

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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Governor

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Executive Director

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Director

April 10, 2013

Mr. Jack Bridges
San Juan Minerals LLC
57 Willow Ct.
Pagosa Springs, CO 81147

**Re: Boulder Gold Project, Notice of Intent to Conduct Prospecting (NOI), File P-2013-004,
Further Technical Review and Extension of Decision Date**

Dear Mr. Bridges,

The Division has reviewed your technical adequacy responses, which were received here on March 25, 2013. The letter identified several areas of the proposed activity that are to be modified. Thank you for addressing all items pertinent to the Division's review. Your responses also included details that pertain to jurisdictional areas of the U.S. Forest Service (USFS). In those instances where we do not have jurisdiction, your inclusion of those details is nevertheless appreciated.

The following is a brief summary of the items that the Division now feels have been adequately addressed.

1. Onsite containment of sediment will be through use of a silt fence installed around the excavated pit, which will be used as a recirculation pond.
2. Onsite drainage control will be maintained by grading disturbed areas to slope toward pond.
3. Safeguarding the site will be accomplished by use of locked gate only, with no additional fencing.
4. Evaporative losses will be minimized due to the pond's small surface area and short duration of project.
5. Sedimentation to Alamosa River will be minimized by use of proper stream crossing structures or practices.
6. Diagram of the site sufficiently depicts details of proposed activities.

There are still several items that must be further addressed, but it appears that you are or will be working toward resolving them. These are summarized below.

1. Access to the site will involve a stream crossing, for which the USFS may require a specific structure or practice yet to be determined. You have committed to include that in your plan when those details are known. A structure may affect the bond amount.
2. There will be potential evaporative losses of water from the water surface in the excavated pit (pond). This may require approval from the Division of Water Resources (DWR), and is yet to be determined. You have committed to obtaining the required approvals, if any.

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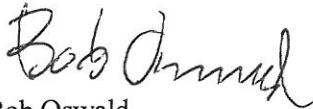
3. There is a question about whether the project lies on areas that the USFS has deemed closed to mining, depending on which land survey is considered. Access to the site and use of the site will depend on USFS allowing access and use, i.e., that the site is located in an area that is open to mining. Since the USFS is the land management agency, please understand that no prospecting activity is to commence until their authorization is given.

These several issues must still be resolved before the Division can consider approving the prospecting project, but they also could affect the bond amount. As such, the Division will approve an extension of the decision date until May 10, 2013, in order to allow more time to resolve these outstanding issues. When the applicant obtains information pertaining to the resolution of these items, please forward it to this office. As always, it would be appreciated if the applicant provides two copies of all materials.

If the applicant is diligently working toward resolving these issues but cannot fully address them all by the decision date, please contact this office regarding an extension.

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.

Sincerely,



Bob Oswald
Environmental Protection Specialist

Ec: Russ Means, DRMS Grand Junction
Nic Sandoval, USFS, Monte Vista