

# 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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February 4, 2013

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

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta Piñeda  
Director

**RE: SR-11 Mine, File No. M-1977-451, Amendment (AM1) Preliminary Adequacy Review**

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.

Exhibit A

1. The application form, introduction of the application and Exhibit A state that a reduction of 2 acres will be released as part of this amendment. Per Rule 4.17(3), written notice requesting release shall be sent by certified mail and be separate from other types of communication. Therefore the release request cannot be considered at this time and the proposed permit acreage is 13.30 acres.

Exhibit C

2. Due to acreage release not being associated with this amendment please provide a revised Figure C4 2 of 2 that show the entire permit area at 13.30 acres.

Exhibit D

3. Addressing Rule 6.4.4(e)(ii), on Page D-4 under item a, the exhibit does not clearly state how the waste rock will be stockpiled or at what grade. Please provide the Division with more information outlining the sequence in which each stage or phase of the operation will be carried out.
4. Addressing Rule 6.3.3 (1) (f) – On page D-4, the exhibit states a sloped area of 5.34 acres will be used for the waste rock pile. Please provide the Division with the maximum anticipated thickness that waste rock will be placed.
5. Addressing Rule 6.3.3 (1) (f) - On page D-4, the exhibit states that ore will be piled up to a workable stockpile. Please provide the Division with a maximum anticipated amount of ore to be stockpiled at any given time as well as how long the ore stockpiles will remain in place.

6. On page D-4 under item b, it is stated that the ore pad will consist of a clay liner. Please specify the source of the clay proposed liner and specific design and construction of the ore pad.
7. Addressing Rule 6.4.21 (16) – On page 42, the EPP states that Cotter Corp. will conduct regular inspections of all structures. Please inform the Division of the anticipated minimum quarterly inspection schedule and include the results in the Annual Report.
8. Addressing Rule 6.4.21 (18)(b) – Please describe the measures Cotter Corp. intends to take to prevent wildlife from coming into contact with uranium, uranium by-products or any other radionuclides.

Exhibit E

9. Per Rule 3.1.10(6) methods of weed control shall be employed for all prohibited noxious weed species. In the event that noxious weeds become present on the site, what methods of weed control will be implemented? Please submit a weed control plan for the site.

Exhibit F

10. Please amend the reclamation maps, Figures F1 and F2 to include the permit boundary at 13.3 acres, not 10.3 acres.

Exhibit G

11. Addressing Rule 6.4.12, on page G1, the EPP states that no water is anticipated to be encountered during mining and if isolated perched water is encountered during development or mining activities, it will be diverted to an underground storage sum. If groundwater is encountered during mining, more than one (1) gallon per minute or more sustained for ten (10) days. The Operator shall notify the Division of the encounter. The Operator in consultation with the Division shall work together in addressing steps to evaluate the prevailing hydrological balance which may include wells and a monitoring plan. Please commit to this.

Exhibit U

12. Addressing Rule 6.4.21(6)(b)(iii), please describe how Cotter Corp. will prevent adverse off-site impacts during periods of Temporary Cessation.
13. Addressing Rule 6.4.21(7), the EPP states that a radiometric survey will be completed prior to mining in order to document baseline conditions at the site. Baseline conditions shall be established as part of this amendment process. Please conduct a radiometric survey of the affected area and submit the results to the Division along with an evaluation of the expected effectiveness of the proposed EPP, which specifically addresses the risks, from uranium, uranium byproducts, and any other radionuclides expected to be encountered during this operation, to human health, property and the environment.
14. Addressing Rule 6.4.21 (14) – On Page U17 of the EPP, SPLP tests were conducted in order to characterize the waste rock generated at this site. According to this rule, the ore must also be characterized. Please submit to the Division, a geochemical evaluation of the ore to be mined. Alternatively, if ore samples are not available at this time, commit to submitting this information to the Division, for review and approval, prior to any stockpiling on the surface.
15. Addressing Rule 6.4.21(16), on page U-20, the EPP states that design and implementation of the Drainage Design Plan will be overseen by a registered professional engineer. Please commit to submitting an “As-Built Certification” to the Division following construction.

16. Addressing Rule 6.4.21(16), on page U-20, the EPP states that Cotter Corp. will conduct regular inspections of all structures. Please inform the Division of the anticipated minimum inspection frequency interval.
17. Addressing Rule 6.4.21(18)(b), please describe the measures Cotter Corp. intends to take to prevent wildlife from coming into contact with uranium, uranium by-products or any other radionuclides.
18. Addressing Rule 6.4.21(12), on Page U-15, the EPP states that "Water encountered during mining will be sampled and sent for chemical analysis. If levels of uranium-related constituents are above regulatory guidelines, Cotter will initiate monitoring according to DRMS regulation. A well will be placed down gradient of the mining area". If groundwater is encountered during mining, a minimum of three monitoring wells shall be installed. The location of the wells must be approved by the Division prior to installation. Also, subject to Division approval, a sampling and analysis plan shall be implemented in accordance with Rule 6.4.21(12) and Rule 3.1.7, regardless of the results of the chemical analysis.
19. Page U-4(2) states that maps showing drill hole data are found in this exhibit. A map showing drill hole data was not provided. Please submit 2 copies of a map that displays drill hole data.
20. Due to waste rock containing constituents at levels higher than federal, state and agricultural levels, is any type of impermeable liner proposed below that waste rock pile to prevent unpermitted discharges?

Please submit your response(s) to the above listed issue(s) by Friday, March 01, 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,

  
**Stephanie Reigh**  
Environmental Protection Specialist  
Department of Natural Resources  
Division of Reclamation, Mining and Safety  
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Cc: Ed Cotter, DOE

Ec: Russ Means, DRMS GJFO

Enclosures: DRMS General Ore Pad Construction Criteria Guidelines