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JUN 2: 2010

Division of Reclamation, Mining & Safety

(office use only)

Form 2 (Public File) NOTICE OF INTENT TO CONDUCT PROSPECTING OPERATIONS FOR HARD ROCK/METAL MINES

CHECK ONE:

_____There is an NOI Number Already Assigned to this Operation

NOI # P_____ (Please reference the file number assigned to this operation) New NOI

Modification to an Existing NOI

NOI# P-2008-043 (Provide for Modifications to an existing NOI)

GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, ALL information described below.

I. <u>GENERAL INFORMATION</u>

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1. DATE NOI RECEIVED BY THE DIVISIO	<u> </u>
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- 2. PROJECT NAME: Centennial Uranium Project, Weld County, CO
- 3. PROSPECTOR: Name: <u>Richard Blubaugh</u> Title: <u>V.P. EH&S Resources</u> Company Name: <u>Powertech (USA) Inc</u>. Street: <u>5575 DTC Pkwy, Suite 140</u> P.O. Box: City: <u>Greenwood Village</u> State: Colorado

Telephone Number: (303) 790-7528

Fax Number: (303) 790-3885

PERSON MLRB SHOULD CONTACT:
Name: <u>Richard Blubaugh</u>
Title: V.P. EH&S Resources
Company Name: <u>Powertech</u> (USA) Inc.
Street: <u>5575 DTC Pkwy, Suite 140</u>
P.O. Box:
City: Greenwood Village
State: Colorado
Zip Code: 80111
Telephone Number: (303) 790-7528
Fax Number: (303) 790-3885

4. <u>APPLICATION FEE</u>: **\$86**. (NOIs require a **\$86** fee which must accompany this notice or it cannot be processed by the Division).

5. LOCATION INFORMATION:

** 7 7

p=44

Zip Code: 80111

County: Weld	
PRINCIPAL MERIDAN (check one)	X 6 th (Colorado) 10 th (New Mexico) (Ute)
SECTION (write number):	<u>S</u> 33

TOWNSHIP (write number and check direction) T_10	North	X	South	
RANGE (write number and check direction)	R_67	East	West X	
QUARTER SECTION (check one): X NE	_NW	SE	SW	
QUARTER/QUARTER SECTION (check one):	NE	NW	SE S	w

GENERAL DESCRIPTION: (the number of miles and direction to the nearest town and the approximate elevation): Approximately 7 miles southeast to the town of Nunn, Colorado. Approximate elevation of prospecting location is 5560 feet.

NOTE: Supply longitude and latitude or UTM coordinates if lands have not been surveyed or as supplemental information to
this NOI. GPS measurements will be acceptable for this purpose: Prospecting activities will
occur at approximately North 4515707.657 - East 509086.113 (NAD83,
UTM, Meters).

6. LAND OWNERSHIP

 Private
 X
 Public Domain (BLM)
 National Forest (USFS)

 State
 State Sovereign Lands
 Other (please describe):

If prospecting is located on BLM or USFS land the remaining section must be completed, otherwise go to section II Maps & Drawings

7. PROSPECTING ON BUREAU OF LAND MANAGEMENT (BLM) LAND AND U.S. FOREST SERVICE (USFS) LAND

The Division and the BLM/USFS have entered into cooperative agreements that eliminate the need for a prospector to post a financial warranty with each agency and allow them to coordinate the review of the NOI in order to minimize administrative processing time and effort.

A. CLAIMANT:

Name:	N/A
Address	
Telepho	ne:
Fax Nun	nber:

B. SITE/CLAIM INFORMATION:

List names, serial numbers and provide legal description to nearest quarter-quarter section of all sites or claims (attach additional page, if necessary).

NAME	SERIAL NUMBER	LEGAL DESCRIPTION
N/A		
	***************************	<u></u>

	######################################	

С.	LOCATION MAP:	Attach a	USGS 7.	5 minute	quad,	or similar	map of	f adequate	scale,	which	locates the	prospecting
	site(s). N/A	×.			-		•	-				

- D. Are prospect sites (e.g., drill holes, trench locations, etc...) staked on the ground? Yes _____ No ____ N/A
- E. Specify the Land Management Agency, Address and Telephone Number:

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F. The prospector is required to document that the NOI has been sent to the BLM or the USFS. Processing of the NOI will not begin until the prospector has submitted evidence acceptable to the Division that the NOI was sent to the BLM or USFS. Check one: N/A

Evidence of notification is attached to this NOI for BLM Land Evidence of notification is attached to this NOI for USFS Land. Other proof of notice is attached to this NOI

II. <u>MAPS & DRAWINGS</u>

N/A

Accurate topographic base map showing the location of the proposed project must be submitted with this notice. The prospector may submit a U.S.G.S. 7.5 minute quadrangle, or similar map of adequate scale that: Refer to Attachment A

- 1. identifies the proposed prospecting site(s) or activity areas involving surface disturbance. Activity areas include all drill holes, mud pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads, and
- 2. includes sufficient detail to identify and locate known prospecting features and facilities that may be affected and those that are not anticipated to be affected. This includes the location of all drill holes, mud pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads. Color photographs, adequately labeled (including date, orientation and location), of the prospecting site may be used to fulfill this requirement if included with the NOI submittal.

III PROJECT DESCRIPTION

- 1. Mineral(s) and/or Resource(s) being Investigated: Groundwater & Uranium
- 2. Estimated dates of commencement and completion: Commencement: August 1st, 2010 Completion: August 15th, 2010
- 3. Amount of material to be extracted, moved or proposed to be moved: None
- 4. Identify the type or method of prospecting proposed and quantity (place an "X")

Cuts	Pits	Trenches		<u> </u>	Aquiter	Pump	Test
Shafts	Tunnels	Adits	Declines				

_____Air Drilling _____Fluid Drilling _____Drilling & Blasting

5. Describe proposed surface excavation or other land disturbance, including roads, pits, trenches, waste piles, drill pads and collar areas of underground workings, ponds, etc...

Land disturbance will consist of a 2 inch polyethylene pipe approximately 1500 feet in length laid on the ground surface between IN08-33-PW1 (the pump test well) and the the stream tributary. Water will be discharged at the stream tributary and monitored for erosion. If excessive erosion begins to take place beyond that which is natural, stream discharge will be terminated.

- 6. **Proposed Disturbance** (approximate) Describe the proposed drilling to be conducted, including anticipated number of holes, diameter, depth, location, etc... Submit additional pages if necessary: No drilling proposed.
 - A. Drill Pads: Quantity None_Average Width _____ (ft) Average Length _____ (ft)
 - B. Drill Holes: Quantity None_Depth_____(ft) Diameter _____(in)
 - C. Mud Pits: Quantity <u>None</u> Average Width _____ (ft) Average Length _____ (ft) Average Depth _____ (ft)

Described proposed underground work, including reopening of old workings, advancement of adits or shafts, trenches, pits, cuts, rock dumps, or other types of disturbance, describe type, quantity and general dimensions: None.

D. Other Disturbances (please describe):

Infrast<u>ructure</u> associated with this activity consists of 2 trailer mounted electrical generators, 1 trailer mounted camper, and 1500 feet of polyethylene pipe as shown in Attachment A. The electrical generators and camper will be situated in areas already bonded for disturbance under NOI P-2008-043 MD-01.

E. Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store. Diesel fuel will be used and stored on site for the 2 electrical generators. The electrical generators hold a maximum of 50 gallons of diesel fuel. An additional 10 gallons of back-up fuel will be stored in an appropriate location. Fuel will be stored in a certified, fully sealed and labeled container.

F. New Road(s): None	Length	(ft) Width	(ft)			
Significantly Upgraded Road(s)		(ft) Width		(ft)			
Are culverts or other crossings pro-	posed? If so, please of	describe:					
None. No new roads	are planned.	Access to	the	sites	will	be	from
adjacent existing r	oads. Only m	ninor damage	e to	existi	ng ve	eget	ation
may occur during th	is activity.						

G. Total project area to be disturbed None (acres)

H. Describe the equipment to be used for the prospecting operations:

Electrical Generators (2) - To power groundwater well pump, camper,
and portable lighting.
Trailer Mounted Camper - To provide shelter for Powertech personnel.
Polyethylene Pipe (1500 Feet) - To route water from IN08-33-PW1 to
the stream tributary.

I. Describe and locate any structures to be constructed (i.e. stockpiles, ponds, impoundments): <u>No structures</u> will be constructed during this activity.

J. Describe anticipated relationship to surface water and groundwater (proximity to streams, penetration of ground water aquifers):

SURFACE WATER - Under this proposal, water will be discharged to the surface water body shown on Attachment A. Discharge will conform with rule 3.1.6 of the Mineral Rules and Regulations of the MLRB for Hard Rock, Metal and Designated Mining Operations. GROUNDWATER - None.

IV. OPERATION AND RECLAMATION MEASURES:

- 1. The Board suggests that a photographic record of the pre-prospecting and post-prospecting conditions be kept by the prospector. These photos should be taken from the same location and by the same method to clearly show the pre-prospecting condition of the land and the reclamation efforts. Upon completion of reclamation and request for bond or surety release, the Board may consider the photos as evidence of adequate reclamation, and thus, be able to act more quickly on the request for release.
- 2. Provide a description of the native vegetation of the area to be disturbed, including tree, shrub, and grass communities of the area. Color photographs, sufficient to adequately represent the ecology of the site and adequately labeled (including date, orientation and location), may be used in lieu of a written description. Based on the quality of the photographs, the Division may require additional detail.

See Attachment B - Photographs & Descriptions of Infrastructure Areas.

- 3. Describe the estimated topsoil depth and how topsoil will be salvaged, stockpiled and redistributed for the re-establishment of vegetation. Specify approximate topsoil redistribution depth: <u>In this area the topsoil thickness is 6 to 18 inches. No topsoil</u> will be disturbed during this proposed activity. The 2 electrical generators and the camper will be on wheels, and thus create no disturbance. The 1500 feet of new 2 inch polyethylene piping will lay on the ground surface. The point of water discharge will be monitored for erosion. If erosion in excess of that which is natural to the stream tributary begins to take place, discharge will cease. Constant erosion monitoring will take place at the discharge point.
- 4. Describe how drill holes will be plugged (refer to Rule 5.4 of the Rules for required abandonment procedures): No drill holes will be advanced during this proposed activity.

5. Describe how portals, adits, shafts, ponds, excavations, or other disturbances will be reclaimed (refer to Rule 3 and Rule 5 for specific reclamation performance standards). You may wish to contact the Division for closure specifications. No surface disturbance will take place under this proposed activity. Equipment is trailer mounted on wheels and be staged in an area already bonded for surface reclamation under NOI P-2008-043 MD-1. The location of water discharge will be monitored for erosion. If erosion in excess to that natural to the stream tributary begins to take place, water discharge will cease. All infrastructure will be immediately removed from the site following the aquifer pumping test. All aquifer pump test activities are expected to last no longer than 2 weeks.

6. Describe how roads will be reclaimed or returned to their pre-prospecting (or better) condition:

No roads will be constructed as part of this proposed activity.

- 7. List the seed mixture to be used in the re-establishment of vegetation. See the attached seed mixture calculation to obtain PLS/acre. For assistance with formulating seed mixtures and rates, contact the local NRCS if on private land, BLM/USFS if on public land or State Land Board if on state land. No damage to the existing vegetation will
 - A. Provide plant name and seeding rate result from the proposed activity.

Plant Name	Seeding Rate (PLS/acre)
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B. Describe the method for seed bed preparation, and application method for grass/forb seeding: <u>No damage to the existing vegetation will result from the</u> proposed activity.

V. TERMS AND CONDITIONS FOR PROSPECTING OPERATIONS:

- 1. Reclamation measures shall be fulfilled in a timely manner and completed within five (5) years of completion of prospecting activities.
- 2. The prospecting operations described in this Notice will be conducted in such a manner as to minimize surface disturbances. In addition to the measures required in Rule 5, precautions to be taken include:
 - A. Confinement of operations to areas near existing roads or trails, where practicable. Existing roads which are to remain as permanent roads after prospecting activities are completed shall be left in a condition equal to or better than the preprospecting condition;
 - B. Drilling shall be conducted in such a way as to prevent cuttings and fluids from directly entering any dry or flowing stream channel. Drill cuttings must be spread to a depth no greater than one-half (1/2) inch or buried in an approved disposal pit;

- C. Proper and timely abandonment of drill holes upon completion of drilling;
- D. Reclamation of affected lands upon completion of operations or phases of an operation;,
- E. Backfilling and revegetating any pits to blend in with the surrounding land surface;
- F. Safeguarding mine entries, trenches and excavations from unauthorized entry at all times;
- G. Disposal of any trash, scrap metal, wood, machinery, and buildings;
- H. Control of noxious weeds within the area affected by the prospector
- 3. The prospecting operations shall be conducted in such a manner as to comply with all applicable local, state and federal laws and regulations including applicable state and federal air and water quality laws and regulations.
- 4. The prospecting operations shall be conducted so as to minimize adverse effects upon wildlife to include covering of open drill holes until properly plugged.
- 5. During the prospecting operations, the operator will perform the necessary stabilization and reclamation work to ensure those areas affected by prospecting activities are erosionally and geotechnically stable.
- 6. All prospecting operations shall be in compliance with the Colorado Mined Land Reclamation Act, as amended (34-32-101 et seq. C.R.S.), and all rules and regulations currently in effect or promulgated pursuant thereto. See 2 CCR 407-1, Mined Land Reclamation Board Hardrock /Metal Mining Rules.

VI. ADDITIONAL TERMS AND CONDITIONS FOR PROSPECTING ON BLM/USFS LANDS

- 1. The prospector will supply a copy of this NOI to the appropriate BLM and/or USFS office.
- 2. The prospector authorizes the MLRB to discuss the information in this Notice of Intent with the BLM and/or USFS.
- 3. If on BLM land, the prospector will complete reclamation to the standards described in 43 CFR 3809.1-3 (d) and implement reasonable measures to prevent unnecessary or undue degradation of lands during operations.

VII. FINANCIAL WARRANTY

A financial warranty must be provided for the cost of reclamation of the disturbance described in this Notice. The prospector can either file a "One Site Prospecting Financial Warranty" or a "Statewide Financial Warranty." The financial warranty must be submitted and approved by the Division prior to entry upon lands for the purpose of prospecting.

An One-Site Prospecting Financial Warranty is usually filed by individuals or companies where prospecting activities are limited to a single area. It must be filed in the amount of \$2,000 per acre for land to be disturbed, or such other amount as determined by the Division, based on the projected costs of reclamation. A Statewide Financial Warranty is usually filed by companies with multiple prospecting sites. It must be filed in an amount equal to the estimated cost of reclamation per acre of affected land for all anticipated sites statewide. (You may increase the Statewide bond at any time in order to cover additional or expanded prospecting activities.)

VIII. SIGNATURE REQUIREMENT

Please place you initials on the line provided:

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned prospecting site as required by the Colorado Mined Reclamation Act and the rules as specified in the Hard Rock/Metal Mining Rules and Regulations and this NOI form.

I have enclosed the required permit fee.

I authorize the Division to contact and copy the BLM and/or USFS on any correspondence related to the prospecting operation, if the prospecting operation is located on federal public land.

I have also enclosed the appropriate reclamation surety amount or will post an amount as determined by the office, based on the projected costs of reclamation.

I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Reclamation, Mining and Safety,

I accept and agree to comply with the foregoing terms and conditions and with all of the provisions of Rules 3 and 5, and C.R.S. 34-32-101.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-113, C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any NOI issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a NOI pursuant to section 34-32-123, C.R.S.

I, the undersigned, being the NOI holder or the person authorized to sign on behalf of the NOI holder, declare that the information given in this NOI form is true and correct.

SIGNATURES MUST BE IN BLUE INK

Signed and dated this day of

Signature of NOI holder or person authorized to sign

Name (typed or print) Richard Blubaugh V.P. EH&S Resources Title/Position:

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

> Form 2 Public information only For public filing

NOTICE OF INTENT TO CONDUCT PROSPECTING OPERATIONS FOR HARD ROCK/METAL MINES



Bill Ritter, Jr. Governor

Harris D. Sherman Executive Director

Ronald W. Cattany Division Director Natural Resource Trustee

GENERAL:

To conduct prospecting activities in the State of Colorado, a person or organization must file a Notice of Intent to conduct Prospecting Operations (NOI or Prospecting Notice) and provide a financial warranty for the prospecting operations to the Mined Land Reclamation Board (MLRB or Board). All prospecting operations must comply with the Colorado Mined Land Reclamation Act, as amended (34-32-101 et seq. C.R.S.), and the Colorado Mined Land Reclamation Board Hard Rock/Metal Mines Rules and Regulations 2 CCR 407-1 and amendments to those rules ("Rules"). This NOI form is for all minerals except coal and construction materials. The Division shall determine (where there is a question) if an operation is prospecting or mining.

The New Law:

Senate Bill (SB) 228 became law on June 2, 2008.

SB 228 revised portions of C.R.S. 34-32-113 pertaining to confidentiality and filing requirements of Prospecting Notices.

Certain aspects of Prospecting Notices will no longer be confidential.

As revised, C.R.S. 34-32-113 (3) now requires, in part, that "All information provided to the Board in a notice of intent to conduct prospecting or a modification of such a notice is a matter of public record subject to the Open Records Act, Part 2 of Article 72 of Title 24, C.R.S., including, in the case of a modification, the original notice of intent; except that information relating to the mineral deposit location, size, or nature and, as determined by the Board, other information designated by the operator as proprietary or trade secrets or that would cause substantial harm to the competitive position of the operator shall be protected as confidential information by the Board and shall not be a matter of public record in the absence of a written release from the operator or until a finding by the Board that reclamation is satisfactory. Such information designated as exempt shall remain confidential until a final determination by the Board". If the Board determines that information is not confidential, the Division shall treat it as public information thirty (30) days from the Board's written order.

C.R.S. 34-32-113 (9) now requires that the applicant provide the NOI in an electronic version in addition to the paper form and that DRMS post on the Division's website the NOI upon submittal. Specifically, this subsection states: "Upon the submittal of a notice of intent to conduct prospecting or a modification of such a notice, the person submitting such notice or modification shall give an electronic version of the notice or

modification, except for that information exempted from public disclosure under subsection (3) of this section and that information designated by the person as exempt from disclosure under subsection (3) of this section, to the Board in a format determined by the Board. The Division shall post such version of the notice or modification on its web site".

The new requirements apply to NOIs or modifications thereto submitted or approved on or after June 2, 2008.

DEFINITION:

"Prospecting" is defined in Rule 1.1(43) of the Hard Rock/Metal Mining Rules and Regulations as the act of searching for or investigating a mineral deposit. "Prospecting' includes, but is not limited to, sinking shafts, tunneling, drilling core and bore holes and digging pits or cuts and other works for the purpose of extracting samples prior to the commencement of development or extraction operations, and the building of roads, access ways, and other facilities related to such work. The term does not include those activities which cause very little or no disturbance, such as airborne surveys and photographs, use of instruments or devices which are hand-carried or otherwise transported over the surface to make magnetic, radioactive, or other tests and measurements, boundary or claim surveying, location work, or other work which causes no greater land disturbance than is caused by the ordinary, lawful use of the land by persons not prospecting. The term does not include any single activity which results in the disturbance of a single block of land totaling 1600 square feet or less of the land surface, not to exceed two such disturbances per acre; except that the cumulative total of such disturbances will not exceed five acres statewide in any prospecting operation extending over 24 consecutive months" (*Rule 1.1.43*).

APPLICATION FEE: \$86

NOIs require a \$86 fee, which must accompany this notice or it cannot be processed by the Division (C.R.S. 34-32-127(2) (a) (I) (K)).

RECOMMENDATIONS PRIOR TO FILING:

The Hard Rock/Metal Mining Rules and Regulations, the Colorado Mined Land Reclamation Act 34-32-101 and the Colorado Mined Land Reclamation Board regulate the filing, operational and reclamation requirements for prospecting operations in Colorado. It is your obligation to comply with the Act and Regulations. You are encouraged to obtain and review a copy of the Rules, available from the Division or accessed on line at <u>www.mining.state.co.us</u>. In order to file your NOI properly it is recommended that you review the Act and;

- Rule 1.1 Definitions
- Rule 3.1 Reclamation Performance Standards
- Rule 3.3.1 Operating without an NOI Penalty
- Rule 4 Financial Warranties
- Rule 5 Prospecting Requirements

FILING REQUIREMENTS:

If you plan to conduct prospecting on any lands in Colorado, you must provide all information described in this form. To file an NOI, submit the following;

- One (1) signed and completed NOI form with maps and attachments (original signatures must be done in blue ink);
- One (1) unbound copy of the original NOI form with maps and attachments;
- Application fee; and
- Financial Warranty and applicable warranty form.
- New and additional filings required for SB 228 confidentiality designations.

New and Additional NOI Filing Requirements for Confidentiality Designations:

1. Applicants of NOIs must specifically designate each portion of the submittal that the applicant believes should be confidential. This designation must comply with the provisions of SB228 as discussed above and should include not only information relating to the mineral deposit location, size, or nature but also other information the applicant believes is proprietary or trade secrets or that would cause substantial harm to the competitive position of the applicant. The applicant should distinguish in the submittal between those portions of the NOI that are confidential because they relate to the mineral deposit and those portions that the applicant believes are proprietary, trade secret or harmful to its competitive position. Those portions of the submittal that are not designated as confidential will be available as public record

2. The applicant must submit two separate forms. One form will contain all information, including both public and confidential information (with the confidential information designated as such). This complete form will be used by the DRMS for review and will be held as confidential.

The second form will contain only the information the applicant believes is public with the applicant redacting all information to be held as confidential.

3. The submittals must be provided in both paper and electronic format.

4. All public portions of the submittal will be made available on the Division website and in the Division's public files.

5. All portions of the submittal that are confidential by law, or as designated by the prospector, will remain secured from public access, *i.e.*, not on the website and not in the Division's public files. If the Board rules that some portion of the file should be public, then that portion will be made available and no longer held from public view.

PROCESSING REQUIREMENTS:

The Division will review the NOI and associated Financial Warranty information within twenty (20) working days of receipt by the Division. If the prospector has not been notified of any deficiencies of the NOI Form within twenty (20) working days of receipt, prospecting operations may commence upon approval of the financial warranty. The Prospector has 60 days from the date of filing to correct any deficiencies. For activities on BLM or USFS Lands, the twenty (20) working-day period begins on the day when the appropriate Federal Land Management agency has been notified by the Prospector (see below). Incomplete NOI forms will be terminated and returned to the person or organization, if deficiencies are not corrected within 60 days of filing (*Rule 5.1.3*).

The New Review Process Regarding Confidentiality Designations

Hard Rock Rule 5.1.3 (Office Review) will apply. This rule will guide office review of determinations regarding confidentiality designations. The Division will review the submittal for technical adequacy as stated above, including the review of the submittal in regard to information the applicant has designated as confidential. If the Division identifies any deficiencies in the submittal including any disagreement regarding the designation of confidential materials, then the prospector will be notified by the Division within 20 working days of NOI receipt.

Disputes relating to designation of confidentiality may be resolved by the Prospector removing the confidentiality designation by the Prospector or by Board determination. If the Prospector chooses to request a Board determination regarding confidentiality, then the Prospector must request a Board hearing and determination within the 30 days following Division notification of the Division's disagreement as to any confidentiality designation. The request for determination will follow the procedures of Rule 1.4.11, and any Board hearing will be held in Executive Session since issues of confidentiality will be at issue. The DRMS will not issue an approval decision and the applicant is not authorized to commence prospecting operations until all deficiencies, including confidentiality issues, are resolved.

PROSPECTING ON FEDERAL LAND:

The Division has entered into cooperative agreements with the U.S. Bureau of Land Management (BLM) or the U.S. Forest Service (USFS) to coordinate the review of NOIs and the posting of financial warranties. The primary goal is to ensure that the agencies minimize duplication of functions and thereby minimize regulatory duplication imposed upon prospecting operations. The Division assumes the primary responsibility for the administration, review, and permitting of NOIs. The prospector is required to document that the NOI has been sent to the BLM or the USFS. Upon receipt of the NOI, the Division will notify the appropriate BLM or USFS office and forward a copy of the NOI. Processing of the NOI will not begin until the prospector has submitted evidence acceptable to the Division that the NOI was sent to the BLM or USFS.

FINANCIAL WARRANTY:

A financial warranty must be provided and approved prior to the entry upon lands for the purpose of prospecting. The prospector can either file a "One Site Prospecting Financial Warranty" or a "Statewide Prospecting Financial Warranty." The One Site Prospecting Financial Warranty is usually filed by individuals or small companies where prospecting activities are limited to a single area. It must be filed in the amount of \$2,000 per acre for the land to be disturbed, or such other amount as determined by the Division, based on the projected costs of reclamation, taking into account the nature, extent, and duration of the prospecting operation and the magnitude, type and estimated cost of the planned reclamation. A Statewide Financial Warranty is usually filed by larger companies with multiple prospecting sites. It must be filed in an amount equal to the estimated cost of reclamation per acre of affected land for all anticipated sites statewide. (You may increase the Statewide bond at any time in order to cover additional or expanded prospecting activities.) The financial warranty will be retained by the Board until the prospector has completed reclamation of the prospecting site and approved by the Board until the prospector has completed reclamation of the prospecting site and has been released, in writing, of reclamation responsibility. Financial warranty forms can be downloaded from the Division's Internet web page located at mining.state.co.us.

PLAN MODIFICATIONS:

Modifications to an existing NOI must be submitted in writing and approved in advance of such activity. Modifications shall be reviewed by the Board or Office in the same manner as new NOIs, use the same NOI form, and include confidentiality designations. Prospectors must fill out sections of the NOI form that will change and indicate the sections that will not change. Prospectors must designate each portion of the modified NOI they believe are to remain confidential. Please note that under SB 228, all information provided to the Board in an NOI or a modification of an NOI is a matter of public record including, in the case of a modification, the original notice of intent, unless that information relates to the mineral deposit location, size, or nature or is designated by the Prospector as proprietary or trade secrets or that would cause substantial harm to the competitive position of the Prospector. Accordingly, the Prospector should also designate the information in the <u>original</u> NOI that it believes is confidential if it has not already done so.

The Board shall determine (where there is a question) if an NOI can be modified or requires the filing of a new NOI in accordance with Rule 1.4.11. If the Division determines that the proposed modification (or new NOI) requires the posting of an additional reclamation bond amount to cover increased costs of reclamation caused by the modification (or new NOI), the NOI holder must submit and the Division must approve the supplemental or additional bond to cover such increased reclamation costs before the NOI holder may undertake any additional or different activities described in the modification

(or new NOI). A separate prospecting notice shall be filed with the Office for each non-contiguous land survey quarter section in which a proposed prospecting activity is to occur. The requirement for separate notices may be waived by the Office for good cause (Rule 5.1.1).

ANNUAL REPORTS:

Annual Reports are required for all active prospecting operations effective on December 31, 2006. By December 31 of each year that the NOI is in effect, the prospector must file an annual reclamation report detailing the exploration and reclamation activities that occurred during that year and whether prospecting has been completed. For the purpose of reporting prospecting activities, the reporting year shall begin on November 1 and end on October 31. The report must be accompanied by an annual fee in the amount of \$86.

RECLAMATION:

Reclamation shall be completed in a timely manner and within five (5) years of completion of prospecting activities. The time period to complete site reclamation commences on the date that prospecting has been completed, as stated in the Annual Report (Rule 5.1.2(g)). New or significantly upgraded roads, structures, or other features on private lands that are planned to be retained following prospecting may be identified in the NOI submittal and may be excluded from the financial warranty amount at the discretion of the office. The prospector must submit a notarized letter from the landowner requesting that the roads, structures or other features remain on site and demonstrate that it meets the applicable County zoning and code requirements.

RELEASE OF FINANCIAL WARRANTY AND TERMINATION OF THE NOI:

Upon completion of any phase of reclamation, you should consult Rule 3.1 for reclamation standards and Rule 4.15 for details on how to request a reclamation responsibility release from the MLRB. Following the completion of reclamation, the prospector may request a release of the reclamation responsibility sent by certified mail. The Division will conduct an inspection within 30 days of receiving the request (or as soon thereafter as weather conditions permit). If the operation is located on Public Land or State Land, the Division will coordinate the inspection with the appropriate land management agency (Rules 3.1 and 4.1.5).

COMPLIANCE WITH OTHER LAWS:

Compliance with the Act and Rules and Regulations of the Mined Land Reclamation Board does not relieve you of responsibility to comply with all other applicable local, state and federal laws. We recommend that you contact the following agencies and any others to determine whether you need to comply with their legal requirements:

- The Colorado State Historical Preservation Office regarding properties of potential historical significance;
- Colorado Division of Water Resources regarding water rights;
- Colorado Department of Public Health and the Environment, Water Quality Control Division, regarding the potential to discharge pollutants into the State waters;
- Colorado Department of Public Health and the Environment, Air Pollution Control Division, with regard to the
 potential need for a fugitive dust permit;
- U.S. Bureau of Land Management or the U.S. Forest Service if the proposed operation is on federal lands;
- U.S. Army Corps of Engineers regarding a dredge and fill (404) permit; and
- The County Planning Department for the county or counties in which the proposed operation is located.

AUTHORIZED SIGNATURE:

You, or a person authorized by you, must sign the NOI. By doing so you are stating that the information provided in the NOI is true and correct as of the date specified. For individuals, the NOI must be signed by the NOI holder or the person authorized to sign on the NOI holder's behalf. For companies or partnerships, the NOI must be signed by a person acting under the company's/partnership's express or implied authority, or by an authorized agent.

SUBMIT COMPLETED NOIS TO ONE OF THE OFFICES BELOW:

Denver Office (main): Division of Reclamation, Mining and Safety 1313 Sherman St., Rm. 215 Denver, CO 80203 Telephone: 303.866.3567 FAX: 303.832.8106

Durango Field Office: Division of Reclamation, Mining and Safety 701 Carnino Del Rio, Rm. 125 Durango, CO 81301 Telephone: 970.247.5469 FAX: 970.247.5104 Grand Junction Field Office: Division of Reclamation, Mining and Safety 101 South 3rd, Ste. 301 Grand Junction, CO 81501 Telephone: 970.243.6368 FAX: 970.241.1516

Office hours are Monday to Friday, 8:00 a.m. to 5:00 p.m., excluding State Holidays.