



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

1313 Sherman Street, Room 215
Denver, CO 80203

June 19, 2017

Joe Harrington
MineWater Finance LLC
10924 Leroy Dr.
Northglenn, CO 80233

RE: Notice of Intent to Conduct Prospecting Application; London Mine; File No.
P-2016-020; Notice of Deficiencies (MD01)

Dear Mr. Harrington,

On May 23, 2017, the Division of Reclamation, Mining and Safety (Division) received the Notice of Intent (NOI) to Conduct Prospecting Modification Application for the London Mine, File No. P-2016-020. The Application was filed for review on May 23, 2017. Our review indicates the NOI application contains deficiencies as defined by Rule 5.1.3 of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations. The Division requires the information described below before we can approve the NOI application.

1. The Applicant is proposing to construct two dewatering wells in an effort to prevent water intrusion into the London Mine. Please describe how the dewatering wells will facilitate the investigation of mineral deposits at the London Mine. Will the dewatering wells allow access to portions of the mine which are currently inaccessible? If so, describe the type of mineral investigation which will occur in these areas. In the event the Applicant submits any future modifications to the NOI, it will need to be conclusively demonstrated that the modification is being done to facilitate the searching or investigation of a mineral deposit as it relates to the pursuit of a Reclamation Permit. Any additional activities related strictly to water development would not be appropriate under an NOI or a Reclamation Permit.
2. The Applicant has provided a copy of a letter from the U.S. Environmental Protection Agency (EPA) which provided an authorization by rule for injections of mine water back into the mine workings for pilot test remediation. Please clarify if the pumping of water from the proposed dewatering wells into the mine workings will require any further authorization under the EPA's Underground Injection Control (UIC) Program. In addition, the Division requests a copy of the application which was submitted to the EPA's UIC Program.



3. Please indicate what type of well permit will be obtained for the dewatering wells and confirm the wells will be constructed in accordance with the Office of State Engineer's Water Well Construction Rules.
4. The NOI Application references trenching from the drill pads to control and direct developed water to the Ophir Tunnel. Please provide additional detail on how the developed water will be conveyed from the wells into the London Mine workings. Will the water gravity flow from the drill pads into the mine? Will the water flow through open trenches or through pipes placed in the trenches?
5. Please provide a map which shows the location of all proposed surface disturbance (drill pads, trenching, road improvements, portal rehabilitation) relative to the London Mine. In addition, provide a map of the London Mine workings which illustrates the pathway water will take from the Ophir Tunnel to the discharge location.
6. The NOI Application states the drill cuttings from the dewatering boreholes will be disposed of in the existing sludge storage area. Please specify the final fate of the sludge contained in the storage area.
7. The Applicant is proposing to inject hydrochloric acid (HCL) into the dewatering wells to eliminate lime scale from the water bearing crossfaults. Please provide a detailed description of how HCL will be injected into the dewatering wells to target the Leadville Limestone and lower formations.
8. Please describe how the HCL injected into the wells will be disposed of or detoxified. In addition, please describe the emergency response procedures in place which would be used in the event of a spill of HCL.
9. Pursuant to Rule 3.1.6(1)(b), describe how you will remain in compliance with applicable federal and Colorado water quality laws and regulations as it relates to the injection of HCL into the dewatering wells.
10. Pursuant to Rule 3.1.6(1), disturbances to the prevailing hydrologic balance of the affected land and of the surrounding areas and to the quantity or quality of water in surface and groundwater systems both during and after prospecting shall be minimized. Please describe the hydrologic connection between South Mosquito Creek, No Name Creek and the dewatering wells. What is the potential, if any, that dewatering activities could dry up South Mosquito Creek and No Name Creek?
11. The NOI Application references a leach well. Please clarify if the leach well is connected with the proposed prospecting activities.

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Be advised that if these items have not been addressed within 60 days of the date of this letter (August 18, 2017), the Division may terminate the NOI application in accordance with Rule 5.1.3(c) of the Hard Rock Rules.

If you have any questions, please contact me at (303)866-3567 x8116.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike C.", is positioned above the printed name.

Michael A. Cunningham
Environmental Protection Specialist

CC: Wally Erickson, DRMS