

# 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

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September 4, 2012

Robert Gydesen  
Colorado Mining and Exploration, LLC  
502 South Wisconsin Ave.  
Gunnison, CO 81230

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta E. Piñeda  
Director

Re: Crystal Hill Project, NOI No. P-2012-010, Financial Warranty Acceptance and Approval to Commence Prospecting.

Dear Mr. Gydesen,

On June 29, 2012 the Division found that all technical issues were adequate with your Notice of Intent to Conduct Prospecting on June 29, 2012. The single remaining deficiency was the lack of an adequate bond. As we have informed you previously, the \$4,000 bond originally provided with the NOI was not sufficient to perform the reclamation. The Division estimated total reclamation costs to be \$14,367, so an additional \$10,367 needed to be provided.

Last week our Denver office received a One Site Prospecting financial warranty from you in the amount of \$14,367, which was then approved. The \$4,000 bond originally provided will be returned to you.

**Therefore, as of the date of this letter, final approval from the Division for your Notice of Intent to Conduct Prospecting at the Crystal Hill Project is hereby granted and you may commence operations at the site.**

Also, in accordance with Rule 5.6, an Annual Report and associated fee of \$86 must be submitted each year on the anniversary date of the approval of your notice, until reclamation responsibility release is granted. In addition, Rule 5.3.4 requires the prospector to notify the Division of completion of prospecting operations.

If you have any questions, please contact me at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301; telephone 970-247-5193.

Sincerely,

Bob Oswald  
Environmental Protection Specialist

Ec: Barbara Coria, DRMS Denver  
Russ Means, DRMS Grand Junction

(c:\12-09 docs\Crystal Hill NOI fw-appr/rco)