

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 24, 2013

Glen Williams
Cotter Corp.
P.O. Box 700
Nucla, CO
81424

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: SR-13A Mine, File No. M-1977-311, Amendment (AM1) Application Adequacy Review (3)

Dear Mr. Williams:

The Division of Reclamation, Mining and Safety (Division) is in the process of reviewing the above referenced application in order to ensure that it satisfies the requirements of the *Colorado Mined Land Reclamation Act* (Act) and the associated *Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations* (Rules). During review of the material submitted, the Division determined that the following issue(s) shall be adequately addressed before the application can be considered for approval.

1. According to the mine plan, the proposed main portal may be unstable. A geotechnical stability analysis and plan for stabilization of the portal and the overlying sandstone must be submitted to the Division for review and approval prior to any mining at the site. Please commit to this.
2. Pursuant to Rule 6.3.3 (h), please specify how much water will be used in conjunction with the operation, and the source of this water.
3. Pursuant to Rule 6.3.3 (j), please specify how you will comply with applicable Colorado water laws and regulations governing injury to existing water rights.
4. Regarding the ore pad, the EPP states that the material for the clay liner will be transported from a nearby property. Please inform the Division of the exact source for the clay material.
5. The reclamation plan proposes to remove the material beneath the ore stockpile pad (p. D-3), to cap the ore pad with soil once ore has been completely removed, and to vegetate the pad area (p. T-8). Please inform the Division of the depth of material that will be removed to be placed inside the mine portal. Additionally, SPLP tests indicate that there is potential for uranium and related constituents to be leached from the ore stockpile. According to the EPP, it is expected that any mobilized constituents will be sorbed by the clay liner. Therefore there is potential that the clay liner will contain elevated levels of radionuclide following mining. Prior to capping the ore pad area during reclamation a radiometric survey shall be completed. Please commit to this. If unacceptable levels of radionuclide are found in the ore pad area, additional material may need to be removed.
6. The EPP states that ore will not be stored on the ore pad for more than 180 days during mining. Please inform the Division of the detailed methods the operator will take to ensure this.
7. Addressing Rule 6.4.21 (11)(a) – In your November 2012 response to Adequacy Review #1 you identified the existing and reasonably potential future uses of the down gradient Dolores River

water. Please indicate the existing "surface water receiving stream standards". If receiving stream standards have not been determined, please indicate this.

8. Addressing Rule 6.4.21 (11)(b) – Water quality baseline conditions for the Dolores River down gradient of the site must be established. Please commit to satisfying the requirements of this rule before commencement of any future mining at the site.
9. A request to release 3.81 acres from the permitted area was incorporated with this application. A request to release acreage must be processed separate from this AM1 application and in accordance with Rule 4.17.

Please submit your response(s) to the above listed issue(s) by Wednesday, February 06, 2013, in order to allow the Division sufficient time for review.

The Division will continue to review your application and will contact you if additional information is needed.

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

Sincerely,



Dustin Czaplá
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Cc: Ed Cotter, DOE

Ec: Russ Means, DRMS GJFO