



October 9, 2017

VIA U.S. Mail and Email

Travis Marshall, Environmental Protection Specialist
Colorado Division of Reclamation, Mining, and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

RE: Replacement of well GW-3A

Ouray Silver Mines Inc. (OSMI) owns and operates the Revenue-Virginus approximately 6 miles south west of Ouray Colorado under the Colorado Division of Reclamation, Mining, and Safety (DRMS) permit number M2012-032 (Permit). OSMI performs quarterly sampling at monitoring wells and in surface water according to Technical Revision number 9 of the Permit. Recently, OSMI notified DRMS of the need to replace well GW-3A because of a damaged well casing or failed annulus.

OSMI has evaluated the replacement options for GW-3A in light of groundwater flow, changing mine water management, and mine environmental data needs. Given that infiltrating groundwater from the passive treatment system and other sources likely have a down valley flow path, OSMI believes that relocating the well to capture the infiltration mound of the passive treatment system would be most protective of the environment and provide valuable information regarding the long-term functionality of the system.

OSMI requests replacement well (GW-3R) be located approximately 20 feet east of sediment pond #2, adjacent to an access road (map attached). The well, expected to be approximately 15 feet deep will be drilled with perforated pipe, a completion packer or bentonite plug will be placed a few feet below the groundwater intersection, but above the downgradient seep elevation (if possible). Final coordinates and well construction details will be submitted to DRMS and the State Engineers office upon completion.

Please do not hesitate to call me with concerns or questions at 970-325-9830.

Sincerely,

Brian K. Briggs, PE
CEO, Ouray Silver Mines Inc.

Attachment(s):

A – Water Sampling Location Map