Statement of Basis and Purpose
for rules changing the name of the Division of Minerals and Geology to the
Division of Reclamation, Mining and Safety

July 18, 2006

Senate Bill 06-140 changed the name of the Division of Minerals and Geology (“DMG” or
“Division”) to the “Division of Reclamation, Mining and Safety.” Governor Bill Owens signed
Senate Bill 06-140 on March 31, 2006, and the Bill takes effect on August 9, 2006. The purpose
of the rule change is to change the name of the Division in the Division’s rules specified below
in order to be consistent with and reflect the name change in the statute. Specifically, the
Division name is to be replaced with the name “Division of Reclamation, Mining and Safety” in
the following rules:

a. The Mineral Rules and Regulations of the Colorado Mined Land Reclamation
Board for the Extraction of Construction Materials.

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

c. The Regulations of the Mine Safety and Training program for Tourist Mines.

Also, a new rule will be proposed which states the following:

Change of name - legal effect. Any statute enacted prior to or on August
9, 2006 changing the name of the Division of Minerals and Geology to the
Division of Reclamation, Mining and Safety, shall not impair the legal
status or effect of any and all permits, permit obligations, financial
warranties, performance warranties, contracts, property rights and/or any
other obligations or legal relationships that were entered into between any
tity or individual and the Division of Minerals and Geology prior to the
name change. All such obligations will remain legally binding and shall
not be impaired by any such name change. Any statute enacted after
August 9, 2006 changing the name of the Division of Reclamation,
Mining and Safety to any other name, shall not impair the legal status or
effect of any and all permits, permit obligations, financial warranties,
performance warranties, contracts, property rights and/or any other
obligations or legal relationships that were entered into between an entity
or individual and the Division of Reclamation, Mining and Safety prior to
such name change. All such obligations will remain legally binding and
shall not be impaired by any such name change.

This rule will be added to the Mineral Rules and Regulations of the Colorado Mined Land
Reclamation Board for the Extraction of Construction Materials; the Mineral Rules and
Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal and
Designated Mining Operations; and the Regulations of the Mine Safety and Training program for Tourist Mines.

The statutory authority for these regulations can be found in § 24-4-103, C.R.S.; the Colorado Mined Land Reclamation Act, §§ 34-32-101 to 34-32-127, C.R.S.; and the Colorado Land Reclamation Act for the Extraction of Construction Materials, §§ 34-32.5-101 to 34-32.5-125, C.R.S., specifically including, but not limited to the Board’s authority granted in section 34-32-108, C.R.S.

Effective Date: Senate Bill 06-140 goes into effect on August 9, 2006. These regulations shall become effective on October 1, 2006 and shall remain in full force and effect until repealed, amended or superseded.