

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
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January 17, 2013

Wesley Chiles
Rimrock Exploration and Development, Inc.
P.O. Box 430
Nucla, CO
81424

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: Prince Albert Mine, Permit No. M-2011-040, Surety Reduction Request (SR1)

Dear Mr. Chiles:

On January 14, 2013 the Division of Reclamation, Mining and Safety (Division) received your request (SR1) to reduce the amount of required financial warranty for the Prince Albert mine. You have indicated that the proposed operation is currently undergoing BLM NEPA review, and that the operation is not likely to commence in the immediate future. The current required financial warranty amount of \$46,130.00 was determined based on the estimated total disturbance proposed for the operation. This amount may exceed the actual costs of reclaiming the site in its current condition. However, in order for the Division to consider SR1, it must satisfy the requirements of Rule 4.14, which states that the request must "include an estimate of the actual cost to reclaim the site based on what it would cost an independent contractor to complete reclamation, including unit costs for reclamation activities as appropriate to the operation to comply with the provisions of Rule 3.1 and the Permit's Reclamation Plan." Please submit this information within 60 days so that the Division may process SR1.

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

Sincerely,



Dustin Capla

Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
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Cc: Rob Ernst, BLM