



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

February 15, 2017

Mr. Clint L. Fletcher
Ouray Silver Mines Inc.
P.O. Box 564
Ouray, CO 81427

Re: Revenue Mine, Permit No.M-2012-032, Preliminary Adequacy Review of Technical Revision No. 9 application, TR-9.

Dear Mr. Fletcher,

The Division of Reclamation, Mining and Safety (DRMS) has reviewed the application for a technical revision to the above referenced 112d(1) permit. The technical revision proposes building upgrades and expansions that will facilitate winter operations, mill water treatment and discharge, updates water quality monitoring and proposes to allow the sale of a waste rock / tailings blend for road aggregate use. A review of the application has revealed a few clarifications required to process the technical revision:

- 1) Page 6 of 14 states that once mill improvements are complete and operational OSMI will sample various mill tailings and waste rock blends to determine what blend is most desirable while remaining inert. Please commit to providing the DRMS with SPLP test results and the proposed composition of the waste rock and mill tailing blend a minimum of 30 days prior to any material being sold for off-site use. Furthermore variances in tailing composition may occur over time, how often will the tailings be tested to insure the material remains inert?
- 2) Please specify in greater detail the proposed water treatment for the mill discharge from the lead and zinc thickeners. What type(s) of treatment will actually be implemented? What equipment will need to be constructed / built to carry out this treatment? Is the proposed treatment able to treat mill discharge to meet the requirements of Colorado Department of Public Health and Environment Regulation No. 41 Standards for Ground Water? In order to approve this technical revision this information must be provided.
- 3) Please provide a reclamation cost estimate for the demolition and disposal of all mine related structures existing and proposed.

The technical revision cannot be approved until the issues are adequately addressed. Please submit a response to the issues as soon as possible but no later than March 3, 2017, so the decision date of March 9, 2017 can be met. If your response, or a written request for an extension of the decision date, is not received by March 3, 2017 the request for the revision may be denied.

If you need additional information, please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, telephone no. 970.241.2042.



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Sincerely,

A handwritten signature in blue ink, appearing to read "Travis Marshall", with a stylized, cursive script.

Travis Marshall
Environmental Protection Specialist

ec: Brianna Greer, OSMI
Russ Means, DRMS
Lucas West, DRMS