

# STATE OF COLORADO

## DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

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November 7, 2012

Charles Ponchak  
Consulting Geologist  
15292 6050 Road  
Montrose, CO 81403

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta E. Piñeda  
Director

Re: Ruby Trust Mine, Permit M-1979-181, Corrective Action of Problem, Inspection date 10/1/12.

Dear Mr. Ponchak,

This office is in receipt of your letter dated 11/5/12, sent on behalf of Walker Ruby Mining Company, regarding the "problem" that was cited during an inspection of the above-named mine. (This has not been cited as a "possible violation.") In your letter you state that the unprotected ore stockpile will be covered by a durable neoprene tarp, before winter conditions prevent access to the site or the ability to cover the ore.

The Division considers that covering the ore stockpile as you described, in a timely way, will correct the outstanding problem sufficiently. After the corrective action has been performed please provide a brief description and suitable photographs to this office to document its completion. Please ensure that, as long as the ore storage area does not provide adequate protection or containment, that sufficient protection is afforded to all ore stored longer than 180 days.

Thank you also for providing explanation regarding the disassembled milling equipment and other items that were observed on the pad outside the mill portal. It is acceptable to retain them onsite, in their current location. The Division primarily wished to point out that the location where they are stored may be subject to avalanches, possibly damaging the materials. Please bear in mind, however, that regardless of their value, items such as these that are stored disassembled and in temporary locations still constitute a reclamation cost liability.

Thank you for your prompt reply to the problem noted in the inspection report. I look forward to receiving your follow-up, which will include the proof of completing the corrective actions. When I need to schedule a future inspection, I will contact you.

Sincerely,

Bob Oswald  
Environmental Protection Specialist

Cc: Walker Ruby Mining Co.

(c:\12-11 docs\Ruby Trust PB corr/rco)