of all drill holes and a description of abandonment technique. In such case, complete one abandonment final report form and attach a list of drill hole locations. If more space is needed to provide any of the information for this form, please attach separate sheets.

IV. Complete Either Subsection A or B:

PERMANENT ABANDONMENT (Check either box 1 or subsection 2 boxes as appropriate and provide the requested information)

☐ 1. Plugged dry hole, method of plugging:

Depth at which concrete plug set: feet below ground surface.

☐ 2. Sealed Hole (when groundwater is encountered):

☐ 2a. Neat Cement Grout, top to bottom: grout mixture used:

Intervals grouted (feet beneath ground surface, method and materials):

☐ 2b. Neat Cement Grout, interval grouting: grout mixture used:

Intervals grouted (feet beneath ground surface, method and materials):

☐ 2c. Abandonment Fluid Mixture (Such as Sodium Bentonite with Polymer) Brand Name:

Marsh Funnel viscosity of abandonment fluid: sec.

Type of surface plugging used:

Depth at which plug set: feet below ground surface,

Method:

☐ 2d. Other method used with approval of the Division of Reclamation, Mining and Safety; describe in detail method and materials used on a separate attached sheet.

B. CONVERSION TO A WATER WELL

State Engineer's Permit No.: (attach copy of permit)

County Where Well is Located:

Water Well Use:

V. METHOD OF RECLAIMING DRILL SITE SURFACE DISTURBANCE:

The Operator who conducted the prospecting drill operation states that the information set forth hereupon is true to the best of their knowledge.

(Name of Operator's Representative)

(Title)

(Signature of Operator's Representative)

(Date)