

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY Department of Natural Resources

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October 30, 2012

Glen Williams
Cotter Corp.
P.O. Box 700
Nucla, CO
81424

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: C-LP-21 Mine, File No. M-1977-305, Amendment (AM1) Application Adequacy Review

Dear Mr. Williams:

The Division of Reclamation, Mining and Safety (Division) is in the process of reviewing the above referenced application in order to ensure that it satisfies the requirements of the *Colorado Mined Land Reclamation Act* (Act) and the associated *Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations* (Rules). During review of the material submitted, the Division determined that the following issue(s) shall be adequately addressed before the application can be considered for approval.

Mining Plan

1. Addressing Rule 6.4.4 – On page D-5 under item b., the exhibit states that ore will be piled up to a workable stockpile. Please provide the Division with a maximum anticipated amount of ore to be stockpiled at any given time.
2. Addressing Rule 6.4.4 – Please provide the Division with the proposed location for ore storage, and any construction details for an ore storage pad, such as approximate dimensions, lining material(s), and grade, etc. Also, please show the ore storage location on the mining plan map(s).

Reclamation Plan Map

3. Addressing Rule 6.4.6 (a) – Please indicate the reclamation contour interval on the Reclamation Plan Map(s).

Wildlife Information

4. Addressing Rule 6.4.8 (2) – Colorado Parks and Wildlife (CPW) has recommended winter hours of operation in order to minimize disturbance to mule deer and elk winter usage of the area. Please commit to operational hours of 10:00 a.m. to 3:00 p.m between the months of December and April.

Permanent Man-Made Structures

5. Addressing Rule 6.4.20 – The mine plan proposes to utilize power supplied by a San Miguel Power Association power line, which lies within 200 feet of the affected area. The Division believes that there is potential for the SMPA line to be adversely affected by the mining operation. Please submit to the Division, either a notarized agreement between Cotter Corp. and SMPA, that Cotter Corp. is to provide compensation for any damage to the power line caused by

the mining operation, or a notarized letter, from SMPA on their letterhead, that the proposed mining and reclamation activities will have “no negative effect” on their power line.

Environmental Protection Plan

1. Addressing Rule 6.4.21 (6) – Please provide the Division with the proposed location for ore storage, and any construction details for an ore storage pad, such as approximate dimensions, lining material(s), and grade, etc.
2. Addressing Rule 6.4.21 (6) (b) (iii) – Please describe how Cotter Corp. will prevent adverse off-site impacts during periods of Temporary Cessation.
3. Addressing Rule 6.4.21 (7) – The EPP states that a radiometric survey will be completed prior to mining in order to document baseline conditions at the site. Baseline conditions shall be established as part of this amendment process. Please conduct a radiometric survey of the affected area and submit the results to the Division along with an evaluation of the expected effectiveness of the proposed EPP, which specifically addresses the risks, from uranium, uranium byproducts, and any other radionuclides expected to be encountered during this operation, to human health, property and the environment.
4. Addressing Rule 6.4.21 (8) (c) – The EPP states, on page U-8, that geologic units in the area dip steeply to the northeast. On page U-11, under section 8.3.2, the EPP states that geologic formations dip to the northwest. On page U-13, the EPP again states that strata dip to the northwest. Please clarify.
5. Addressing Rule 6.4.21 (8) – On page U-15, the EPP states that “numerous borings continued through the ore zone and into the upper portion of the Salt Wash Formation”. It has been previously stated that the upper portion of the Salt Wash Member is the ore zone. Please clarify.
6. Addressing Rule 6.4.21 (8) (b) – The EPP discusses, under section 8.3.1 on page U-10, several mapped springs in the area. The unnamed spring was not field identified. Please provide the Division with the location and elevation of the Horsethief Spring.
7. Addressing Rule 6.4.21 (12) – On page U-17, the EPP states that if water is encountered during mining, and chemical analysis determines that uranium related constituents are above regulatory guidelines, then a monitoring well will be installed. If groundwater is encountered during mining, a monitoring well shall be installed and a monitoring plan shall be established in accordance with this rule, regardless of the results of the chemical analysis. Please commit to this.
8. Addressing Rule 6.4.21 (14) – SPLP tests were conducted in order to characterize the waste rock generated at this site. According to this rule, the ore must also be characterized. Please submit to the Division, a geochemical evaluation of the ore to be mined. Alternatively, if ore samples are not available at this time, commit to submitting this information to the Division, for review and approval, prior to any stockpiling on the surface.
9. Addressing Rule 6.4.21 (16) – On page U-22, the EPP states that design and implementation of the Drainage Design Plan will be overseen by a registered professional engineer. Please commit to submitting an “As-Built Certification” to the Division following construction.
10. Addressing Rule 6.4.21 (16) – On page U-22, the EPP states that Cotter Corp. will conduct regular inspections of all structures. Please inform the Division of the anticipated minimum inspection frequency interval.
11. Addressing Rule 6.4.21 (18) (a) – Colorado Parks and Wildlife (CPW) has recommended winter hours of operation in order to minimize disturbance to mule deer and elk winter usage of the area. Please commit to operational hours of 10:00 a.m. to 3:00 p.m between the months of December and April.

12. Addressing Rule 6.4.21 (18) (b) – Please describe the measures Cotter Corp. intends to take to prevent wildlife from coming into contact with uranium, uranium by-products or any other radionuclides.

Geotechnical Stability Exhibit

13. This exhibit states that the waste rock will be added to the waste pile in lifts and then compacted. Please inform the division of the thickness of the lifts and the compaction method(s) to be used.
14. Please inform the Division of the necessary amount of compaction for the waste rock pile, and the operators plan for insuring that necessary compaction of the waste rock is achieved.
15. Please inform the Division of the maximum anticipated total thickness of the waste rock pile.

Please submit your response(s) to the above listed issue(s) by Friday, November 30, 2012, in order to allow the Division sufficient time for review.

The Division will continue to review your application and will contact you if additional information is needed.

If you require additional information or have questions or concerns, please contact me at the DRMS Grand Junction Field Office.

Sincerely,



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Cc: Ed Cotter, DOE

Ec: Russ Means, DRMS GJFO