



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

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AUG 01 2014

EPA REGION VIII
HEARING CLERK

Ref: 8ENF-W

RECEIVED

CERTIFIED MAIL# 7008 3230 0003 0726 0153
RETURN RECEIPT REQUESTED

Varca Ventures, Inc.
c/o National Registered Agents, Inc.
1000 East William Street, Suite 204
Carson City, Nevada 89701

AUG 07 2014
GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

CERTIFIED MAIL# 7008 3230 0003 0726 0160
RETURN RECEIPT REQUESTED

Wildcat Mining Corporation
c/o National Registered Agents, Inc.
1535 Grant Street
Denver, Colorado 80203

Re: Notice of Violation of Administrative Order for Compliance, Docket No. CWA-08-2012-0011

Dear Madam or Sir:

On April 9, 2012, the United States Environmental Protection Agency (EPA) issued each of you (Varca Ventures, Inc. and Wildcat Mining Corporation) an Administrative Order for Compliance (Order), under the authority of section 309(a) of the Clean Water Act (CWA), 33 U.S.C. § 1319(a). The Order made findings that you had discharged or fill material into Little Deadwood Gulch, the LaPlata River, and adjacent wetlands on property owned, leased, and/or otherwise controlled by you at the May Day Idaho Mine Complex property in LaPlata County, Colorado (Site), without a permit from the United States Army Corps of Engineers (Corps), in violation of the CWA. The Order directed you to terminate all discharges of dredged or fill material into waters of the United States without a valid permit from the Corps. The Order also directed you to submit a restoration and compliance plan to the EPA for the EPA's review, comment, and approval.

On April 26, 2013, your attorney, Christopher Neumann, submitted a draft restoration and compliance plan to the EPA. The plan had been prepared by David Mehan of Bikis Water Consultants. The EPA and the Corps provided comments on the draft plan and requested that you finalize the plan to address the comments. The EPA also participated in several meetings with Mr. Neumann regarding a proposed settlement of this matter, including an administrative order on consent incorporating the revised plan. Over the course of the EPA's and the Corps's communications with you and your attorney, the EPA and Corps repeatedly stated that no additional discharges of dredge or fill material were authorized absent a valid permit from the Corps.

Despite these communications, however, no updated plan was submitted to the EPA. Instead, according to information supplied to this office by the Corps, additional discharges at the Site have occurred, apparently in conjunction with new road construction.

Based on this information, the EPA has determined that you are in violation of the Order. You must take immediate action to comply with the Order, submit an updated plan to address the comments the EPA has provided to you, and, following approval of that plan, perform all work required by it.

As stated in the Order, the CWA authorizes, among other things, civil judicial penalties for violation of an administrative order, and civil or criminal actions and administrative penalties for violations of the CWA. Section 309(d) of the CWA, 33 U.S.C. § 1319(d), authorizes civil penalties for violations of section 301 of the CWA, 33 U.S.C. § 1311, and for violations of orders issued by the EPA pursuant to section 309(a) of the CWA, 33 U.S.C. § 1319(a). As adjusted for inflation by 40 C.F.R. part 19, the statutory penalty amounts may be up to \$32,500 per day for each violation occurring before January 12, 2009, and \$37,500 per day for each violation occurring thereafter. Your violation of the Order will require the EPA to consider additional enforcement.

If you have any technical questions regarding this matter, the most knowledgeable person on my staff is Kenneth Champagne, Section 404 Enforcement Officer, who can be reached at 303-312-6608. Questions from your attorney should be directed to Peggy Livingston, EPA Enforcement Attorney, at 303-312-6858.

We urge your prompt attention to this matter.

Sincerely,



Eddie A. Sierra

Acting Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

cc: Christopher Neumann, Esq.
Kara Hellige, U.S. Army Corps of Engineers
Steve Gunderson, Director, CDPHE
Steve S. Shuey, CDRMS
Dustin Dzapla, CDRMS
Wally Erickson, CDRMS
Victoria Schmidt, La Plata County
Tina Artemis, EPA, 8RC