

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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March 7, 2013

Robert Larson
Monadnock Mineral Services LLC
342 7th Avenue
Ouray, CO 81427

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

**RE: Second Notice of Incomplete Application, AM-01,
SAKO (ZMK) Pit, Permit No. M-1991-146.**

Dear Mr. Larson:

On December 24, 2012, the Division received an application for Amendment No. 1 (AM-01) at the SAKO Pit. The application was deemed incomplete for the purposes of filing. The Division identified the deficiencies of the application in a correspondence dated January 2, 2013. On March 4, 2013, the Division received response to the deficiency issues raised by the Division. The Division has reviewed the materials received March 4, 2013, and has identified the following deficiencies for AM-01. Pursuant to Rules 1.1(20.1) and 1.4.2, the following items must be received before the Division can consider your application as being filed and commence the technical review.

1. On the bottom of page 7 of the application form, the signature of the registered agent of SAKO Excavation LLC must be properly notarized. However, in this second iteration of the application the notary notarized her own signature and not the signature of the applicant. The correction is illustrated in Attachment 1, attached to this correspondence. The Division will not accept an application with error in the portion completed by the notary. Please submit a properly executed application form.

NOTE: The notary's error was repeated on both of the damage compensation agreements for the structure owned by Jim Bob Hobbs. The error on the damage compensation agreements is not a filing deficiency but will be raised by the Division as an adequacy issue during the technical review process, if not corrected before the application is considered complete for the purposes of filing.

2. Pursuant to Rule 1.6.2(1)(c), a complete copy of the application, including all exhibits except for confidential items, if any, must be placed at the County Clerk and Recorder's Office. Therefore, please submit an updated Exhibit I, Proof of Filing with County Clerk,

verifying a correctly executed application form has been placed with the County Clerk and Recorder's Office, in addition to the materials previous placed at that office.

The 60-day deadline for filing AM-01 occurred on March 4, 2013. Failure to resolve the deficiency items identified in this correspondence will cause the Division to deny the application, pursuant to Rule 1.4.1(8). Please resolve the above listed deficiencies within two weeks, by March 21, 2013.

Please contact me at the Division's office in Durango at 691 County Road 233, Suite A-2, Durango, CO 81301, phone (970) 247-5469, if you have any questions.

Sincerely,



Wallace H. Erickson
Environmental Protection Specialist

Attachment: Attachment 1 – Example, illustrating the correction on page 7 of the application form

Ec w/attachment: Tim Pasek, Monadnock Mineral Services
Robert Larson, Monadnock Mineral Services
Russ Means, DRMS, GJFO

Attachment 1 - Example

- 7 -

Certification:

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Section 34-32.5-110(1)(a)(VIII).
2. To the best of my knowledge, all significant, valuable and permanent man-made structure(s) in existence at the time this application is filed, and located within 200 feet of the proposed affected area have been identified in this application (Section 34-32.5-115(4)(e), C.R.S.). (NOTE: For 110 operations, the affected area includes all lands delineated by the permit boundary.)
3. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32.5-115(4)(f), C.R.S.).
4. As the applicant/operator, I do not have any mining/exploration operations in the State of Colorado currently in violation of the provisions of the Colorado Land Reclamation Act for the Extraction of Construction Materials (Section 34-32.5-120, C.R.S.).
5. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S. 1984.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32.5-110, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32.5-123, C.R.S.

Signed and dated this _____ day of _____, _____.

Applicant/Operator

If Corporation Attest (Seal)

Signed: _____

Signed: _____

Corporate Secretary or Equivalent

Title: _____

Town/City/County Clerk

State of _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____,

, by Travis Q. Sackman as Registered Agent of SAKO Excavation LLC.

Notary Public

My Commission expires: _____

SIGNATURES MUST BE IN BLUE INK