



COLORADO OPERATIONS

Henderson Mill
19302 County Road 3
Parshall, CO 80468
Phone (303) 569-3221

RECEIVED

MAR 14 2014

**DIVISION OF RECLAMATION
MINING AND SAFETY**

March 12, 2014

Via Email and USPS Tracking #: 70111 1570 0001 8903 5066

Mr. Peter Hays
Division of Reclamation, Mining and Safety
1313 Sherman St., Rm. 215
Denver, CO 80203

Re: ✓ Henderson Mill Gravel Pit Groundwater Exposure Levels, Permit No. M-1977-342

Dear Mr. Hays:

Henderson Mill is providing this written response to the section referring to the gravel pit from the Division of Reclamation, Mining and Safety (DRMS) inspection on October 2, 2013 and the corresponding inspection report from October 8, 2013.

In the inspection report, it is noted that two areas of exposed groundwater were observed in the gravel pit, along the north end of the pit and along the east side of the pit in the northeast corner of the excavation and that it appeared gravel had been produced from areas below the groundwater level and the pre-law exposed groundwater was moved from its original location. The water pool was surveyed in the fall of 2013 at 1.46 acres, less than the 2.64 acres that were grandfathered pursuant to correspondence with the Colorado Department of Water Resources dated September 30, 2011 and November 8, 2011.

Upon further investigation Henderson determined that due to a decreased water table level in the fall of 2013, gravel was indeed moved from below the normal water table during aggregate operations. Although, this material was not below the water table at the time it was excavated. These areas were backfilled upon knowledge that the material had been removed below the higher spring/summer water table. Henderson is aware of the need for an augmentation plan for this type of activity and will not be excavating any material below the normal water table or continuing any activity in the water pool area of the gravel pit in the future. Since no additional water consumption beyond the evaporative loss allowed for under the pre-law water pool area occurred, and the water pool configuration has been restored to an area within the pre-1981 footprint, Henderson believes that a substitute water supply plan or augmentation plan is not required at this time.

Henderson requests DRMS concurrence with this approach or recommendations on a different course of action. If you have any additional questions or concerns, please feel free to contact me at 720-942-3480 or Bryce Romig at 720-942-3231.

Sincerely,



Amber Moran
Environmental Engineer
Climax Molybdenum Company
Henderson Operations

CC (via email):

B. Romig, Climax
T. Haynes, Climax
M. Hamarat, Climax
M. Ammon Climax
S. Deely, Freeport-McMoRan
N. Hall, Freeport-McMoRan
B. Nazareus, Ryley Carlock & Applewhite