



COLORADO
**Division of Reclamation,
Mining and Safety**
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, CO 80203

August 12, 2019

Miguel Hamarat
Climax Molybdenum Company
P.O. Box 68
Empire, CO 80438

**Re: Climax Molybdenum Company; Henderson Operations; File No. M-1977-342;
Regular (112d) Designated Mining Operation Amendment Application (AM-07) Adequacy
Review**

Mr. Hamarat:

The Division of Reclamation, Mining and Safety (Division/DRMS) reviewed the content of the Climax Molybdenum Company permit amendment application (AM-07) for the Henderson Operations, File No. M-1977-342 and submits the following comments. The Division is required to make an approval or denial decision no later than September 9, 2019 therefore; a response to the following adequacy review concerns should be submitted to the Division as soon as possible.

The review consisted of comparing the amendment application contents with the specific requirements of Rules 1, 3, 6.1, 6.2, 6.4 and 6.5 of the Minerals Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations. Any inadequacies are identified under the respective exhibit heading along with suggested corrective actions.

1.6 - Public Notice

1. As required by Rule 1.6.2(1)(d) and 1.6.5(2), please submit proof of publication in newspapers of general circulation in the locality of the proposed mining operation.

The Applicant submitted proof of publication in the Middle Park Times and Clear Creek Courant on August 7, 2019. No additional response is required by the Applicant.

2. As required by Rule 1.6.2(1)(e), please submit proof of the notice to all owners of record of surface and mineral rights of the affected land and the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement holders located on the affected land and within 200 feet of the boundary of the affected land. Proof of notice may be return receipts of a Certified Mailing or by proof of personal service.



The Applicant submitted proof of notice to property owners within 200 feet of the affected land boundary on August 7, 2019. No additional response is required by the Applicant.

3. The Division received comments from History Colorado. The letter is attached for review. Please address the comments noted in the letter and revise the amendment application accordingly.

No objections to the amendment application were received by the Division during the public comment period.

6.4 Specific Exhibit Requirements - 112d Designated Mining Operations

The following items must be addressed by the Applicant in order to satisfy the requirements of C.R.S. 34-32-101 et seq. and the Mineral Rules and Regulations of the Mined Land Reclamation Board:

6.4.3 Exhibit C - Pre-mining and Mining Plan Maps of Affected Lands

4. Pursuant to Rule 6.2.1(2)(b) maps must be prepared and signed by a registered land surveyor, professional engineer, or other qualified person. Please provide a signed copy of the Exhibit C Map.
5. The proposed Mine Site addition and reconciliation areas are not clearly identified on the Mining Plan Map. Please revise the Exhibit C map to indicate the 1.3 acre Mine Site addition and the 48.3 Mine Site reconciliation area.
6. Pursuant to Rule 6.2.1(2)(e) the acceptable range of map scales shall not be larger than 1 inch = 50 feet nor smaller than 1 inch = 660 feet. The Exhibit C map provided by the Applicant is at a 1 inch = 24,000 scale. Please provide a map or maps of the Mining Plan of Affected Land within the acceptable range of map scales.

6.4.6 Exhibit F - Reclamation Plan Map

7. Pursuant to Rule 6.2.1(2)(b) maps must be prepared and signed by a registered land surveyor, professional engineer, or other qualified person. Please provide signed copies of the Exhibit F Maps.
8. Pursuant to Rule 6.2.1(2)(e) the acceptable range of map scales shall not be larger than 1 inch = 50 feet nor smaller than 1 inch = 660 feet. The Exhibit F maps provided by the Applicant are at a 1 inch = 24,000 scale. Please provide a map or maps of the Reclamation Plan within the acceptable range of map scales.

6.4.12 Exhibit L - Reclamation Costs

9. The Operator and the Division have been in discussion regarding the re-evaluation and re-affirmation by the Mined Land Reclamation Board (MLRB) for the water rights currently held by the Division in the amount of \$18,148,649.00 of the total \$56,142,434.00 reclamation

surety held for the site for several years. The Division has determined the currently held water rights portion of the financial warranty does not meet the requirement of Rule 4.1.2(8)(c), which requires the financial warranty to be converted to cash within 180 days of forfeiture. The Division will require the Operator to submit the \$18,148,649.00 portion of the financial warranty in an easily convertible form of financial warranty; cash bond, cash escrow account, corporate surety bond, irrevocable letter of credit or certificate of deposit.

6.4.18 Exhibit R - Proof of Filing with County Clerk and Recorder

10. Please provide an affidavit or receipt indicating the date on which the revised amendment application information required to address this adequacy letter was placed with the Grand County Clerk and Recorder and Clear Creek County Clerk and Recorder for public review, pursuant to Rule 1.6.2(1)(c).

6.4.21 Exhibit U - Designated Mining Operation Environmental Protection Plan

11. The Applicant submitted the Designated Mining Operation Environmental Protection Plan exhibit as Exhibit T. Please revise the exhibit to indicate Exhibit U.

Please be advised the Henderson Operations amendment application may be deemed inadequate, and the application may be denied on September 9, 2019, unless the above mentioned adequacy review items are addressed to the satisfaction of the Division. If more time is needed to complete the reply, the Division can grant an extension to the decision date. This will be done upon receipt of a written waiver of the Applicant's right to a decision by September 9, 2019 and request for additional time. The extension request must be received no later than the decision date.

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

Sincerely,



Peter S. Hays
Environmental Protection Specialist

Enclosure - History Colorado comment letter

Ec: Michael Cunningham; Division of Reclamation, Mining & Safety
Stephanie Mitchell; Division of Reclamation, Mining & Safety