




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Cresson Project	MINE/PROSPECTING ID#: M-1980-244	MINERAL: Gold	COUNTY: Teller
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: June 3, 2014	INSP. TIME: 11:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Chris Hanks	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$136,471,600.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 12, 2014

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

The Division conducted a monitoring inspection of the site on June 3, 2014. Timm Comer, Chris Hanks, Jeff Campbell and Marc Tidquist were present for a post-inspection meeting. Tim Cazier represented the Division. The focus of this inspection was to observe water levels, ongoing construction and general mine activity.

Post-Inspection Meeting:

Mr. Comer provided a status update on the following activities:

- Squaw Gulch nested monitoring wells are completed. One finished in the alluvium appears to have water.
- CC&V discussed with the Division the specifics of the 2014 surety increase. An agreement on the surplus warranty and how to delineate the phased approach to the financial warranty was reached in concept. Mr. Campbell was to provide the Division with a revised spreadsheet detailing costs and timeline.

Inspection:

Mr. Hanks accompanied the Division representative on the site inspection.

Mine plan: Active mining was focused primarily in the Wildhorse Extension (WHEX) area (see **Photo 1**). Mr. Hanks pointed out a typical permit boundary sign for the Cresson project (see **Photo 2**).

Construction: The Division observed placement of soil liner fill (SLF) in the PSSA (see **Photo 3**). A SLF stockpile (see **Photo 4**) was observed near the East Cresson Overburden Storage Area (ECOSA). The base of the new radio tower is in place on Squaw Mountain (see **Photo 5**).

Water levels: The inspection continued as the Division visited each of the high and low solution collection system transducers and recorded water level values. The recording sheet is included as **Attachment A**, and the values are summarized below in the Transducer Readings.

The North and South Arequa Gulch underdrains were inspected. The South Underdrain discharge was determined to be 8.0 gpm. The North Underdrain was dry. The A35 pumpback line was dry. The B63 pumpback line was flowing at 0.6 gpm.

Transducer Readings:

Phase I High Volume Solution Collection (readings in ft)

<u>Pump #299 / XDCR #xx</u>	<u>Pump #300 / XDCR #00</u>	
34.8	35.3	
<u>Pump #301 / XDCR #01</u>	<u>Pump #302 / XDCR #02</u>	<u>Pump #303/XDCR #03</u>
22.4	35.3	38.2

Phase I Low Volume Solution Collection (readings in ft)

<u>Pond Lvl / XDCR #1</u>	<u>System Press / XDCR #2</u>
53.70	48.70

Phase I Pond Piezometers (readings in ft)

<u>Piezo #1 (HAND)</u>	<u>Piezo #2 (AUTO)</u>
0.44	0.78

Phase II & III High Volume Solution Collection (readings in ft)

<u>Pump / XDCR #4</u>	<u>Pump / XDCR #5</u>	<u>Pump / XDCR #6</u>
12.9	15.4	14.0

Phase II & III Low Volume Solution Collection (readings in ft)

<u>Pump / XDCR #1 (AUTO)</u>	<u>Pump / XDCR #2 (AUTO)</u>
0.26	0.40

Phase II & III Pond Piezometer (readings in ft)

<u>Piezo (Pipe)</u>
31.00

Phase IV High Volume Solution Collection (readings in ft)

<u>Pump #4 / XDCR #307</u>	<u>Pump #5 / XDCR #308</u>	<u>Pump #6 / XDCR #309</u>	<u>XDCR pipe (#310 Reserved)</u>
12.3	12	11.9	12.0

Phase IV Low Volume Solution Collection (readings in inches)

<u>Pump / XDCR #1</u>	<u>Pump / XDCR #2</u>
17.10	11.60

Phase V High Volume Solution Collection (readings in ft)

<u>XDCR #311 (AUTO)</u>	<u>XDCR #312 (AUTO)</u>	<u>XDCR #313 (AUTO)</u>	<u>XDCR #314 (AUTO)</u>
16.78	17.06	16.96	16.77

Phase V Low Volume Solution Collection (readings in inches)

<u>XDCR #001</u>	<u>XDCR #002</u>
8.92	16.30

External Pond Low Volume Solution Collection (readings in inches)

<u>Pump / XDCR #1-EXT (AUTO)</u>	<u>Pump / XDCR #2-EXT (AUTO)</u>
13.2	8.6

PHOTOGRAPHS



Photo 1. Active mining in the WHEX area (looking south).



Photo 2. Typical permit boundary sign for the Cresson project.

PHOTOGRAPHS (cont.)



Photo 3. Placement of soil liner fill (SLF) in the PSSA (looking NW).



Photo 4. SLF stockpile.

PHOTOGRAPHS (cont.)



Photo 5. Base of new radio tower in place on Squaw Mountain (looking south).

Inspection Contact Address

Timm Comer
Cripple Creek & Victor Gold Mining Company
100 North Third Street
Victor, CO 80860

Enclosure

EC: Tom Kaldenbach, DRMS
Amy Eschberger, DRMS
Elliott Russell, DRMS
Chris Hanks, CC&V
DRMS file

ATTACHMENT A

Date:

Phase I High Volume Solution Collection

Pump #299 / XDCR #xx
Note: 80% Pump #300 / XDCR #00
cap. @ 63.75 Pump #301 / XDCR #01
ft Pump #302 / XDCR #02
 Pump #303 / XDCR #03

Phase I Pond Piezometers

Pond Lvl / XDCR #1
 System Press / XDCR #2

Phase I Low Volume Solution Collection

Note: Req'd Piezo #1 (HAND)
< 2 ft Piezo #2 (AUTO)

Phase II & III High Volume Solution Collection

Note: 80% Pump / XDCR #4
cap. @ 49.4 Pump / XDCR #5
ft Pump / XDCR #6

Phase II & III Pond Piezometer

Piezo (Pipe)

Phase II & III Low Volume Solution Collection

Note: Req'd Pump / XDCR #1 (AUTO)
< 2 ft Pump / XDCR #2 (AUTO)

Phase IV High Volume Solution Collection

Note: 80% Pump #4 / XDCR #307
cap. @ 56.5 Pump #5 / XDCR #308
ft Pump #6 / XDCR #309
 XDCR pipe (#310 Reserved)

Phase IV Low Volume Solution Collection

Note: Req'd Pump / XDCR #1
< 24" Pump / XDCR #2

Phase V High Volume Solution Collection

Note: 80% XDCR #311 (AUTO)
cap. @ 36.5 XDCR #312 (AUTO)
ft XDCR #313 (AUTO)
 XDCR #314 (AUTO)

Phase V Low Volume Solution Collection

Note: Req'd XDCR #001
< 24" XDCR #002

External Pond Low Volume Solution Collection

Note: Req'd Pump / XDCR #1-EXT (AUTO)
< 24" Pump / XDCR #2-EXT (AUTO)

Underdrain Discharge Area

South Underdrain (S U/D)
Note: 1 4" Pipe Discharge AG 01 Spring Pipe
ℓ/sec = NPDES Discharge AG 1.5 -001A
15.85 gpm North Underdrain (N U/D)
 24-inch Solid Pipe

Arequa Gulch Monitor Well Pumpback System

35A
Data first 63B
collected by B63
DRMS 3/8/12 A35

	6/19/13	9/4/13	10/30/13	1/30/14	4/9/14	6/3/14	Notes
Phase I High Volume Solution Collection	No Check	11:13	15:30	12:58	No Check	12:31	
(ft) n/a	n/a	57.7	34.2	54.6	n/a	34.8	-
(ft) n/a	n/a	37.5	35.4	35.0	n/a	35.3	-
(ft) n/a	n/a	26.1	21.8	24.4	n/a	22.4	-
(ft) n/a	n/a	40.8	37.8	36.9	n/a	35.3	-
(ft) n/a	n/a	43.3	41.8	41.3	n/a	38.2	-
Phase I Pond Piezometers	No Check	11:13	15:30	12:58	No Check	12:31	
(ft) n/a	n/a	57.3	53.4	55.1	n/a	53.7	-
(ft) n/a	n/a	45.4	45.2	46.5	n/a	48.7	system head
Phase I Low Volume Solution Collection	No Check	11:22	15:42	11:15	No Check	12:36	
(ft) n/a	n/a	0.51	0.62	0.58	n/a	0.44	-
(ft) n/a	n/a	0.69	0.51	0.56	n/a	0.78	-
Phase II & III High Volume Solution Collection	No Check	11:27	15:36	11:12	No Check	12:39	
(ft) n/a	n/a	29.6	14.1	16.0	n/a	12.9	-
(ft) n/a	n/a	29.2	15.8	15.8	n/a	15.4	-
(ft) n/a	n/a	33.1	15.6	18.6	n/a	14.0	-
Phase II & III Pond Piezometer	No Check	15:36	11:07	No Check	12:37		
(ft) n/a	n/a	36.5	31.9	31.9	n/a	31.0	-
Phase II & III Low Volume Solution Collection	No Check	11:25	15:38	11:05	No Check	12:40	
(ft) n/a	n/a	0.38	0.32	0.39	n/a	0.26	-
(ft) n/a	n/a	0.32	0.58	0.66	n/a	0.46	-
Phase IV High Volume Solution Collection	No Check	9:49	No Check	12:14	11:06	11:56	
(ft) n/a	n/a	42.2	n/a	32.0	11.6	12.3	-
(ft) n/a	n/a	41.9	n/a	31.7	11.2	12.0	-
(ft) n/a	n/a	41.7	n/a	31.9	11.4	11.9	-
(ft) n/a	n/a	41.8	n/a	31.9	11.4	12.0	-
Phase IV Low Volume Solution Collection	No Check	9:47	No Check	12:19	11:06	12:02	
(in) n/a	n/a	18.5	n/a	19.5	16.8	17.1	-
(in) n/a	n/a	13.1	n/a	12.1	12.0	11.6	-
Phase V High Volume Solution Collection	No Check	11:03	No Check	11:42	No Check	12:22	
(ft) n/a	n/a	27.00	n/a	14.08	n/a	16.78	-
(ft) n/a	n/a	27.09	n/a	14.86	n/a	17.06	-
(ft) n/a	n/a	27.04	n/a	15.58	n/a	16.96	-
(ft) n/a	n/a	27.45	n/a	15.73	n/a	16.77	-
Phase V Low Volume Solution Collection	No Check	11:05	No Check	11:44	No Check	12:24	
(in) n/a	n/a	11.38	n/a	13.26	n/a	8.92 & 8.92	-
(in) n/a	n/a	17.00	n/a	17.00	n/a	16.30	-
External Pond Low Volume Solution Collection	No Check	11:19	15:42	11:07	No Check	13:03	
(in) n/a	n/a	13.4	9.5	13.6	n/a	13.2	-
(in) n/a	n/a	15.0	10.5	10.4	n/a	8.6	-
Underdrain Discharge Area	No Check	11:32	11:05	11:28	13:20	12:55	
(gpm) n/a	Dry	14.1	4.6	3.6	2	2 gal/35 sec	290/15 sec
(gpm) n/a	Dry	Dry	Dry	Dry	DRY		
(gpm) n/a	Dry	Dry	Dry	Dry	↓		
(gpm) n/a	Dry	Dry	Dry	Dry	↓		
(gpm) n/a	Dry	Dry	Dry	Dry	↓		
Arequa Gulch Monitor Well Pumpback System	No Check	11:55	11:21	13:17	12:45		
(in) n/a	0.00	0.00	0.00	0.00	0.00	CIRCUITS CH	
(ft) n/a	14.59	17.75	23.75	35.37	30.29	290/3:37	
(gpm) n/a	0.66	0.62	0.98	0.00			
(gpm) n/a	0.00	0.00	0.00	0.00	DRY		