Division of Reclamation, Mining and Safety Update

San Juan Mining Conference

Lake City, Colorado
April 18-19, 2013
The good old days.....
Colorado Revised Statutes (CRS) 34-33-101--Colorado Surface Coal Mining Reclamation Act 1970

Regulations of Colorado Mined land Reclamation Board for Coal Mining

Colorado Land Reclamation Act for the Extraction of Construction Materials, 1995 as Amended, CRS 34-32.5-101 et seq.

Minerals Rules and Regulation of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials

Colorado Mined Land Reclamation Act, as Amended, CRS 34-32-101 et seq.

Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal and Designated Mining Operations.
DRMS Organization

- Department of Natural Resources
  - DRMS
    - Office of Active and Inactive Mines
      - Colorado Inactive Mine Reclamation Program
      - Mine Safety Training Program
    - Office of Mined Land Reclamation
      - Coal Regulatory Program
      - Minerals Regulatory Program
  - Colorado Mined Land Reclamation Board

DRMS Total FY12-13 Budget

$7,667,742

70.9 FTE (+ funding for 2 FTE in OIT)

- Cash Funds / Sev Tax: $3,302,427 (43%)
- Cash Funds/Fees: $3,283,645 (43%)
- Reapprop Funds: $1,051,670 (14%)
- Federal Funds: $30,000
Objectives of Regulatory Programs

- Objective #1: Promote the responsible development of the State’s mineral and energy resources while protecting public health, safety, welfare, and the environment.
- Objective #2: Reclaim coal and mineral mined acres to beneficial post mining land use.
- Objective #3: Protect the environment by ensuring regulatory compliance at coal and mineral mine sites.
- Objective #4: Coordinate permitting, regulatory and public review processes with federal, state and local agencies and implement interagency agreements for groundwater, storm water, point source and mine waste issues.
Processes

- Permitting
- Inspections
- Enforcement
- Bonding
Minerals Program

- Administers the Colorado Mined Land Reclamation Act and the Colorado Land Reclamation Act for Extraction of Construction Materials
- Allows for continued development of mining operations while requiring mining lands to be reclaimed to a beneficial use
- Aids in the protection of wildlife and aquatic resources and protects and promotes the health, safety and general welfare of the people of the state
- **Minerals** - Division staff has authority to make permitting decisions unless the action is subject to public objection, in which case the Board hears and decides the permitting action.
- All other actions or decisions are appealable to the Board.
- All Minerals enforcement actions are brought to the Board for consideration and decision by the Board.
- For Annual Fees there are some exceptions.
## Minerals Stats FY 11-12

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Active Mines, including Prospecting</td>
<td>1789</td>
</tr>
<tr>
<td># of Acres Permitted</td>
<td>181,854</td>
</tr>
<tr>
<td># of New Permit Applications/ Modifications</td>
<td>410</td>
</tr>
<tr>
<td># of Inspections</td>
<td>683</td>
</tr>
<tr>
<td># of Citizen Complaints</td>
<td>21</td>
</tr>
<tr>
<td># of NOV (violations) issued</td>
<td>37</td>
</tr>
<tr>
<td># of Acres Reclaimed and Released</td>
<td>1,772</td>
</tr>
<tr>
<td># of Mine Sites reclaimed to beneficial use</td>
<td>106</td>
</tr>
<tr>
<td>Total amount of Financial Warranties</td>
<td>$416 M</td>
</tr>
</tbody>
</table>
Active Construction Materials Sites
Active Hard Rock Sites
Construction Materials Permits

- Notice of Intent to Conduct Exploration
- 111c Special Permit (govt. contract)
- 110c less than 10 acres in size
- 112c 10 acres or more
Hard Rock Permits

- Notice of Intent to Conduct Prospecting (NOI)
- 110(2) less than 10 acres
- 110d Designated Mining Operation (DMO)
- 112 10 acres or more
- 112d-1 DMO <50 acres and <1M tons/yr
- 112d-2 DMO <100 acres and <5M tons/yr
- 112d-3 all other (larger) DMOs
Other Minerals Permitting Actions

- **Permit Amendment** – a change that increases acreage or a significant change to reclamation plan. Follows new application procedures including public notice and participation.

- **Technical Revision** – a minor change to the mining and/or reclamation plan.

- **Conversion** – change from one permit type to another.

- **Permit Transfer and Succession of Operator**

- **Bond Release Request** - no phases/fees
Designated Mining Operations

- Mines that use toxic or acid forming materials (cyanide)
- Mines that disturb toxic or acid forming materials (sulfide ores)
- Mines that generate acid mine drainage
- Mines that have a likely potential to release contaminants
- Construction Material mines not included
DRMS Inspections

- Inspect once every four years if active (policy)
- High priority/DMO sites inspected every year, particularly during critical construction and as necessary to maintain compliance
- Bond release/reduction requests - within 60 days of receipt
- Citizen Complaint inspection - within 30 days of receipt
- Operator Request
Bonding/Cost For Reclamation

- Based on approved reclamation plan
- What it would cost the State of Colorado to fully reclaim in the event operator could not fulfill obligation under the approved permit and the permit is revoked and bond forfeited
- Indirect Costs (profit, administration fees, project mgmt. fees, insurance) are included in the bond amount
Local Government Approval

- Mining can only be conducted on land approved for mining by special use permit or zoned for mining by local governments.

- Operators may get a permit from DRMS before they receive a permit from the local government but ...

Mining cannot commence until an operator has received approval from the local government.
Southwest Colorado
9 Counties
199 Permitted Operations

San Juan: 43
Ouray: 17
San Miguel: 43
Dolores: 13
Montezuma: 22
La Plata: 45
Hinsdale: 7
Mineral: 15
Archuleta: 20