



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

1313 Sherman Street, Room 215
Denver, CO 80203

April 26, 2017

Mike Thompson
Reardon Steel, LLC
18050 Road G
Cortez, CO 81321

**Re: Oyama Tunnel Exploration Project, NOI no. P-2011-032 Deficiency Issues for a
Modification to a Notice of Intent to Conduct Prospecting Operations, MD-01**

Dear Mr. Thompson,

On April 17, 2017 the Division of Reclamation, Mining (Division) and Safety received your Modification to a Notice of Intent to Conduct Prospecting Operations (NOI) for the Oyama Tunnel Exploration Project. The non-confidential Form 2 was posted to the Division's website on April 19, 2017.

Please be advised the NOI for the Oyama Tunnel Exploration Project is deficient and the proposed activities may not proceed until all deficiency issues have been addressed to the Division's satisfaction. Pursuant to Rule 5.1.3 (b), if the following deficiencies are not addressed within 60 days, by Monday June 26, 2017 the Division may terminate the NOI modification for the Oyama Tunnel Exploration Project. The deficiencies are;

1. The original application included a Hydrologic Setting Description, Hydrologic Monitoring Plan and six consecutive quarters of hydrologic sampling data. The final quarter reported in the hydrologic sampling data was 2011 to characterize the baseline conditions on site. In accordance with Rule 5.3.1 (b) and Rule 3.1.6 (4) of the Hard Rock and Metals Mining Rules, the Divisions requests that the Prospector submit updated hydrologic sampling data that adequately demonstrates the current hydrologic setting is consistent with the baseline conditions included in the original NOI application.
2. Recent correspondence with the Prospector were unclear whether the appropriate Colorado Department of Public Health and Environment (CDPHE) Discharge Permit is currently active, or if the Prospector is currently involved in the application process. If the CDPHE discharge permit is currently active, please submit a copy of the active permit, alternatively if the Prospector is involved in the application process, please provide proof of filing for the permit.



All deficiency issues listed above must be addressed within **60 days** of the date of this letter. Documentation addressing these items must be received by the Division's Denver Office no later than **Monday June 26, 2017**.

If you have any questions, comments or concerns please feel free to contact me at the Division's Grand Junction Field Office or by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

Sincerely,



Lucas West

Environmental Protection Specialist
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203
Phone: (970)-243-6368

CC: Maurice Lynch, President, Rising Sun Advisory Services LLC
Russ Means, Senior Environmental Protection Specialist

