



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

December 22, 2021

Mr. Alan Roberts
Usuran Resources Inc
242 Linden Street
Fort Collins, CO 80524

**Re: Tallahassee Project, Notice of Intent to Prospect ID No. P-2021-019;
Notice of Deficiencies**

Dear Mr. Roberts:

On November 19, 2021 the Division of Reclamation, Mining and (Division) received your application for Notice of Intent to Conduct Prospecting Operations (NOI) in Fremont County. The Division has reviewed the NOI application for deficiencies. Please address the following items:

Application:

1. Item I.3, Company Name. According to the Colorado Secretary of State website, the status of Ursuran Resources Inc is “Noncompliant”. The status will need to be brought into compliance before the Division can accept and approve a financial warranty.
2. Item I.5, Location Information. As part of the General Description requested at the bottom of p. 2 of the Application Form, the distance and direction to the nearest town and the approximate elevation are required. This information was not included on the Application Form, nor could not be found under No.5 Location in the cover letter. Please provide the distance and direction to the nearest town and the approximate elevation of the proposed activity.
3. Item II, Maps & Drawings. The cover letter references a “Proposed Drilling Area” map. No map was provided with your submittals. The areas described by PLSS under No.5 Location covers between 11 and 13 square miles (the size and location of Lots and Tracts in the New Mexico/10th principal meridian are not easily discernable). Almost every Section listed under the Location Information includes areas of BLM managed minerals. The text in the Application states the “majority” of the proposed drilling areas is on land with private mineral rights. If any of the areas proposed for drilling include either surface or minerals managed by the federal government, you are required to notify the respective agency and the DRMS will coordinate with them. Please provide the referenced map. This map will need to show expected new access roads; federal minerals and surface areas; private surface and minerals areas; the Boyer and Taylor Ranch boundaries; and explicitly identify what areas are to be avoided with the proposed drilling program.
4. Item III.3, Amount of material. Item 3 requires the amount of material to be extracted, moved or proposed to be moved. This was left blank. Please provide this information.
5. Item III.5, Containment of drilling fluids. The provided narrative states the mud pits will be constructed to contain drilling fluids. Rule 3.1.6(5) requires drilling pits used during



prospecting shall be constructed and operated to minimize impacts to public health, safety, welfare and the environment. It is not uncommon for drill fluids to exceed mud pit capacity and open mud pits are a potential wildlife attractant. Given the nature of the resource being investigated, please provide the following:

- a. Will drilling operations be attended 24/7 and what is the maximum expected time a mud pit is expected to be open? *(If it is more than a few days and will/may be unattended, the Division will require fencing, netting or other measures to minimize access for wildlife)*
 - b. A demonstration that the proposed 144 cu. Ft. (1,077 gallon) mud pit capacity will be sufficient for the proposed drilling operations.
 - c. A commitment to line the mud pits to prevent the infiltration of potentially impacted drilling fluids. Please indicate what materials will be used to line the mud pits and how the liner will be secured.
6. Item IV.2, Vegetation description. The No. 2 attachment narrative describes the vegetation as “lightly wooded lands dominated by deciduous trees through to more heavily wooded and steep mountainous areas”. The three photos appear to show only coniferous trees. Please be more specific about the types of deciduous and coniferous trees clarify if any may be removed for the proposed drilling program.
7. Item IV.3, Topsoil salvage. Item 3 it states that “if leveling of pads is necessary topsoil will be stockpiled.” Topsoil needs to be stockpiled for all areas to be disturbed (e.g., mud pit construction). Please commit to salvaging topsoil at all drill pads where any grading or excavation is initiated.
8. Item IV.3, Reclamation responsibility. The narrative states “One of the ranch owners will most likely be responsible for the reclamation”. Please be aware the Division will hold the Prospector responsible for ensuring reclamation is completed, and within five years of the completion of prospecting activities pursuant to Rule 5.3.1(g). No response is necessary.
9. Item IV.4, Drill hole abandonment. Rule 5.4.1(1) requires “all prospecting drill holes shall be permanently plugged, sealed or capped pursuant to the requirements of these Rules immediately following the drilling of the hole and the collection of drill hole information; unless provision is made to temporarily abandon the hole, pursuant to Rule 5.4.3...”. Furthermore, Rule 5.7 requires abandonment reports be submitted to the Division within 12 months of completing the hole abandonment (unless artesian flow is experienced – in which case the time limit is 60 days). Please provide the following:
- a. What is the expected lag time between completion of a given borehole and the completion of the proper abandonment of that hole?
 - b. Please provide a written commitment to submit the required final abandonment reports to the Division within 12 months (or 60 days if artesian flows are encountered) of completing abandonment.
10. Item IV.5, Reclamation of other disturbances. Other disturbances include drill cuttings and drilling fluids. Pursuant to Rules 3.1.5(5), (11) and 5.3.1(d), how will drill cuttings and fluids be disposed of to prevent any unauthorized release of pollutants to the surface drainage system or groundwater?

11. Item IV.5, Mud pit reclamation. Given the nature of the resource being investigated, the Division has required similar prospecting operations to ensure mud pits do not propose a potential long term impact to the environment. Please commit to the following: The contents and cover of the backfilled mud pits will not exceed the following limits:
 - a. The concentration of radium 226 or radium 228 may not exceed the background level by more than 5 picocuries per gram (pCi/g).
 - b. The concentration of natural uranium with no radioactive decay products present may not exceed the background level by more than 30 pCi/g.
 - c. Background levels shall be determined by sampling each proposed mud pit location prior to any disturbance associated with the proposed drilling activity.
12. Item IV.7, Seed mixture. The proposed seed mixture indicates Mountain Mahogany will only be included in the seed mix “where necessary”. Please describe either where it is, or where it is not “necessary”, why, and how much of the proposed 4.68 acres of disturbance will include Mountain Mahogany.
13. Legal Right of Entry. Rule 5.1.2(d)(vi) requires the Prospector provide documentation of the legal right to enter to conduct prospecting and reclamation, for Owners of Record described in Rule 1.6.2(1)(e)(i). This may include a copy of a lease, deed, abstract of title, a current tax receipt, or a signed statement by the Landowner(s) and acknowledged by a Notary Public stating that the Prospector has legal right to enter to conduct prospecting and reclamation. Please provide the required documentation.

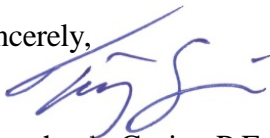
Financial Warranty:

Please note the Division will estimate a cost to reclaim the site based on the application and your response to the review issues above. Please be reminded that the proposed prospecting operations identified in the application may not commence until the deficiencies are addressed and the bond is submitted and approved by the Division.

Please provide a written response (which should clearly indicate the Prospect ID No. P-2021-019) to address the above deficiencies within 60 days of this notice (February 20, 2022) or the Division may deny the modification application.

If you have any questions, please contact me (303-328-5229).

Sincerely,



Timothy A. Cazier, P.E.
Environmental Protection Specialist

ec: Michael, Cunningham, DRMS
Brock Bowles, DRMS
DRMS file
Ben Vallerine, Usuran