



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

1313 Sherman Street, Room 215  
Denver, CO 80203

August 5, 2018

Mr. Brad Janes  
Varra Companies, Inc.  
8120 Gage Street  
Fredrick, Colorado 80516

**Re: Varra Companies, Inc.; Varra Resources Project 110 (Dakolios Pit No. 1); File No. M-1984-036;  
Technical Revision No. 5 (TR-05) Adequacy Review**

Mr. Janes,

The Division of Reclamation, Mining and Safety (Division/DRMS) has reviewed the content of the technical revision (TR-05) for the Varra Resources Project 110 submitted on July 19, 2018 and submits the following comments. The Division is required to make an approval or denial decision no later than August 17, 2018 therefore; a response to the following adequacy review concerns should be submitted to the Division as soon as possible.

1. The Operator states with the completion of grading, soiling and revegetation of all areas other than the 4.0 vegetative buffer of Area 3(c), no other reclamation activity remains. For this reason, the existing \$87,200.00 financial warranty may be reduced to the current cost of seeding the 4.0 acre buffer strip, or \$124.432/acre x 4 acres of buffer, for a total warranty of \$497.72 for seed plus the cost of labor and equipment.

The Division will require the Operator to maintain a financial warranty for the maintenance of the upland areas; including the costs associated with interseeding, fertilizer, mulch, crimping and weed control until the site is fully released by the Division. The Division calculated the revised financial warranty at \$51,000.00, a reduction of \$36,100.00. A copy of the financial warranty estimate is attached for review.

If you have any questions, please contact me at [peter.hays@state.co.us](mailto:peter.hays@state.co.us) or (303) 866-3567 Ext. 8124.

Sincerely,

Peter S. Hays  
Environmental Protection Specialist

Ec: Michael Cunningham, DRMS

