

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. Piñeda
Director

November 26, 2012

Rory Williams
Star Mine Operations LLC
1675 Larimer Street, Suite 820
Denver, CO 80202

Re: Revenue Mine, File M-2012-032, 112d-1 Application, Technical Adequacy Review Letter.

Dear Mr. Williams,

The above-named permit application is not yet considered adequate for approval, therefore Division is continuing its technical review. This office has identified a number of other items to be addressed. Please respond to each of the following items:

Exhibit L – Reclamation Costs

There is no reclamation task shown for topsoil respreading. Please ensure that it is included in the costs.

Exhibit S – Significant Structures

Please include the overhead electric supply lines and poles in the list of structures, and identify the owner of these items.

Exhibit T – Environmental Protection Plan (EPP)

Please provide these details concerning the tailings loadout structure (page T-12): will it include perimeter stem walls or raised berms, and a raised threshold? Will it have a drain opening of any kind? Please describe the construction of the roof structure over the loadout and conveyor (needed to keep precipitation off of them). Will the tailings conveyor be anchored to concrete footers, or portable?

Please provide more information about the accumulation and removal of the sulfides (page T-12) that are separated during processing, particularly: where and how they will be stored, the maximum quantity to be accumulated before removal, how they will be moved, and the (type of) facility where they will be disposed of.

There will be a piezometer below each of the two tailings disposal cells (page T-14) that will be sampled throughout the life of each cell. The proposed sampling parameters and schedule appear adequate to the Division. Please provide more information regarding the piezometer design specifications (such as depth, diameter, and casing perforations, etc.). Also please describe the sampling procedures.

The exhibit includes a list of mill processing chemicals (page T-15), and identifies the “designated chemicals” within that list. There is only an overall approximation of the expected quantity of each chemical stored onsite provided (e.g., a ton or less of each) but a closer amount must be given. For each

of the 19 chemicals listed, please provide the maximum quantity that will be stored onsite at any time.

The area for receiving chemical deliveries (page T-16) will be a compacted pad. This is presumed to be a location outside the mill portal. Is it to consist of compacted "earthen materials"? Please specify what type(s) of materials and degree of compaction are proposed.

Beyond providing stable and dry chemical storage, will there be any additional need for segregated chemical storage?

On page T-16 the exhibit references the set of MSDS that are contained in Appendix 5, for each of the 19 listed chemicals. There are only eight MSDS included therein, however, which are for the first eight chemicals on the list. Please provide the remaining MSDS.

On page T-17 the text refers to a (presumably abbreviated) mill process flow sheet, but the diagram is incomplete. Please provide the complete diagram.

The exhibit states (page T-18) that Ouray County wishes to provide input on the revegetation seed mix and weed control practices to be used. Will the exhibit be further modified by such input, or is it already included in the exhibit materials received by the Division to-date? If changes are desired after the application is approved, a technical revision may be required to incorporate late changes into the permit.

Numerous references are made to the large steel diesel storage tanks, and the liner to be used underneath them. Please provide specifications for the liner material, and installation instructions recommended by the manufacturer.

The Material Containment Plan (MCP) is cited on page T-19, and is included in Appendix 10. There is a repeat of the list of chemicals, on pages 7 and 8 of the MCP, but the list is truncated at 15 chemicals. Please explain which of the earlier list of 19 chemicals or this later list of 15 chemicals is correct and complete.

Please note that many of the items requested here are to satisfy the requirements of an EPP. Several of the requested items, however, are to allow the Division to better estimate the required bond amount.

Decision Date

The Division's decision date is set for December 14, 2012. Please provide your responses well before that date to allow the Division to review and comment on them. If more time is needed to prepare and submit the adequacy responses, an extension may be requested.

Filing Additional Materials

Several pieces of correspondence have passed between the applicant and the Division, for which the Division has not received proof of filing with the county clerk. Please ensure that all correspondence and other materials are promptly filed and that the receipts obtained therefor are promptly forwarded to the Division. Without proof of such filings, the Division cannot consider approving an application.

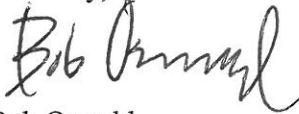
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I look forward to your responses, which should be sent directly to me in Durango. Please provide two sets of all materials. If there are questions I can be reached at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301; telephone 970-247-5193.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Oswald", with a stylized, cursive script.

Bob Oswald

Environmental Protection Specialist

Ec: Russ Means, DRMS Grand Junction
Greg Lewicki and Associates, Parker, CO
John Trujillo, SMO, Ouray

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