



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

1313 Sherman Street, Room 215  
Denver, CO 80203

February 21, 2019

Brad Hagen  
Civil Resources  
323 Fifth Street  
Fredrick, CO 80530

**Re: Scout Investments, LLC; S&H Mine; File No. M-2000-158  
Technical Revision No. 7 (TR-07) Second Adequacy Review**

Mr. Hagen,

The Division of Reclamation, Mining and Safety (Division/DRMS) reviewed the content of the adequacy response from Civil Resources, LLC dated February 13, 2019 for technical revision no. 7 (TR-07) at the S&H Mine submitted on February 5, 2019 and submits the following comments. The Division is required to make an approval or denial decision no later than March 7, 2019 therefore; a response to the following adequacy review concerns should be submitted to the Division as soon as possible.

1. The Operator proposes a revision to the approved Mining and Reclamation Plans to construct and operate a silt pond in the northeast corner of the site. The Operator's response did not provide sufficient detail on the construction of the pond. Please provide the estimated dimensions for the silt pond; including the anticipated length, width, depth, maximum volume and the perimeter slope profile for the pond.
  - a. The revised reclamation cost estimate includes the cost to backfill the north silt pond with 220,000 cubic yards of material. Please clarify if this volume is the maximum anticipated volume of the silt pond.
2. Please commit to providing a copy of the approved revised Substitute Water Supply Plan to include the silt pond to the Division when available.
3. The revised reclamation cost estimate provided by the Operator in Attachment 1 is not sufficient for the Division to accurately calculate the cost of reclamation that would be



incurred by the State. Please provide all information necessary to calculate the cost of reclamation broken down into the various major phases of reclamation pursuant to Rule 6.4.12(1). Please include the anticipated equipment types, material volumes and haul distance for each reclamation task, at minimum.

4. The revised reclamation cost estimate provided by the Operator removed Item E – Slurry Wall Repair (50% rebuild) and the Operator stated no reclamation for the area is necessary since the slurry wall is approved by the Office of the State Engineer. The Division requires Operator's to post financial warranty, typically 50% of the slurry wall construction cost, to repair the wall due to damage from floods or damage occurring during mining and reclamation of the site. Please revise the cost estimate to include the costs associated with repairing the slurry wall.

Please be advised the technical revision for the S&H Mine may be deemed inadequate, and the revision may be denied on March 7, 2019, unless the above mentioned adequacy review items are addressed to the satisfaction of the Division.

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  
Jason VonLembke; Scout Investments