

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

June 20, 2013

Mr. Don Loloff
Loloff Construction, Inc.
P.O. Box 518
Kersey, CO 80644

**Re: Loloff Mine, Permit No. M-1985-112
Pit Dewatering**

Mr. Loloff:

Larry Monroe, the owner of the property adjacent to the west boundary of the Loloff Mine, informed DRMS today by phone that his stock well is dry (well permit #44981). DRMS inspected the well as part of the Loloff Mine inspection on June 3, 2013. At the time of the inspection, the well appeared to have shown no impacts from pit pumping in the adjacent Loloff Mine (although the history of the static water level in the well is unknown). The Monroe's pond had dried up, but it was unclear then whether changes in surface inflow or groundwater level was the cause.

The Loloff Mine is not approved for the current dewatering operations or to mine the site as a dry mine. As a corrective action, the June 3, 2013 inspection report required the Operator to submit a Technical Revision by July 15, 2013 to revise the mining plan to allow for dry mining. The Technical Revision is to include a study of the potential impacts to groundwater quantity and a mitigation plan if groundwater levels are affected by dewatering activities.

Given that the pit pumping is not part of the approved mine plan, and the nearby Monroe well is dry, DRMS revises the corrective action to include immediate cessation of pit pumping until the Technical Revision is approved.

Sincerely,

A handwritten signature in black ink that reads "Tom Kaldenbach".

Tom Kaldenbach
Senior Environmental Protection Specialist

cc: Peter Hays, DRMS
Tony Waldron, DRMS