



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

November 15, 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)  
Second Adequacy Review**

Mr. Hamarat:

The Division of Reclamation, Mining and Safety (Division/DRMS) reviewed the content of the Climax Molybdenum Company 112d-3 permit amendment application (AM-07) adequacy response dated November 6, 2019 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 January 7, 2020 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. The Applicant's response is adequate.
2. The Applicant's response is adequate.
3. The Division received comments from History Colorado during the public comment period for the amendment application. The Applicant failed to respond to the History Colorado comment letter in the adequacy response letter. A copy of the letter is attached for review.



Please address the comments noted in the letter and revise the amendment application accordingly.

Additionally, the Division received a comment letter from the Division of Water Resources dated July 1, 2019 which was not included in the Division's first adequacy review letter. A copy of the letter is attached for review. Please address the comments noted in the letter and revise the amendment application accordingly.

#### **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. The Applicant's response is adequate.
5. The Applicant's response is adequate.
6. The Applicant's response is adequate.

##### **6.4.6 Exhibit F - Reclamation Plan Map**

7. The Applicant's response is adequate.
8. The Applicant's response is adequate.

##### **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.

This adequacy item is pending due to the continuing discussions between Henderson and the Division regarding the structure of the financial warranty for the site.

**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's response is adequate.

Please be advised the Henderson Operations amendment application may be deemed inadequate, and the application may be denied on January 7, 2020, 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 January 7, 2020 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](mailto:peter.hays@state.co.us) or (303) 866-3567 Ext. 8124.

Sincerely,



Peter S. Hays  
Environmental Protection Specialist

Enclosures - History Colorado and Division of Water Resources comment letters

Ec: Jared Ebert; Division of Reclamation, Mining & Safety  
Amy Eschberger; Division of Reclamation, Mining & Safety