



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

September 18, 2019

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

Re: Division's Response to Change of Status Information for the Sunday Mines Group: Sunday Mine, Permit No. M-1977-285; Carnation Mine, Permit No M-1977-416; St. Jude Mine, Permit No. M-1978-039- HR, Topaz Mine, Permit No. M-1980-055-HR, West Sunday Mine, Permit No. M-1981-021 (Change of Status Information)

Dear Mr. Glasier,

On August 23, 2019, the Division of Reclamation, Mining and Safety (Division) received Pinon Ridge Mining LLC's (Pinon Ridge) Change of Status Information Letter. Please be aware that previous correspondence was only in regards to the Sunday Mine, Carnation Mine and St. Jude Mine. Pinon Ridge's Change of Status Information letter states to the Division for the first time that the Topaz Mine (Permit M-1980-055-HR) and the West Sunday Mine (Permit No. M-1981-021) would also be changing to an active status. Given this information this notice will apply to all 5 of the separate permits.

Upon further review of the information contained within your Change of Status Information letter received August 23, 2019 as well as information received during recent site inspections of the Sunday Mines Group the Division has determined that Pinon Ridge's activities at the Sunday Mines Group do not meet the definition of a "Mining Operation" as defined by C.R.S. 34-32-103(8). At this time the Division does not consider the above listed permits "Active".

The activity described by Pinon Ridge and observed by the Division at the Sunday Mines Group are considered by the Division to be "Prospecting" as defined by C.R.S. 34-32-103(12). The maintenance, ventilation and drilling program are in support of identifying and evaluating the vanadium resource prior to commencement of development or extraction operations. The Division considers the activity at the Sunday Mines Group to be investigatory in nature. Unless substantial development or production is conducted by Pinon Ridge the current period of Temporary Cessation for all five sites will expire on April 19, 2020.

Pinon Ridge's Change of Status Information letter also states that the construction of the lined ore storage pads have not been constructed and the material will be loaded directly from the bucket of a diesel fueled skid-steer to a dump truck for transportation to an off-site test facility. The Division would like to reiterate that prior to the removal of any sample or ore material from any of the Sunday Mines Group sites, at least one lined ore storage pad will be required to be constructed. The transfer of any material for offsite testing must be conducted within the confines of a lined and certified Environmental Protection Facility, pursuant to Hard Rock, Metals and Designated Mining Operations Rule 7.3, in order to prevent the unintended migration of potentially hazardous materials. In addition, prior to any of the five sites being listed as "Active" status, the storm water control structures must be constructed and/or upgraded. Pinon Ridge must also submit the as-built certifications as well as have the facilities inspected and accepted by the Division.



Pinon Ridge's Change of Status Information letter discusses the assessment of technical plans and associated permitting requirements for operating the off-site "kinetic separation" test facility. Please be advised that any off-site "Kinetic separation" test facility will require a 110d Designated Mining Operation permit and that no sample material shall be shipped to such facility until all necessary regulatory review processes have concluded and all required permits have been obtained. The Division has been in communication with Shia Wang with the Colorado Department of Public Health and Environment's (CDPHE's) Hazardous Materials and Waste Management Division. It has become evident that our two agencies will be working together as any off-site test facility will very likely require a radioactive materials license from CDPHE.

Please also note that the Division has received the Colorado Court of Appeals decision *Information Network v. Colo Mined Land (2019COA114)*. The implications of this opinion are being evaluated as they may impact these as well as other sites in Temporary Cessation statewide.

Lastly, the Division has also received informal notification from the Bureau of Land Management (BLM) that Pinon Ridge's Topaz Mine has an issue regarding the status of the BLM's required Plan of Operations. This situation will be monitored closely to ensure compliance with C.R.S. 34-32-115 (4)(c)(I) as well as Hard Rock, Metals and Designated Mining Operations Rule 6.4.13.

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
Jeff Fugate, DRMS Minerals AGO
Scott Schultz, DRMS Minerals AGO
Shia Wang, CDPHE
James Blair, BLM