

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



John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

April 11, 2013

Mr. Rory Williams
Star Mine Operations LLC
1675 Larimer St., Suite 820
Denver, CO 80202

Re: Revenue Mine, Notice of Intent to Conduct Prospecting (NOI), File P-2013-006, Technical Adequacy Review Letter.

Dear Mr. Williams,

I have reviewed the Revenue Mine NOI you submitted on April 1, 2013, and overall I found most of the items to be addressed well. There are, however, a few issues pertaining to the NOI, which need to be addressed further. Please respond to each of the following items:

1. There will be up to 77 drill holes to be drilled under this project. It is understood that each of them will be closed and sealed as part of its permanent abandonment, with closure to be in conformance with the requirements of dry or wet drill hole closure procedures (see Hard Rock Rule 5.4). For bonding purposes, please state the maximum number of drill holes which may be open at any one time during the project.
2. The confidential attachment containing details about the proposed drill holes shows there is a wide range of drill hole depths. For bonding purposes, we must use the deepest drill hole to calculate the closure cost, as opposed to closure cost for an average depth drill hole. Please confirm your agreement, or why this should be otherwise.
3. The holes will be drilled from 25 different drill pads, only a few of which pads still exist from previous drilling disturbance. The pads are planned to be limited in size to only 30 feet square. Please confirm that all drill pad disturbances, including the topsoil stored at the margins plus any equipment parking or other storage, will be contained within the stated drill pad size. If this cannot be accomplished and additional space is needed, please provide a revised plan.
4. It is noted that the plan does not include mud pits at the drill pads, even though the prospecting method is "fluid drilling." Please clarify whether there will be modular/portable fluid containment utilized at the drill pads, or if mud pits were inadvertently omitted, or explain why you feel that mud pits are not necessary. If necessary, please provide a revised plan.

5. All drill pads will be accessed by drilling and support equipment by dirt roads. The NOI states that most pads are accessible by existing roads, although up to 1000 linear feet of new access road will be constructed. The plan states that roads will be constructed "to fit local standards." Although that description is vague, it will be important that new roads and re-affected roads are sufficiently stable if they are to remain after reclamation. Please ensure that new road design and construction include at least minimally-adequate drainage and runoff controls, so that offsite damage (due to accelerated erosion and sediment transport, for example) can be avoided. Please state your concurrence.
6. The reclamation plan details, which mainly include topsoil salvage and replacement, and revegetation seeding, are adequate. This office acknowledges that not all areas proposed for disturbance currently contain topsoil and vegetation. The topsoil replacement and broadcast seeding will only be required on drill pads areas where topsoil and vegetation currently exist. Without knowing how many drill pad locations are, in fact, presently vegetated, the Division estimates that the topsoil and seeding tasks will be needed on 0.52 acres or less. If a better figure is available, please provide it.
7. The NOI application includes a page containing a series of blanks that the applicant must initial to indicate acceptance, concurrence, or performance of the various requirements associated with submitting the application. It was noted that the last blank (concerning sending notice to Ouray County) was not initialed. Please be aware that regardless of whether the project is on private land or whether these activities are allowed as a "use by right" in the county, sending said notice is required. Please provide the Division with evidence and certification of sending such notice to the county.

The Division's decision date has been set for May 2, 2013. Please provide the responses to me by that date if possible. If additional time is needed to prepare or provide the responses, please contact me to discuss an extension of the decision date.

If you have questions, I may be reached at the Division's Durango Field Office: 691 CR 233, Room A-2, Durango, CO 81301; telephone 970-247-5193. I look forward to receiving your responses.

Sincerely,



Bob Oswald
Environmental Protection Specialist