COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

December 28, 2017

H. Bruce Humphries
Regulatory Permits Management, Inc.
22151 East Euclid Place
Aurora, CO 80016

RE: Denial of SL-01, Sugar City Mill, NOI No. P-2017-002

Dear Mr. Humphries:

On December 11, 2017, the Office received a request for full release of warranties and termination of NOI P-2017-002, dated December 8, 2017 (SL-01). As described below, on December 28, 2017, the Office determined the release request was in conflict with the Board Order for Notice of Violation MV-2016-057, and denied SL-01.

NOI P-2017-002 was submitted in response to the Order for Violation MV-2016-057, effective December 5, 2016, for the purpose of conducting groundwater monitoring. The NOI was accepted by the Office on February 10, 2017. However, the Operator never installed the groundwater monitoring wells and thereby failed to satisfy the intent of the Order.

The groundwater monitoring wells were subsequently included in an application for a 110d permit, File No. M-2016-017, which was filed with the Office on September 11, 2017. The 110d application was required by the same Order which required NOI P-2017-002. The decision date for M-2016-017 has been extended to March 30, 2018, by request from the Operator. The Operator has not yet attained a permit for the illegal operation and has not yet satisfied the intent of the Order.

Therefore, release of warranties and termination of NOI P-2017-002 appears premature until the groundwater monitoring wells are installed and reclamation of the affected lands are addressed under an approved and issued 110d permit. Alternatively, the Operator may elect to submit a new NOI, which overlays NOI P-2017-002 and addresses the Order for Violation MV-2016-057. Subsequent to the Office's acceptance of the new NOI, or the Office's approval and issuance of the 110d permit, the Office may approve a request for full release of warranties and termination of NOI P-2017-002.

Sincerely,

Wallace H. Erickson
Senior Environmental Protection Specialist