



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

January 13, 2020

Michael McClure
18107 Compass Circle
Dripping Springs, TX
78620

Re: M-1986-076, Incas Mine, Notice of Temporary Cessation (TC-2) Completeness and Weather Letter

Dear Mr. McClure,

On January 2, 2020 the Division of Reclamation, Mining and Safety (Division) received your Notice of Temporary Cessation (TC-2). This notice is to inform you that your notice is considered complete for filing. The Division does not consider the removal of samples to constitute "mining activity" and our records indicate that the last date of actual "mining activity" was conducted in 2014. Therefore, this request is considered the second 5 year term of Temporary Cessation, which must be approved by the Mined Land Reclamation Board pursuant to Rule 1.13.8(b) of the Hard Rock and Metals Mining Rules. Please submit a "Request for Hearing before the Mined Land Reclamation Board for Consideration of a Second Term of Temporary Cessation". The request should include all items outlined in Rule Rule 1.13.5(3) (enclosed). Once the request for hearing is received the matter will be scheduled to appear before the MLRB. Please submit the request for hearing within 30 days of the date of this letter.

This notice also serves as a "weather notice", pursuant to Rule 1.13(5)(4)(a) the Division must conduct an inspection of the site to verify compliance with the Act and Mineral Rules and Regulations. Due to snow cover and site conditions the site is inaccessible until spring snowmelt. As soon as conditions allow, the Division will conduct a site inspection, and the hearing for the second term of Temporary Cessation will be scheduled after that date in accordance with Rule 1.13.6(2)(d). Please also note that during the Division's previous annual monitoring inspection conducted on November 13, 2019 the site was inaccessible due to downed trees. Please coordinate with the Division to have the road cleared so that an inspection can be conducted.

If you have any questions, or need any more information please feel free to contact me at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

Sincerely,

Lucas West
Environmental Protection Specialist
Division of Reclamation Mining and Safety

Enclosure: Rule 1.13.5 (3)



ceasing operations; such Notice shall set forth the reasons for the temporary cessation and the expected duration of the temporary cessation.

- (a) Initial period shall be the first five (5) years of Temporary Cessation beginning with the one hundred and eighty (180) day period of production cessation; except that in the case of any in situ leach mining operation:
 - (i) If, in the judgment of the Board, the expected duration of any temporary cessation will be of such length that the Board believes that groundwater reclamation should commence, the Board shall so order.
 - (b) The second five (5) year period of Temporary Cessation shall begin at the end of the initial period of Temporary Cessation; except that in the case of any in situ leach mining operation:
 - (i) If, in the judgment of the Board, the expected duration of any temporary cessation will be of such length that the Board believes that groundwater reclamation should commence, the Board shall so order.
- (2) The Notice of Temporary Cessation for the initial period shall include the following:
- (a) the date of cessation;
 - (b) the reasons for non-production or cessation of the mining operation;
 - (c) a plan for resumption of mining;
 - (d) the measures to be taken to comply with reclamation requirements and/or other activities related to the performance standards of Rule 3.1 while the mine is in Temporary Cessation;
 - (e) demonstration that the existing Financial Warranty is adequate to cover the reclamation liability; and
 - (f) for an in situ leach mining operation, a description of the groundwater monitoring and pumping regime that will be maintained during the period of cessation of operations and a schedule for reporting monitoring data.
- (3) The Notice for the second period shall include the following:
- (a) demonstration that the existing Financial Warranty is adequate to cover the reclamation liability;
 - (b) explanation as to why the Operator has not recommenced operations or begun reclamation;

- (c) demonstration of continued commitment to conduct mining operations at the site by the end of the second five (5) year period; and
 - (d) for an in situ leach mining operation, a description of the groundwater monitoring and pumping regime that will be maintained during the period of cessation of operations and a schedule for reporting monitoring data.
- (4) Prior to the Board Hearing to consider the request for the second five (5) year period of Temporary Cessation, the Office shall:
 - (a) conduct an inspection of the site to verify compliance with the Act and Mineral Rules and Regulations;
 - (b) review the permit file for complaints against the operation and the status of resolution of those complaints;
 - (c) report to the Board at the Hearing comments by any owner of affected land or local government comments.
- (5) The Notice shall be separate from any other correspondence or reports submitted to the Office.
- (6) Except as to in situ leach mining operations, the requirement of a Notice of Temporary Cessation shall not apply to Operators who resume the mining operation within one (1) year and have included in the permit applications a statement that the affected lands are to be used for less than one hundred and eighty (180) days per year.

1.13.6 Board/Office Procedure

- (1) Upon receipt of the above submission as outlined in Rule 1.13.5(2), the Office will place the Notice of Temporary Cessation on the agenda of the next regular Board meeting and give notice to the Operator, the county and any municipalities within two (2) miles of the proposed operation, by mail.
- (2) The Board, at said meeting and in consultation with the Operator and any other person who demonstrates that they are directly and adversely affected or aggrieved and whose interest is entitled to legal protection under the Act, may take whatever action(s) it deems necessary and are authorized by law, including but not necessarily limited to:
 - (a) acceptance of the Notice of Temporary Cessation as submitted;
 - (b) acceptance of the Notice of Temporary Cessation with modifications and other necessary activities as established by the Board;
 - (c) determination that the mining operation is not in a state of temporary cessation;