

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

FAX: (303) 832-8106



John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

November 30, 2012

Darrel Whinery
PO Box 2
Chugwater, WY 82210

Re: Wasatch Mine (Lode Claim 2566), NOI P-2012-001, Notice is Sufficient, Approved.

Dear Mr. Whinery,

The Division received the more recent NOI materials you sent, which clarified and scaled-back your proposed prospecting plans. The submitted materials listed these changes: the portal would not be re-opened, no activity would occur underground, the boulders on top of the dump would not be moved to create an operations pad, no topsoil exists on the site and no revegetation will be undertaken during reclamation, no road or trail improvement will be made, and a generator will be the only piece of equipment to be brought to the site.

Your plan is to access the site by non-motorized means and to prospect for metal values in the existing waste rock on the dump, by using hand tools. There will be no structure brought or built on the site. The reclamation costs associated with this activity will be minimal.

Review of the plan shows that there are no insufficient items in the NOI that remain to be addressed. The Division has therefore approved the NOI, effective on November 29, 2012. A bond amount has been estimated, based on this updated prospecting plan and its attendant reclamation. The bond amount required for this NOI has been set at \$1,069. Please see the attached reclamation cost summary, and notify me promptly if you see any errors or omissions. I am required to inform you that the bond must be received by the Division within 60 days of this letter or the Notice may be denied.

The submittal of a bond (aka financial warranty) will require that certain forms are provided. These are available on the Division's website: www.mining.state.co.us. Click on "Forms Policies & Guidelines" then select "Mineral Exploration and Prospecting Forms." From that page, choose the type of bond instrument you want, as listed under "Mineral Prospecting Financial Warranty Forms (Hard Rock)". Note: Do not choose any bond with "Exploration" in its title. If you or your warrantor needs assistance with any of the forms, please contact the Division's bond specialist, Barbara Coria. Her direct phone is 303-866-3567 ext 8148. Completed bond forms must be sent to Ms. Coria at the Division's Denver office (see address in letterhead).

It has been a pleasure working through this Notice process with you. Please let me know when you might be up at the site in the future; I would look forward to seeing it.

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Sincerely,

A handwritten signature in black ink, appearing to read "Bob Oswald". The signature is fluid and cursive, with the first name "Bob" being more prominent than the last name "Oswald".

Bob Oswald
Environmental Protection Specialist

Att: reclamation cost summary 11/29/12

Ec(w/att): Russ Means, DRMS Grand Junction
 Barbara Coria, DRMS Denver

(c:\12-11-docs\Wasatch NOI appr-fw/rco)

COST SUMMARY WORK

Task description: Cost Summary

Site: Wasatch Lode Claim 2556

Permit Action: New NOI

Permit/Job#: P2012001

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 11/29/2012

County: San Miguel

Filename: P001-000

User: RCO

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Mobilize truck and trailer to and from trailhead	NA	1	4.00	\$300.00
002	Wrangler + 2 horses, pack in and out	NA	1	12.00	\$600.00
<u>SUBTOTALS:</u>				16	\$900.00

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$18.18

Performance bond: 1.05%

Total = \$9.45

Job superintendent: 0.00 hrs

Total = \$0.00

Profit: 10.00%

Total = \$90.00

TOTAL O & P = \$117.63

CONTRACT AMOUNT (direct + O & P) = \$1,017.63

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 0.00

Total = 0.00

Engineering work and/or contract/bid preparation: 0.00%

Total = \$0.00

Reclamation management and/or administration: 5.00%

\$50.88

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$168.51

TOTAL BOND AMOUNT (direct + indirect) = \$1,068.51

Notes:

1. Estimate assumes that operator did not haul any large equipment to site besides what was approved: small gas generator and hand tools, which might require removal.
2. Estimate does not include removal and disposal of debris, since operation is small-scale and all items are carried to site on horses.
3. Estimate does not include any earthwork or portal closure, since those disturbances were not approved in NOI plan.
4. Estimate includes access to site via pack horses on unimproved trail, crew to consist of one wrangler, and mobilization to trailhead by small truck and trailer from source within 3-hour drive.
5. There is no topsoil and no revegetation task. The site is dry. No new mineralized material was exposed.