

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. Pineda
Director

July 3, 2013

Mr. Shannon P. Murphy
Providence Mining, LLC
100 W. Bennett Ave.
Cripple Creek, CO 80813

**RE: Providence Mine, Permit No. M-2012-052
Preliminary Adequacy Review**

Dear Mr. Murphy:

The Division of Reclamation, Mining and Safety (Division) has completed its preliminary adequacy review of your 110d reclamation permit application. The application was received on June 5, 2013 and called complete for review on June 6, 2013. The decision date for this application is July 8, 2013. Please be advised that if you are unable to satisfactorily address any concerns identified in this review before the decision date, it will be your responsibility to request an extension of the review period. If there are outstanding issues that have not been adequately addressed prior to the end of the review period, and no extension has been requested, the Division will deny this application.

The review consisted of comparing the application content with specific requirements of Rules 3, 6.1, 6.2, 6.3 and 6.5 of the Minerals Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations (Rule). Any inadequacies are identified under the respective exhibit heading along with suggested actions to correct them.

During the review, the Division noted some items that should be presented in a particular exhibit were discussed in another exhibit. As such, some comments below might be addressed in other areas of the submitted application's exhibits, but possibly overlooked due to being discussed in unexpected exhibits. If this is the case, please provide a location in the alternate exhibit where the comment is addressed.

APPLICATION

1. Items 8 and 9, Name of owner – Please provide an explanation as to why Denis M. Robert was removed as the owner of both the surface and subsurface rights between the Application received by the Division on December 31, 2012 (determined to be incomplete) and the Application received June 5, 2013.
2. Item 11, Primary Mine Entrance Location – The longitude for the Mine Entrance Location in Item 11 is 105°, 9', 47.60". Exhibit A lists the longitude for the Mine Entrance Location as 105°, 9', 49". The locations need to be consistent and should be the location of the site entrance/security gate referenced in Exhibit B (not the portal entrance). Please correct Item 11 and/or Exhibit A as appropriate.

6.3 SPECIFIC EXHIBIT REQUIREMENTS – 110d LIMITED IMPACT OPERATIONS

The following items must be addressed by the applicant in order to satisfy the requirements of C.R.S. 34-32-101 et seq. and the Mineral Rules and Regulations of the Mined Land Reclamation Board:

6.3.1 EXHIBIT A – Legal Description

3. Please see Comment 2 above.

4. Range No. – The Range listed for the Sangre de Cristo Tunnel Area and the Air Raise Area on the Legal Description is 70 West. However, looking at the Exhibit A Location Map, both are in Range 69 West. Please correct the Range.

6.3.2 EXHIBIT B – Site Description

5. Third Paragraph – The approximately 3 acres of pre-law disturbed area needs to be identified on a map such as Exhibit Map E-1A. If this is the “Historic Waste Rock Area” labeled on Exhibit E-1A, please include the area (3 acres) for clarification.
6. Last Paragraph – The second sentence indicates no diversion or other on-site runoff control will be created. Please see Comment 7 below and correct this statement.

6.3.3 EXHIBIT C – Mining Plan

7. Affect on surface water quality – Exhibit T discusses the potential for unoxidized ore. This is the reason for the designated mining operation (DMO) status. Pursuant to Rule 6.3.3(i), a statement needs to be included as to the potential impact on surface water (i.e., stormwater) due to contact with the unoxidized ore. Also, as discussed in the Division’s June 26, 2013 Preliminary Adequacy Review for the Environmental Protection Plan, stormwater diversions need to be incorporated to separate stormwater and snowmelt for the ore stockpile to the extent practical.
8. Rule 6.3.3(l) requires a narrative on what measures will be taken to minimize the disturbance to the prevailing hydrologic balance. In reference to the potential stockpiling of unoxidized ore, please address this requirement.

6.3.4 EXHIBIT D – Reclamation Plan

9. Seed rates – Pursuant to Rules 6.3.4(1)(c) and 6.3.4(2)(b), please provide specific seed rates for the species prelisted on the second page of Exhibit D. The local Soil Conservation District office can provide assistance in recommended species and seed rates.

6.3.5 EXHIBIT E - Map

10. Map Scale – A scale is not included on Exhibit Map E-1A. Please provide a scale for Map E-1A. Also, pursuant to rule 6.2.1(2)(e) the acceptable range of map scales shall not be larger than 1 inch = 50 feet nor smaller than 1 inch = 660 feet. The scale shown on Map Exhibit E-1B is 1 inch = 20 feet.
11. Mineral Rights vs. Surface Owners – It is unclear from the provided maps, if any surface owners are different than the mineral rights owners. Please clarify whether or not there is any difference in ownership between surface and mineral rights. If so, please also provide the surface owner name(s).
12. Map E-1A Labels – Some labels are in a very small font and difficult to read without magnification (e.g., “powder box”, “Office”, “Storage”, “PortaJohn”, etc.).
 - a) Please increase the font size to make these facilities labels readable.
 - b) Also, please label Highway 67 and the ore stockpile location for future reference.
 - c) Also see Comment 5 above.
13. Reclamation Map – Pursuant to Rule 6.3.5(3), a reclamation plan map is required. No reclamation map was provided. Please provide a reclamation plan map.

6.3.6 EXHIBIT F - List of Other Permits and Licenses Required

14. Please explain why the following permits/Licenses are not required:
- a) General stormwater permit from the Colorado Department of Public Health and the Environment.
 - b) Based on the previously supplied comments from the State Historical Preservation Office, clearance documentation may be required. Please discuss.

6.3.7 EXHIBIT G - Source of Legal Right to Enter

15. Pursuant to Rule 6.3.7, the source of legal right to enter is documentation such as a deed or lease, not a description of how to access the site. Please provide appropriate documentation.

6.3.8 EXHIBIT H - Municipalities Within a Two Mile Radius

The information provided for this Exhibit is adequate.

6.3.9 EXHIBIT I - Proof of Filing with County Clerk

The information provided for this Exhibit is adequate.

6.3.10 EXHIBIT J – Proof of Mailing of Notices to Board of County Commissioners and Soil Conservation District

16. Only the certified mail “sent” receipts were provided. Please provide the certified mail “delivered” receipts or other documentation demonstrating both the Board of County Commissioners and Soil Conservation District received notices.
17. A list of mineral rights/surface owners was also included in Exhibit J. Please provide copies of the certified mail “sent” receipts for these owners.
18. Discrepancies between the list of owners in Exhibit J and the owners listed on Exhibit Map E-1A and E-2. No owner addresses were listed for MS13200, MS13965, MS7611, MS18302, or the BLM, and MS9609 (Air Raise area). Please provide mailing addresses mail “sent” receipts for these owners.

6.3.12 EXHIBIT L - Permanent Man-Made Structures

19. The electric line shown on Exhibit Map E-2 is considered a permanent man-made structure as are fences.
- a) Please include the electric line in the list of structures.
 - b) Please confirm there are no property fences within 200 feet of the proposed permit boundary.

Please be advised the Providence Mine Application may be deemed inadequate and the application may be denied on **July 8, 2013** unless the abovementioned adequacy review items are addressed to the satisfaction of the Division. If you feel more time is needed to complete your reply, the Division can grant an extension to the decision date. This will be done upon receipt of a written waiver of your right to a decision by **July 8, 2013** and request for additional time. This must be received no later than the deadline date.

July 3, 2013
Shannon Murphy
M-2012-052 Preliminary Adequacy Review

Page 4 of 4

If you have any questions, please contact me (303-866-3567 ext. 8169).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Cazier', with a stylized flourish at the end.

Timothy A. Cazier, P.E.
Environmental Protection Specialist

cc: Tom Kaldenbach, DRMS
DRMS file
Art Braun, Braun Environmental, Inc. (via email)