

STATE OF
COLORADO

Yeldell - DNR, Amy <amy.yeldell@state.co.us>

RE: [EXTERNAL] Re: EMJAY Claim Adequacy Review

1 message

Whittington, Jennifer K <jwhittington@blm.gov>

Tue, Oct 29, 2024 at 11:58 AM

To: Martin Jensen <mineralpro@hotmail.com>, "amy.yeldell" <amy.yeldell@state.co.us>

Cc: "Stark, Christina A" <cstark@blm.gov>

Dear Martin Jensen,

I received your email request to cancel your exploration Notice (BLM serial #COCO106391584) located on BLM-managed lands in Mesa County, Colorado. Your Notice was accepted by the BLM Grand Junction Field Office on 09/27/2024 with a determination of the bond amount. At the time of your request to cancel your Notice, no bond monies have been accepted by the BLM and no disturbances associated with the Notice have occurred at location. Because of this status, your email request alone is sufficient notification for the BLM to cancel the project.

Please call me with any questions.

Regards,

Jennifer Whittington | Geologist

Department of the Interior | Bureau of Land Management

Region 7 Upper Colorado Basin | Grand Junction Field Office

[2815 H Road, Grand Junction, CO 81506](#)

Phone: (970) 244-3007; Fax: (970) 244-3083.

**From:** Martin Jensen <mineralpro@hotmail.com>**Sent:** Tuesday, October 29, 2024 2:06 AM**To:** Whittington, Jennifer K <jwhittington@blm.gov>; amy.yeldell <amy.yeldell@state.co.us>**Subject:** Re: [EXTERNAL] Re: EMJAY Claim Adequacy Review

Dear Amy and Jennifer,

Thanks as always for your replies. After additional consideration, we believe it's best if we abandon this entire project because of the mounting rather high costs. We already forecast about \$10-12K for the excavator and operator expense, and adding almost this much again to simply conduct a small exploration project in a desolate and barren area is simply not a wise financial outlay. From our current trip to China, we have discovered a similar mineralogical opportunity here that would require far less cost and yet potentially still give a decent return on investment.

Thus, please disregard the previous email requesting an on-site meeting. As well, could you take the necessary steps needed to refund the \$2000 we already sent to the DRMS or if there is anything we need to do to accomplish this?

Your continuing help in the unfortunate closure of this proposal is very gratefully appreciated.

Respectfully,

Martin and Jitka

From: Whittington, Jennifer K <jwhittington@blm.gov>
Sent: Monday, October 28, 2024 11:07:06 PM
To: Martin Jensen <mineralpro@hotmail.com>; amy.yeldell <amy.yeldell@state.co.us>
Subject: RE: [EXTERNAL] Re: EMJAY Claim Adequacy Review

Good morning – I can meet you on site the morning of Friday Nov 8, at any time.

Regards,

Jennifer Whittington | Geologist

Department of the Interior | Bureau of Land Management

Region 7 Upper Colorado Basin | Grand Junction Field Office

[2815 H Road, Grand Junction, CO 81506](#)

Phone: (970) 244-3007; Fax: (970) 244-3083.



From: Martin Jensen <mineralpro@hotmail.com>
Sent: Sunday, October 27, 2024 12:30 AM
To: amy.yeldell <amy.yeldell@state.co.us>
Cc: Whittington, Jennifer K <jwhittington@blm.gov>
Subject: [EXTERNAL] Re: EMJAY Claim Adequacy Review

<p>This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.</p>
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Dear Amy and Jennifer,

We're continuing onward with our travels and are planning on returning around the 6th of November. Looking ahead, we are wondering if it may be possible to suggest scheduling a brief trip out to the Emjay claim on or around the 8th,

Friday. Of course, it depends on your work schedules, but we're thinking it may be a good idea to request far enough in advance so that it gives you both sufficient time to plan.

We'll keep in touch, and we send our regards.

Martin and Jitka

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From: Martin Jensen <mineralpro@hotmail.com>
Sent: Friday, October 25, 2024 10:02:46 AM
To: Yeldell - DNR, Amy <amy.yeldell@state.co.us>
Cc: Whittington, Jennifer K <jwhittington@blm.gov>
Subject: Re: EMJAY Claim Adequacy Review

Dear Amy,

Thanks a lot for your lengthy and considerate reply, and it's so kind of you to have taken the time to explain in more detail how the calculations were done and what can be expected for the future. Everything you discussed makes sense and the atmosphere in which you presented it was friendly and polite, and we appreciate it

We'll follow up with Sara Stevenson at the contact info you provided and hopefully she will be able to help with details regarding the additional payment methods.

As we're still out of the country on travel, we're most grateful that you continue to stay in touch and that you are keeping our project moving forward. Our return date is still a little uncertain at this point, but we'll know more clearly in a few days.

With kindest regards,

Martin and Jitka

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From: Yeldell - DNR, Amy <amy.yeldell@state.co.us>
Sent: Wednesday, October 23, 2024 5:24:56 PM
To: Martin Jensen <mineralpro@hotmail.com>
Cc: Whittington, Jennifer K <jwhittington@blm.gov>
Subject: Re: EMJAY Claim Adequacy Review

Hey Martin,

Hope your trip is going well.

I'm sorry that you feel this way and it is not my intention to put you in an uncomfortable situation. Bonding in itself is tricky and especially for NOI's because they can vary so much. I cannot speak for BLM but I will attempt to explain to you my rationale behind the DRMS calculation.

Per Rule 5.3.3 The Division must hold a minimum of \$2000 per acre of disturbance (rounded up). This financial warranty (FW) is due with the filing of the Notice since it's the minimum and we (the Division) know we will need at least that much

so we require it up front.

Then once the Notice is filed we begin the technical adequacy review. This is where based upon what is proposed in the Notice we calculate the actual FW liability for the site. Again it shall never be less than 2k per acre but in all actuality with the price of things and this portion of the Rules hasn't been revised in quite some time it is never enough to cover the actual liability. So the Division has a robust software called CIRCES (Colorado Integrated Reclamation Cost Estimating Software) to calculate bond estimates. CIRCES pulls together several industry accepted standards for reclamation cost estimates to allow the Division to generate reclamation tasks and an overall project cost estimate. The Division updates these base input costs annually for inflation and market changes. I'm happy to explain to you the internal functionality of CIRCES more but it's probably not pertinent to your concerns.

Specifically with regards to your site I attempted to be transparent in documenting how I arrived at my calculations. You are correct in that the CIRCES calculation states 10 trenches for task 03a. That was a typo on my part, Tasks 01a and 02a calculations were based off of 10 pits and 1 trench. This was the maximum disturbance to be open at any given time based on your Notice. So with regards to civil work backfilling of those items is the maximum liability. Then assuming you would complete all 20 pits and 2 trenches over the project season these areas would require seeding, task 03a. Lastly, mobilization is based on equipment used. I did run the number with an excavator but backfilling is much more efficient with a dozer. I have attached my hand written notes for each of the tasks. Given this site's size I didn't think to include them initially, and I apologize for that.

Now to your second concern about the release of the FW. Part of the Notice review is that I will conduct a pre-operational inspection of the proposed project area. This will be to document the current site conditions so that we know where things started and what to compare reclamation success off of. In a desert like area this is especially important for establishing the vegetation threshold we will work towards. Fast forward to you having completed your project, backfilled everything and seeded. The Division has an internal policy that a minimum of 2 growing seasons shall occur prior to considering a site for release. This is to ensure that vegetation is truly established and sustainable and that it doesn't all grow one year and not come back the next. Then once you feel that the site has fulfilled the requirements of the reclamation plan you submit a release request per Rule 4.16. I will come out and do an inspection and determine if vegetation is comparable to adjacent undisturbed areas. I will also reference the pre-op inspection in case other factors have come into play over the years (new road, other disturbances, tough conditions, etc.). Per the Division's MOU (Memorandum of Understanding) I will also need to get concurrence from BLM since we share the bond prior to issuing a decision.

You also need to be aware that under Rule 4.2.1(2) the Division may increase the bond as necessary to complete reclamation. So say we do an inspection and you have all 20 pits and 2 trenches open instead of the agreed upon max, the Division would need to increase the bond to reflect these site changes. Or more realistically it would be adjusting for inflation since under Rule 4.2.1(4) we have to keep costs accurate for each year's costs.

As far as posting the additional bond via a wire transfer I'm not 100% how that part would work. Please reach out to Sara Stevenson-Benn, our FW person. She processes all of the bonds and would be able to explain to you that process and the options available. Email is best to reach here: sara.stevenson-benn@state.co.us 303-918-5415

I know that's probably a lot to digest. And if you all want to have another chat feel to reach out.

--

Amy Yeldell

Environmental Protection Specialist

Active Mines Program, Grand Junction Field Office

P 970-210-1272 | F 303-832-8106

101 S. 3rd St., Suite 301, Grand Junction, CO 81501

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Physical: 1313 Sherman Street, Room 215, Denver, CO 80203

Mailing: DRMS Room 215, 1001 E 62nd Ave, Denver, CO 80216

On Tue, Oct 22, 2024 at 2:38 PM Martin Jensen <mineralpro@hotmail.com> wrote:

Dear Amy,

Thank you for your email and for being so kind to be prompt. Jitka and I are currently on international travel and won't be back until 05 November.

This is the first uncomfortable interaction we have had with either you or Jennifer and it stresses us to try to figure out an appropriate reply. First, you can imagine how deeply disturbed we are by your Division's new calculations for the financial warranty expense because you and Jennifer initially told us that we could expect a figure of approximately \$2000 per acre. With our revised calculations for the claim that indicate our disturbance to be around half an acre, this new figure from your Division suggests that about \$10,000 is required for the reclamation of 0.50 acre, which equates to \$20,000 per acre. As well, in the Division's calcs for reseeding, we note there is a responsibility for the 20 test pits, but also now 10 trenches (when our plans call for only having only one trench). It's also a big surprise about the new total dollar numbers shown on your worksheets and it causes us to now be nervous if these will be higher again based on further unknowns yet to come. In other words, are these new costs truly final? And honestly, we're concerned now about getting the warranty returned even if we try to do our best to reclaim such small excavations in such a barren area because we sense there could be any number of other people involved in approving the decision, as well as the unpredictability of other unrealistic surprises coming up out of nowhere. And this is just speaking about business with no emotion...

If we do decide to now proceed with this exploration project, can you please clarify exactly when the bond will get returned and specifically who is responsible for making this decision?

And, since we are currently out of the country, if we choose to give the Division another \$8000, is there a way this can be done via an electronic bank transfer instead of sending another check by USPS?

Patiently awaiting your next correspondence,

Martin and Jitka

From: Yeldell - DNR, Amy <amy.yeldell@state.co.us>

Sent: Monday, October 21, 2024 7:32:18 PM

To: Martin Jensen <mineralpro@hotmail.com>

Cc: Whittington, Jennifer K <jwhittington@blm.gov>

Subject: EMJAY Claim Adequacy Review

Mr. Jensen,

Thank you for sending in those clarifications to your Notice and the initial \$2000 financial warranty.

I have reviewed the materials submitted and have a few follow up/clarifying questions. Additionally the Division has calculated the reclamation cost estimate. The additional financial warranty must be posted prior to the Division accepting the Notice. Per Rule you have 60 days to resolve all deficiencies. Reach out if you have any questions.

--

Amy Yeldell

Environmental Protection Specialist

Active Mines Program, Grand Junction Field Office

[Redacted Signature]

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