

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

1313 Sherman St., Room 215
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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

September 10, 2012

Mr. Thomas Brubaker
Valco, Inc.
12753 S. Parker Road, Suite 203
Parker, CO 80134

Re: Canon City East Pit (M-1977-559)
Technical Revision 3 (TR-03), Adequacy Review

Dear Mr. Brubaker;

DRMS has completed a preliminary review of your submitted Technical Revision 3 request for the Canon City East Pit to permit placement of inert material from offsite into the pit in order to reduce the amount of exposed water surface and increase slope stability..

Rule 3.1.5(9) states that when an Operator intends to backfill inert structural fill generated outside of the approved permit area, it is the Operator's responsibility to provide DRMS the notice of any proposed backfill activity not identified in the approved Reclamation Plan. The notice shall include but is not limited to a narrative that:

- a) Describes the approximate location of the proposed activity,
- b) The approximate volume of inert material to be backfilled,
- c) A signed affidavit certifying that the material is clean and inert,
- d) The approximate dates the proposed activity will commence and end, however, such dates shall not be an enforceable condition,
- e) An explanation of how the backfilled site will result in a postmining configuration that is compatible with the approved postmining land use, and
- f) A general engineering plan stating how the material will be placed and stabilized in a manner to avoid unacceptable settling and voids.

Please provide the information above in order for DRMS to continue reviewing your request. Please do not hesitate to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "T.C. Wait". The signature is fluid and cursive, with a large loop at the end.

T.C. Wait
Environmental Protection Specialist

Cc: Tom Kaldenbach, DRMS
Tim Cazier, DRMS