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Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department of Public Health and Environment

November 5, 2013

Mr. Fred Craft
US Energy Corp.
877 N. 8th W.
Riverton, WY 82501

RE: Historic Keystone Mine Voluntary Cleanup Program Application

Dear Mr. Craft:

I am writing to follow-up on our telephone conversation yesterday regarding U.S. Energy Corporation's Voluntary Cleanup Program (VCUP) Application for the Historic Keystone Mine near Crested Butte, Colorado.

On October 22, 2013, the Colorado Department of Public Health and Environment (CDPHE) approved a VCUP application for the Historic Keystone Mine. Since CDPHE granted that approval, a number of local stakeholders including Crested Butte and the Gunnison County Commissioners have expressed concerns that remediation performed as outlined in the VCUP application could impact local hydrology and result in a release of hazardous substances that might pose an unacceptable risk to human health and the environment.

CDPHE has determined that concerns raised by the stakeholders merit further consideration. Therefore, the Department has decided to temporarily suspend our previous approval of the VCUP application for the Historic Keystone Mine while we evaluate the additional information brought to our attention by the local stakeholders.

Although we have yet to determine a timetable for this review, CDPHE will keep you informed of its progress.

Please contact me if you have any questions or would like to further discuss this project. I can be reached by telephone at 303-692-3404, or via e-mail at doug.jamison@state.co.us.

Sincerely,

Douglas C. Jamison

Douglas C. Jamison
Superfund Brownfields Unit Leader, Hazardous Materials and Waste Management Division

cc: Martha Rudolph, CDPHE
Aaron Huckstep, Crested Butte
Todd Crossett, Crested Butte
Board of County Commissioners, Gunnison County