



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

1313 Sherman Street, Room 215
Denver, CO 80203

November 20, 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 (MD02)

Dear Mr. Harrington,

On October 23, 2017, the Division of Reclamation, Mining and Safety (Division) received the Notice of Intent (NOI) to Conduct Prospecting Modification Application (MD02) for the London Mine, File No. P-2016-020. The Application was filed for review on October 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 NOI Modification Application proposes a change in abandonment methods for the prospecting drill holes which were drilled under Phase 1 of the prospecting operation. The proposed change in abandonment method is the result of the drill holes collapsing at varying depths within the Belden Shale formation. The Operator has proposed to grout the prospecting holes from the point of collapse to the ground surface. The Leadville Limestone which underlies the Belden Shale is a Type I aquifer. Pursuant to Rule 5.4.2(4), any drill hole which penetrates saturated unconsolidated materials and continues more than 10 feet into bedrock shall be abandoned in a manner to prevent inter-mixture of aquifers. Grouting the drill holes from the point of collapse to the ground surface will allow artesian water from the Leadville Limestone to migrate into the Belden Shale. Therefore, the Operator must abandon the drill holes in a manner which prevents inter-mixture of the aquifers. Please specify how the Operator will clear the collapsed portion of the drill holes, so that the entire length of the drill holes can be grouted.



Mr. Harrington
Page 2
November 20, 2017

Be advised that if these items have not been addressed within 60 days of the date of this letter (January 19, 2018), 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