

# 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



March 26, 2013

Thomas J. Day  
Rio Grande Silver, Inc.  
PO Box 610  
Creede, CO 81130

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta E. Piñeda  
Director

Re: Bulldog Mine, Permit M-1977-215, Amendment Application AM-1, Completeness Review

Dear Mr. Day,

The Division has reviewed the amendment application named above, which to-date consists of the original packet of materials and several pages of additional materials. We have identified several items that must be submitted in order for the Division to consider the amendment to be "complete." The technical adequacy review for the application will be performed after the application has been found complete. This letter therefore includes comments pertaining to the completeness of the application.

It will be helpful to refer to a current set of the Division's Hard Rock/Metals Rules and Regulations, especially to Rules 6.2 (for map requirements) and 6.4 (for explanation of the required content of the exhibits), since that is the best source for application requirements. It is hoped that the comments below will assist in further understanding the application and exhibit requirements.

Please provide or revise the following items:

Application form, page 3: Since portions of the land areas to be added under this amendment are managed by USFS, the contact information for the USFS office that is involved with the project must be included.

Application form, page 4: The future (post-mining) land use is noted as "Wildlife Habitat." I will refer back to this in the discussion below.

Application form, page 8: Since Rio Grande Silver, Inc. is a corporation, the signature of a corporate secretary, and corporate seal (if there is one) must be added.

On the four pages following the signature page (which is page 8 of the application) there is a series of examples of various types of notices. Proceeding through the notices in the order that they are stapled in the application, these are the requirements for each of the notices:

The first notice (beginning with "You must post sufficient notice...") is the one that must be filled out and posted at the mine site in enough locations that observers will know that land is being added to the permit. This notice is the exhibit "Addendum 1" (Rule 1.6.2(b)) on the list of exhibits. There is no requirement

Page 1

for sign size or durability, but operators most commonly print the notice in larger type on an 8.5" x 11" page, slip it into a plastic sleeve, and post it where it can be viewed by the public. It must be posted in enough locations, and since there are different areas to be added to the permit, I suggest posting it at the road to the 9360 office complex, near the mouth of Windy Gulch, and at revised Area D (if it is anywhere near a public road). This notice template includes a certification at the bottom of the page. Please complete the certification on the notice, and send it to me. Although not required, it is appropriate to include photographs of the various posted notices.

The second notice is to the Board of County Commissioners. The second paragraph states that the future land use will be "Rangeland," which is inconsistent with the land use stated on the application, mentioned above. The land use needs to be revised here or on the application form to be made consistent. At the bottom of page are instructions directing you to include a copy of the application with this completed notice, and delivered to the Board of county Commissioners. You must provide proof that you mailed this notice and a copy of the application (no exhibits). Sending by certified mail with return receipt requested is sufficient, or you may obtain a signed and stamped receipt if hand-delivered.

The third notice is to the Conservation District in the area; the Rio Grande Conservation District is the one serving Mineral County. Instructions and comments for preparing and sending this notice are the same as those shown in the preceding paragraph. Proof of mailing these two notices, to BOCC and RGCD, together constitute Exhibit Q.

The fourth notice (beginning with "An example Public Notice...") is the one to be used to notify the public of this amendment, after the Division has informed you the application is complete. Do not mail it or publish it yet. (There was a partial version of this notice included in the packet, possibly in Exhibit R, that will be discussed below.)

Exhibit C - Pre-mining and Mining maps. These are required since there are lands to be added in the amendment. The requirement for two maps can be satisfied with one map in this case, since there are no changes due to mining being proposed. The map(s) should depict how the permitted area and the added areas appear currently. Please ensure that all maps are labeled by Exhibit, the map title pertaining to the exhibit, permit number, and amendment number. They must all be signed and dated.

Exhibit F – Reclamation Map. It is presumed that this exhibit is the oversized map. However, since it to depict the post-mining condition, it should not include any features that will not be present after reclamation. Please remove all features from the map that are to be removed during final reclamation.

Exhibit O - Owners of Record. Please ensure that names and contact information for all owners of affected land and adjoining land are in this exhibit, and identified on an Exhibit C map. This holds for the northern areas to be added to the permit, and for revised Area D. This must include private individuals, local governments or federal government, as necessary.

Exhibit P – Municipalities within Two Miles. The contact information for the office of the City of Creede must be included. You may also include contact information for Mineral County offices too, if you wish.

Exhibit Q – Proof of mailing notices to the BOCC and RGCD. This was discussed above.

Thomas J. Day/M-1977-215/AM-1  
March 26, 2013  
Page 3

Exhibit R - Proof of Filing with County Clerk. The filled-out Notice form that was submitted in the packet is not correct for this exhibit. This exhibit is to provide proof that a complete set of the amendment packet that you sent to the Division was also filed with the county clerk and recorder for public review. When it is placed there, please obtain a receipt, and send it to the Division. [Soon, but not yet, when the application is complete, you will be instructed to publish and mail out the "Public Notice" form, which includes language referring to having placed a complete copy at the clerk and recorder.]

Note: Do not have the application documents recorded; just file them for public review.

Additional note: As more materials are added to the amendment, such as correspondence and revised exhibits, etc., those items will need to be additionally filed too, with receipt obtained for each.

Exhibit S (or T): Significant Structures: This exhibit includes a series of signed and notarized damage agreements for individuals' property, which appears correct. Please ensure that agreements for all affected or adjoining owners of property (within 200 feet) are included. Since there will be county roads that are within 200 feet, please ensure that an agreement or approval from the county is included in the exhibit. Also, since the amendment includes city water utility structures (storage tank and water line), a letter from the city for the utility should be obtained.

As a reminder, please provide two copies of all follow-up materials for the amendment.

Please contact me if you wish to discuss any of the items in this letter. I will review your responses promptly when I receive them, and notify you if there are any further questions. I can be reached at the Division's Durango Field Office: 691 CR 233, Room A-2. Durango, CO 81301; telephone 970-247-5193.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Oswald". The signature is fluid and cursive, with the first name "Bob" being more prominent than the last name "Oswald".

Bob Oswald  
Environmental Protection Specialist