

# STATE OF COLORADO

## DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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John W. Hickenlooper  
Governor

Mike King  
Executive Director

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Director

March 21, 2012

Garth Cooke  
PO Box 95  
Warne, NC 28909

**Re: Iris Project, Notice of Intent (NOI), File No. P-2012-003, Review for Deficiencies.**

Dear Mr. Cooke,

The non-confidential contents of the NOI were posted on the Division's website on March 14, 2012. The ten-working-day public comment period began on that date, and it closes on March 28, 2012. We will forward to you a copy of any outside comment that is received.

The Division has been reviewing the NOI named above for deficiencies that must be corrected or addressed. As noted previously, one deficiency that was found during preliminary review was the lack of a financial warranty in the NOI materials. After the technical deficiencies are resolved, we will estimate a bond amount for you to post. (Please be reminded that prior to the Division accepting the bond, no prospecting activity is to commence.)

Thank you for your phone call yesterday, during which we discussed some of these issues. I will need written responses to those, as well as to other remaining questions. Please address each item listed in the paragraphs below.

The NOI proposes up to six drill holes, but does not specify how many will be open at one time. Since drill hole closure and sealing will be a reclamation task, the bond amount is affected by how many will have to be closed at any point in time. Please state how many drill holes will be open at one time.

The NOI stated that there are two springs in the vicinity of the drill holes. These springs are not shown on the site map, nor are any other surface water features shown thereon. The limited resolution and small scale of the location map provide an indication that the three northernmost drill holes will be close to a natural drainageway, but whether it is intermittent cannot be discerned. Regardless, drilling activity offers an opportunity for adverse impacts to surface water, and this office must caution you to implement all measures necessary to avoid such. Please describe the location of both of these springs particularly in relation to your proposed drill holes; please include distance, direction and gradient.

You mentioned the existence of several old wells in the vicinity of the Iris townsite. Even though they may now be filled, do you have any record of their approximate (former) depth? Would the depth to water possibly correlate to the depth of the alluvium-to-bedrock contact? Do you know the location of any of these former wells? If so, please provide description of their locations particularly in relation to your proposed activities.

Drilling 1200 feet deep poses the potential to intercept aquifers or water-bearing fractures, possibly causing adverse impacts to groundwater. Even air drilling, which avoids introducing drilling fluids into the bore

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hole annulus, may impact groundwater by creating connection between aquifers or with metals. Please state what measures you will employ to protect groundwater quality during drilling.

Reclamation of the drill holes, especially if water is encountered, will require filling its entire length with bentonite abandonment gel or cement (except for earthen backfill in the top several feet). Please be aware that you or the driller must complete and submit a "permanent drill hole abandonment report" for each hole completed. The report form is available on the Division's website ([www.mining.state.co.us/](http://www.mining.state.co.us/)) or this office can send you a paper copy of it if requested.

The NOI included a seed mix for revegetation, though it was stated that there was no topsoil present and no seedbed preparation would be performed. This indicates that the disturbed areas would be seeded, but it is not clear what expectation there is of successful revegetation. Please clarify whether seeding will occur, and what is the anticipated outcome.

Please be aware that all equipment brought to the site should be free of noxious weed seed or plant parts, and that the project site should be monitored for noxious weeds.

Your thorough responses to the above questions will help this office estimate the bond amount. Please respond to this letter within 30 days of the date above. For all submittals, you should provide two sets (hard copies) of all materials, by sending them to me at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301. Please include the file number shown above on all submitted materials.

If you have any questions you may reach me at the Durango Field Office (see address in preceding paragraph) or by phone: 970-247-5193, or 303-866-3567 ext 8175.

Sincerely,



Bob Oswald  
Environmental Protection Specialist

Cc: Steve Shuey, DRMS Grand Junction  
Charles Ponchak, Montrose (consultant for operator)

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