

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



January 24, 2013

Mr. Michael Leidich
Royal USA Inc.
813 14th Street, Suite A
Golden, CO 80401

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

Re: Wray Mesa Notice of Intent to Conduct Prospecting (NOI), File P-2012-018, Technical Review, Need for Financial Warranty.

Dear Mr. Leidich,

The Division of Reclamation, Mining and Safety has reviewed the Notice of Intent to Conduct Prospecting (NOI) named above. Besides the deficiency of the lack of a financial warranty, the NOI materials were found to be technically adequate for approval. The Division has received no outside comment regarding the NOI.

This NOI is intended to replace NOI No. P-2011-025, which is still bonded and in "active" status. However since all of the project disturbance has occurred, and most of it has been reclaimed, the Division is satisfied that the amount posted for NOI No. P-2011-025 will be sufficient for this NOI No. P-2012-018, with no need for a detailed bond calculation.

Please submit a Prospecting Bond for this NOI, in the amount of \$8,163, with one of the approved forms found on the Division's website (www.mining.state.co.us). The bond must be received within 60 days of this letter or the NOI may be denied. The bond documents should be submitted directly to Barbara Coria in our Denver office. If you have questions about the forms you may contact her at 303-866-3567 ext 8148.

If you have other questions, I may be reached at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301; telephone 970-247-5193.

Sincerely,

Bob Oswald
Environmental Protection Specialist

Ec: Russ Means, DRMS Grand Junction
Barbara Coria, DRMS Denver
Barney Buria, BLM Montrose

(c:\13-01 docs\Wray Mesa NOI FW\rco)