STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY Department of Natural Resources

1313 Sherman St., Room 215 Denver, Colorado 80203 Phone: (303) 866-3567 FAX: (303) 832-8106

July 13, 2012

Alan and Wesley Chiles Rimrock Exploration and Development, Inc. P.O. Box 430 Nucla, Colorado 81424



John W. Hickenlooper Governor

Mike King Executive Director

Loretta Piñeda Director

RE: Prince Albert Mine, 110d Designated Mining Operation Permit Application, No. M-2011-040, Approval.

Dear Mr. Chiles,

On July 20th, 2011 the Division of Reclamation, Mining, and Safety (Division) received Rimrock Exploration's (Rimrock) application for a 110d, Designated Mining Operation (DMO), application No. M-2011-040. An administrative review of the submission called the application complete for review and considered filed as of July 26, 2011.

Rimrock through a series of responses to Division review has submitted clarifications and corrections to the application. On July 11th, 2012 the final engineering designs for storm water controls for Environmental Protection Facilities required under the Environmental Protection Plan was accepted by Division engineers. Rimrock submitted a letter on July 13, 2012 accepting the stipulations put forth by the Division in its final review document of June 25, 2012.

It appears all aspects of the permit now meet the requirements under the Act and Rules. <u>Therefore, the Division is pleased to inform Rimrock that application is approved</u>. The initial reclamation liability is set at \$46, 130.00. The financial and performance warranties must be accepted by the Division in order to activate the permit. The correct forms may be found on the Division's website: <u>http://mining.state.co.us/</u>. Please contact Barbara Coria in the Denver main office with any questions regarding the warranties. Barbara may be reached at 303.866.3567, Ext. 8148 or by e-mail at Barbara.coria@state.co.us. Please note that no mining disturbances other than general site maintenance can take place until all other local, state, and federal permits are approved.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us.

Sincerely,

Schwell Means

G. Russell Means Acting Senior Environmental Protection Specialist Grand Junction / Durango Field Office Supervisor

- EC: Loretta Pineda, Division of Reclamation, Mining, and Safety, Director Tony Waldron, Division of Reclamation, Mining, and Safety, Minerals Program Supervisor Jeff Fugate, Attorney General Office, Division of Reclamation, Mining, and Safety, Counsel
- Cc: Barbara Sharrow, BLM Uncompany Field Office, Montrose, Colorado Western Mining Action Project