



**COLORADO**

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

June 21, 2018

Climax Molybdenum Company

Attn: Ray Lazuk

Highway 91, Fremont Pass

Climax, Colorado 80429

**RE: Climax Mine, M-1977-493  
Reclamation Cost Estimate, Follow-up Questions**

Dear Mr. Lazuk,

The Colorado Division of Reclamation, Mining, and Safety (Division) is nearing completion of the review of the reclamation cost estimate submitted by Climax Molybdenum Company (Climax) on November 21, 2016. The Division requests that Climax address the following:

- A. The reclamation cost estimate submitted by Climax at the end of 2016 proposes to leave a number of structures in place to facilitate water treatment post-mining and some facilities to be re-purposed as an industrial complex in the Mine/Mill area for outside entities such as CDOT and/or Lake County. The following is a list of structures that were included in the Amendment No. 6 (AM06) cost estimate but were not included in the 2016 cost estimate. Please review the list of structures and clarify which of these structures have already been demolished, will remain for water treatment, proposed to be re-purposed for industrial use or were never built. For structures Climax is proposing to re-purpose as an industrial complex for outside entities (not including those structures needed for water treatment), please provide the Division evidence the proposed entities have committed to taking control of these facilities upon completion of operations at the site. If this documentation cannot be provided, the Division will need to hold enough financial warranty to demolish these structures including their floors and footings.

1. Arkansas Pump House – superstructure
2. 5 Shaft Head Frame
3. Storke Waste Water Treatment Plant
4. 2 Crusher Main Shop – superstructure
5. No. 5 Crusher – superstructure
6. C-1400 Trans. Structure – superstructure
7. Bulk fuel service building – superstructure
8. Bulk Fuel Foam House – superstructure
9. Open Pit Water Station
10. Domestic Water Plant
11. 2 Mill. Gall. Tank #2 – superstructure



12. 2 Mill. Gall. Tank #1 – superstructure
13. New Gas Storage Tank – superstructure
14. No. 2 Crusher – superstructure
15. 2 Crusher Switch House – superstructure
16. PRECON – superstructure
17. Drying plant – superstructure
18. Packing plan – superstructure
19. No. 1 Thickener – superstructure
20. No. 2 Thickener – superstructure
21. 3 Mill Building – superstructure
22. Transport garage – superstructure
23. Telephone building – superstructure
24. C-1600 Trans. Structure – superstructure
25. C-1500 Trans. Structure – superstructure
26. Regrind building – superstructure
27. Lime sodium silicate – superstructure
28. Mill Tank Valve House 1 – superstructure
29. Mill Tank Valve House 2 – superstructure
30. Ore bin – superstructure
31. Reagent Storage Building – superstructure
32. No. 2 Crusher Ducon – superstructure
33. Transport Fuel Tanks – superstructure
34. C-1300 Trans. Structure – superstructure
35. 6 Crusher Office – superstructure
36. C-1200 Tans. Structure – superstructure
37. Moly Warehouse – superstructure
38. Sample Prep-house – superstructure
39. No. 3 Thickener – superstructure
40. Gatehouse – superstructure
41. 27-26 Transfer – superstructure
42. 2 CR Dust Collector – superstructure
43. P255 Building – superstructure
44. 45 Drive Building – superstructure
45. 20 K Bin – superstructure
46. 29A/30 Trans. Tower – superstructure
47. No. 28 Rotoclone – superstructure
48. 48 Rotoclone – superstructure
49. Phillipson MAPP Gas House – superstructure
50. Open Pit fuel Tanks – superstructure

51. Shovel re-build shop – superstructure
52. Domestic Water Tank – superstructure
53. OP Pit Fuel Pump House – superstructure
54. Phillipson Warehouse – superstructure
55. Open Pit Phase 1 Shop – superstructure
56. Open Pit offices – superstructure
57. Open Pit Phase 2 Shop - – superstructure
58. Open Pit Washbay – superstructure
59. CAVR asbestos FLT HS. – superstructure
60. McNulty Pump Station – superstructure
61. 4 Dam Seep Building – superstructure
62. Robinson Pump station – superstructure
63. Mayflower Pump station – superstructure
64. Property Line Flumes – superstructure
65. All Asphalt Roads and Lots (see AM06 estimate, Demolition No. 2 task)
66. Mayflower Pump Substation – superstructure
67. Mayflower Swithyard Substation – superstructure
68. 3 Mill Substation – superstructure
69. Robinson Pump Substation – superstructure
70. McNulty Switchyard Substation
71. McNulty Substation
72. Warren Pump Station Substation
73. Grind building
74. Flotation building
75. Administration building
76. Warehouse building
77. Explosive Storage (Old Box Cars – 3)
78. Warren's pump station
79. Clarifier Cone
80. 3 – Dam pump station
81. Small Out-building at 3-Dam Pump Station
82. Train Shack at Ten Mile North Portal

- B. The AM06 cost estimate included the demolition of a number of roads and parking lots. Based on your response to the item above, please re-evaluate the “Demolition 2- Linear Facilities” task in the cost estimate. If a structure listed above has an associated road or parking lot and should be included in the reclamation cost estimate for demolition please update the “Demolition 2-Linear Facilities” task as necessary.

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- C. The Division noted a significant reduction in the "Mine Mill Complex" reclamation task given the assumption a number of facilities, roads and parking lots will remain post mining. Based on your response to the items above please re-evaluate this task and update it as necessary.

The Division requests that Climax provide a response to these items by July 24<sup>th</sup>, 2018. If you have any questions feel free to contact me at (303) 866-3567, extension 8120.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jared Ebert", with a stylized flourish at the end.

Jared Ebert

Environmental Protection Specialist III