



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

June 18, 2019

Mr. George Glasier  
Pinon Ridge Mining LLC  
P O Box 825  
31161 Highway 90  
Nucla, CO 81424

**Re: Change of Status Notifications (CS-2) for: Sunday Mine, Permit No. M-1977-285; Carnation Mine, Permit No M-1977-416; St. Jude Mine, Permit No. M-1978-039- HR**

Dear Mr. Glasier,

On June 6, 2019, the Division of Reclamation, Mining and Safety (Division) received your notification of a status change for the Sunday Mine, Carnation Mine and St. Jude Mine (Mines). This Change of Status Notification is to inform you that the Division's status of the mines has been officially changed to **Active**. However, due to the mines' Designated Mining Operation status, more information is required to be submitted to the Division pursuant to the statute, rules, and permits prior to any material being removed from the underground workings.

The mines were all inspected by the Division on May 29, 2019, as the Division was verbally notified by Michael Rutter of Pinon Ridge Mining, LLC (Pinon Ridge) of the pending status change. Pinon Ridge's notice and discussions with Mr. Rutter indicate that Pinon Ridge's planned upcoming activity includes: the required construction as required under Technical Revision 04 at the Sunday Mine; Maintenance and repairs to the buildings at the Sunday and St. Jude Mines; Clearing and opening the portals at the St. Jude, Carnation and the Sunday Mines; and Turning on several ventilation fans to begin ventilating the underground workings. Pinon Ridge has indicated that all of this planned surface work is to be conducted to support the underground drilling and bulk sampling to evaluate the Vanadium deposits. Previously, during the Division's inspection conducted on March 21, 2019, Mr. Rutter explained that the planned exploration would be conducted with a handheld X-Ray Florescence unit and that no material was to be extracted. Pinon Ridge's notice that was received on June 6, 2019, by the Division, as well as discussions during the May 29, 2019, inspections, indicate that Pinon Ridge is planning a bulk sampling project in which material will be extracted from the site, a significant deviation from the previously discussed plans of underground XRF characterization.

Each of these mines have an approved Environmental Protection Plan (EPP), however not all of the associated and necessary Environmental Protection Facilities (EPF's) have been constructed. In accordance with your permits, the approved EPP received Jan 23, 2012, and the EPP's associated Attachments, as well as Hard Rock and Metals Mining Rules 7.3.1 and 7.3.2, the following must at a minimum be addressed by Pinon Ridge prior to any material being removed from the underground workings:

1. A detailed construction schedule and narrative describing how and when the remaining EPF's will be constructed at any mine that has planned surface disturbance. The EPF's that remain to be constructed include all final storm water control structures as detailed in Pinon Ridge's approved Storm Water Management Plan, Attachment F to the EPP and all lined ore storage pads as designed and detailed in Attachment S- Ore Storage Pads and Drawings. Pursuant to Hard Rock and Metals Mining Rule 7.3.2



(2) the EPF's must be constructed and the as-built certifications must be received prior to any material being removed from the underground workings.

2. A narrative describing the proposed work as it relates to the mine pool and how potential impacts to the pool will be mitigated. Included in this narrative must be a plan and schedule for the submittal of the detailed groundwater analysis and characterization which must be reviewed and accepted by the Division prior to any activity by Pinon Ridge that may impact the mine pool.
3. A narrative providing more details of the planned bulk sampling project. This narrative should, at a minimum address the estimated volume of material to be removed, the possible locations that the material will be removed from, the details about how the material will be tested, and the location the tests will be conducted. Please note that the Division interprets exploratory bulk sampling to mean volumes of less than 250 Tons.

In addition to the above listed information, the required corrective action work of the construction of the earthen cap over the identified portion of the surface stockpile located at the Sunday Mine and closeout report that is associated with the approved Technical Revision 4 (TR-04) must be completed prior to any material being brought to the surface from the underground workings. This also includes the certification inspection to be conducted by the Division.

Also, discussions with Mr. Rutter indicated that Pinon Ridge plans for the material generated from the bulk sampling project at the mines to be used in testing a new form of refining technology called "Ablation" for the recovery of Vanadium at an offsite location. Pursuant to C.R.S. 34-32-103(8), a "Mining Operation" includes transportation, concentrating, milling, evaporation and other processing. Any use of this technology on or off site shall constitute mining activity and shall be addressed by either an Amendment Application to one of the existing permits within the Sunday Complex or by filing a new Designated Mining Operation Reclamation Permit Application with the Division to encompass the offsite location and any other associated activities involved in the concentrating, milling or refining process. No testing or use of the Ablation technology shall be conducted until all local, state and federal permits have been attained by the Pinon Ridge. Conducting any such activity without the proper permitting will result in enforcement action by the Division.

The required information and completed construction projects detailed above must be received and approved by the Division prior to any material being removed from the underground workings. If you have any questions, comments or concerns please feel free to contact me at the Division's Grand Junction Field Office or submit them in writing to the Division's Denver Office at 1313 Sherman Street, Room 215, Denver CO, 80203, and Attention to Lucas West.

Sincerely,



**Lucas West**  
Environmental Protection Specialist  
Division of Reclamation, Mining and Safety

Cc: Russ Means, Minerals Program Director  
Travis Marshall, Senior Environmental Protection Specialist  
Michael Cunningham, Senior Environmental Protection Specialist  
Jeff Fugate, DRMS Minerals AGO  
Scott Schultz, DRMS Minerals AGO  
Jennifer Opila, CDPHE