

# STATE OF COLORADO

## DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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December 2, 2009

Mr. Richard Blubaugh  
Powertech (USA) Inc.  
5575 DTC Parkway, Suite 140  
Greenwood Village, CO 80111

Bill Ritter, Jr.  
Governor

Harris D. Sherman  
Executive Director

Ronald W. Cattany  
Division Director  
Natural Resource Trustee

**RE: Centennial Project, Second Review of Notice of Intent Modification MD-03, File No. P-2008-043**

Dear Mr. Blubaugh:

The Colorado Division of Reclamation, Mining, and Safety (DRMS) has reviewed Powertech's submittal dated October 28, 2009 responding to DRMS initial review of proposed modification MD-03 to Notice of Intent to Conduct Prospecting P-2008-043, and has determined that there are several issues remaining to be addressed. Please respond to the following items at your earliest convenience bearing in mind that if you have not addressed these items within sixty days of the date of this letter the DRMS may terminate consideration of the proposed modification (Rule 5.1.3 of the Mineral Rules and Regulations of the Mined Land Reclamation Board).

1. MD-03 proposes temporary storage of ground water pumped to the surface in Rain for Rent tanks and states that the tanks will be decontaminated before and after use. The terms and conditions section of the Rain for Rent rental/sales estimate included with Powertech's October 28, 2009 submittal states that the tanks may have contained hazardous waste in the past, and provides Powertech the option to test the units for hazardous waste prior to taking delivery. DRMS will require that this be done. Powertech must provide a testing plan for DRMS review. DRMS suggests that thorough rinsing of the tanks with water of known quality followed by sampling and analysis of the rinsate would be appropriate, but will consider any alternatives proposed by Powertech. The plan provided must describe the analysis to be done, with the selected analytes based on the previous uses of the tanks. The testing and analysis must be complete and evaluated by DRMS prior to bringing the tanks onto the pump test site.
2. The Rain for Rent rental/sales estimate included with Powertech's October 28, 2009 submittal states that Powertech will test the tanks for radon following re-injection of the stored water, and will decontaminate the tanks prior to standard cleaning procedures if radon levels are high. DRMS may incur the costs for this procedure in the event of bond forfeiture, and needs the following information in order to estimate the pertinent costs.
  - a. Will the radon test and possible subsequent decontamination be done on site, or after the tanks are returned to the Rain for Rent facility?
  - b. How will the radon test be conducted, and what will it cost? What radon levels will trigger the requirement for decontamination?

- c. How will the tanks be decontaminated if radon levels are determined to be unacceptably high, and what will decontamination cost? How will decontamination fluids and equipment be disposed of, and what will their disposal cost?
3. If Powertech wants the latitude to conduct the proposed pump test during the months when hard freezing temperatures at the test location are possible, then a cold weather plan, including costs, must be provided for DRMS review and approval. The plan must address what measures and what equipment will be employed to keep the water from freezing both to prevent damage to tanks, pipes, and fittings, and to allow for timely re-injection of pump test water. If tank heaters or other power consumptive measures or equipment are to be employed for freeze prevention, provide a specification for generator(s) that will be required, both to conduct the pump test and to operate freeze prevention equipment; this is needed for DRMS to estimate power generation costs to establish the amount of required bond.
4. Provide a detailed lithological description of the core from hole IN-14-33. This is needed for DRMS to review the aquifer/aquitard relationships described and illustrated in MD-03 submittals.
5. Powertech's October 28, 2009 submittal commits to injection under a vacuum. As discussed in the DRMS review letter dated September 25, 2009, this commitment essentially eliminates the potential for injected fluid to migrate into strata other than those where migration currently occurs under existing conditions. However, there are various descriptions in the underground injection control literature of injection under a vacuum. Therefore, Powertech must provide a detailed description of how injection under a vacuum will be conducted at this site, including monitoring and measures to be taken to assure that pressurization is prevented throughout the re-injection process.
6. If and when MD-03 is approved, DRMS will review the Powertech field notes for all post-June, 2008 well sampling conducted in section 33, where the proposed pump test is to occur. DRMS will contact Powertech to coordinate the review at the appropriate time.

DRMS is deferring the cost estimating to determine the amount of required bond for the proposed modification until the issues in this review letter have been resolved. You may not commence operations proposed in MD-03 until these issues have been resolved and bond has been submitted and you have been notified in writing that the bond has been accepted by the DRMS.

If you have any questions, please contact me at 303-866-3567, ext. 8143.

Sincerely,



Allen C. Sorenson  
Reclamation Specialist

cc: Michael Beshore, Powertech, via email