

# 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



February 22, 2013

Don Coram  
Gold Eagle Mining, Inc.  
P.O Box 3007  
Montrose, Colorado 80402

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta Piñeda  
Director

***Re: Notice of Outstanding Issues: Permit Site and Numbers: Hawkeye Mine, M-1978-311, Ellison Mine, M-1978-342, Burros Mine, M-1977-297, and JD-5 Mine, M-1977-248.***

Dear Mr. Coram,

The Division of Reclamation, Mining, and Safety (Division) received Gold Eagle's notice of reclamation in lieu of Environmental Protection Plan (EPP) submittals dated January 7, 2013 for the above referenced sites. This was one of the options available to uranium permit holders in the Division's notice regarding EPP requirements dated September 30, 2011. A key requirement in allowing reclamation was that an operator had to commit to an initiation date for those activities. Gold Eagle cannot commit to a specific date due to a federal lawsuit. No work can commence until such time as the lawsuit is settled or the injunction against activities on the lease tracts is lifted. Therefore, as part of the notice of reclamation Gold Eagle made a commitment to submit Notices of Temporary Cessation within 30 days, which would have been February 6, 2013, to reflect the current operational status of the mines. To date the Division has not received the committed to TC notices as promised and required.

Please note failure to submit an acceptable TC Notice for the four sites to the Division by March 8, 2013 shall be considered a failure to comply with the Act, Rules, conditions of a permit, and regulation. Per CRS 34-32-124 the Division will initiated enforcement actions against an operator for failure to comply which may include corrective actions of civil penalties, cease and desist order, possible permit revocation, and reclamation warranty forfeiture.

As noted, Gold Eagle has until March 8, 2013 to submit a proper Notice of Temporary Cessation as defined by Rule 1.13.5. The Notice requires the following per Rule 1.13.5(2):

- A. Date of Cessation
- B. The reason for non-production or cessation of operations.
- C. Plans of resumption or in this case reclamation.
- D. Measures to be taken to comply with reclamation requirements related to the performance standards of Rule 3. Such as stormwater and erosion control as allowed under the injunction and direction of DOE.
- E. A statement that the existing Financial Warranty is adequate to cover current reclamation liabilities.

The Notices must be submitted separately and accompanied by the required \$115.00 fee for each site. Please submit the TC notices to me directly at the address noted below.

Additionally, per the Act, the Division cannot process any permit actions if there are other outstanding issues with the permit. Currently the Division records indicate that both the Hawkeye and the Ellison mines have Annual Fees and Reports due as of February 15, 2013. These fees and the reports are those required annually and must be paid prior to acceptance of the TC Notices for processing for these two sites. If Gold Eagle has not done so, it must submit the annual fee of \$1,150.00 and the correctly completed report on the form sent by the Division for each site with or prior to TC submissions.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Russell Means".

G. Russell Means  
Senior Environmental Protection Specialist  
West Slope Field Office Supervisor

Cc: Loretta Pineda, Division of Reclamation, Mining, and Safety Director  
Tony Waldron, Minerals Program Supervisor  
Bob Oswald, Minerals Durango Field Office  
Ed Cotter, Department of Energy / Stoller