

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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02 July 2013

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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

**Re: New Horizon North Mine – Permit No. C-2010-089
Technical Revision No. 3 (TR-03) – Incidental Boundary Revision
Preliminary Adequacy Review**

Dear Mr. Langenfeld:

An application for Technical Revision No. 3 (TR-03) was received from your office on April 12, 2013. The application was submitted on behalf of Western Fuels-Colorado, LLC (WFC), the permittee for this mine. On April 22, 2013, the Division determined the application to be incomplete, due to no proposed Public Notice having been provided. The Public Notice was received on May 1, 2013, and the application was deemed complete, for purposes of filing, on May 10, 2013.

The Division believes that the public notice was published in the May 16, 2013 edition of the San Miguel Basin Forum; however, we have not yet received notarized proof of that publication.

In accordance with the requirements of 2.03.12, please submit Proof of Publication for the public notice.

The Division notified the Montrose Board of County Commissioners of the revision's completeness. No comments were received from the Commissioners, and no public comments were received in response to the public notice.

As described in the April 10, 2013 cover letter and application form, the purpose of TR-03 is to incorporate two incidental areas into the permit boundary: 1) an area attached to the equipment corridor for installation and monitoring a water pump at the former Nucla Mine Pond 001, and 2) an area disturbed by construction of an outlet ditch and flume for Pond NHN-001. TR-03 was submitted to abate Notice of Violation CV-2013-003 which was issued for the flume and ditch disturbance. WFC is the surface and mineral owner for the proposed incidental areas.

The application included an updated Section 2.03 – Legal, Financial, Compliance, and Related Information; a revised Appendix 2.03.8-1 – Legal Description; and three revised maps: Map 2.03.4-1 (Surface Ownership and Leases), Map 2.05.2-1 (Life of Mine Plan), and Map 2.05.3(4)-1 (Surface Water Hydrology).

The Division has conducted a preliminary adequacy review of the TR-03 application materials. Our comments are provided below, for your consideration and response.

Adequacy Review

1. It appears that the base document utilized for the proposed revisions to Section 2.03 is an outdated version, and not the version currently approved in the permit. Please review, and resubmit this section as appropriate.
2. The revised Attachment 2.03.8-1 incorporates metes and bounds details for the proposed incidental areas, which is acceptable. However, the original legal description for the active mining area, the W ½ Section 25, T 47 N, R 16 W, has been replaced with metes and bounds. Please restore the legal description to its original form, which will allow clear differentiation between that area and the areas in Section 36, which lies within T 46 N, R 16 W.
3. Subsequent to the completeness of the TR-03 application, discussions between the Division and the applicant resulted in the determination that the existing two-track dirt road, which will provide access to the pond and pump, will also need to be included in the permit. Please update the application to include this feature, in accordance with the requirements of Rule 4.03.3 - Light Use Roads.
4. Map 2.03.4-2 – Mineral Ownership and Leases should also be revised to show the new permit boundary.
5. The purchase option for the Meehan property was executed, as evidenced by the Warranty Deed included as Appendix 2.03.6-1(d) of the approved permit. Please update the ownership information in Section 2.03 and on Map 2.03.4-1 to reflect the change.
6. On Map 2.05.3(4)-1, Surface Water Hydrology, the new permit boundary around the ditch and flume construction is shown, but the structures themselves are not depicted. Please denote the locations of the outlet ditch and flume on this map.

This concludes the Preliminary Adequacy Review for this application. Please contact me with any questions or comments you may have.

Sincerely,



Marcia L. Talvitie, P.E.
Environmental Protection Specialist

cc: Doug White, P.E. - Western Fuels Association, Inc. (Email)
Ross Gubka, P.E. - Western Fuels-Colorado, LLC (Email)
Sandy Brown - DRMS