




**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.

<b>MINE NAME:</b> Cresson Project	<b>MINE/PROSPECTING ID#:</b> M-1980-244	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Timothy A. Cazier & Elliott Russell	<b>INSP. DATE:</b> April 21, 2015	<b>INSP. TIME:</b> 10:15
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Company	<b>OPERATOR REPRESENTATIVE:</b> Chris Hanks	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> High Priority	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$136,471,600.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> April 23, 2015	

**The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.**

**INSPECTION TOPIC:** Off-site Damage

**PROBLEM/POSSIBLE VIOLATION:** Possible Violation: Land has been affected outside of the approved permit boundary. This is a possible violation at this time pursuant to C.R.S. 34-32-116(7)(h) for failure to protect areas outside of the affected land from slides or damages occurring during the mining operation.

**CORRECTIVE ACTIONS:** This possible violation will require a hearing before the Mined Land Reclamation Board. The schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the operator.

**CORRECTIVE ACTION DUE DATE:** 5/28/15

## **OBSERVATIONS**

This inspection was initiated with the Division's understanding that sediment pond EMP-009A was constructed mostly outside the mine's permit boundary. The goal of this inspection was to field verify the extent to which EMP-009A was outside the permit boundary. Chris Hanks, representing the Operator was present during the inspection. Elliott Russell was also present representing the Division.

### Inspection:

EMP-009A is near the Chicago Tunnel in Poverty Gulch on the northwest boundary of the Cresson Project permit boundary. With Mr. Hank's assistance, the Division located permanent boundary markers (**see Photo 1**) and surveyed AM-10 permit boundary marker stakes (**see Photo 2**). The Division used a hand-help Trimble Juno 3B GPS receiver to record the location of five of these boundary indicators in the vicinity of EMP-009A as well as the EMP-009A berm centerline, left and right abutment survey stakes (**see Photo 3**), and the perimeter of the EMP-009A construction disturbance (**see Photo 4**). Based on field observations, a significant portion of EMP-009A was constructed outside the permit boundary.

The collected GPS data was processed in the office and the extent of disturbance outside the permit boundary was measured using Google Earth Pro, based on the differential corrected GPS data exported to Google Earth. The disturbance outside the permit boundary was estimated to be 1.35 acres. **Figure 1** delineates the extent of this disturbance and **Photo 5** provides an annotated aerial view of the recently constructed sediment ponds. The out of bounds disturbance is cited as a potential violation on page 1 of this report. As such a "Reason to Believe" a violation exists letter will be sent to the Operator.

## **PHOTOGRAPHS**



Photo 1. Required permit boundary sign (east of right abutment – looking SW).

**PHOTOGRAPHS (cont.)**



Photo 2. Permit boundary survey stake looking NE towards EMP-009A (note: area to left of stake is out of bounds).



Photo 3. EMP-009A Left (left) & Right (right) abutment survey stakes.



**PHOTOGRAPHS (cont.)**



Photo 4. Toe of EMP-009A berm (looking north).

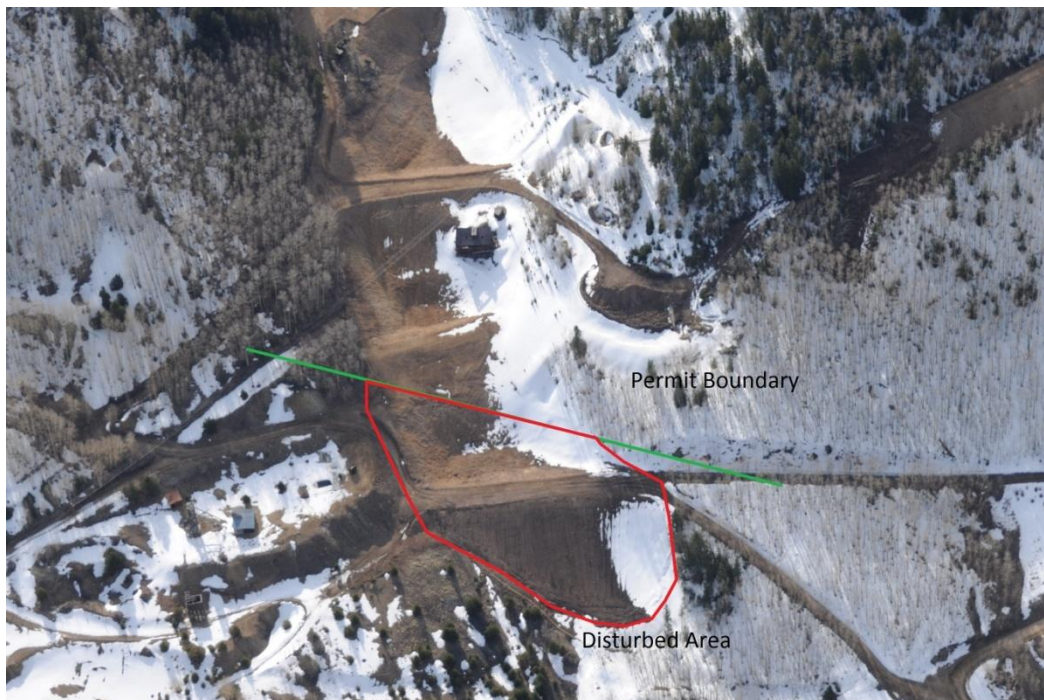


Photo 5. March 30, 2015 aerial view of constructed EMP-009A (looking SE).



### GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</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>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>PV</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

#### Inspection Contact Address

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

Enclosure

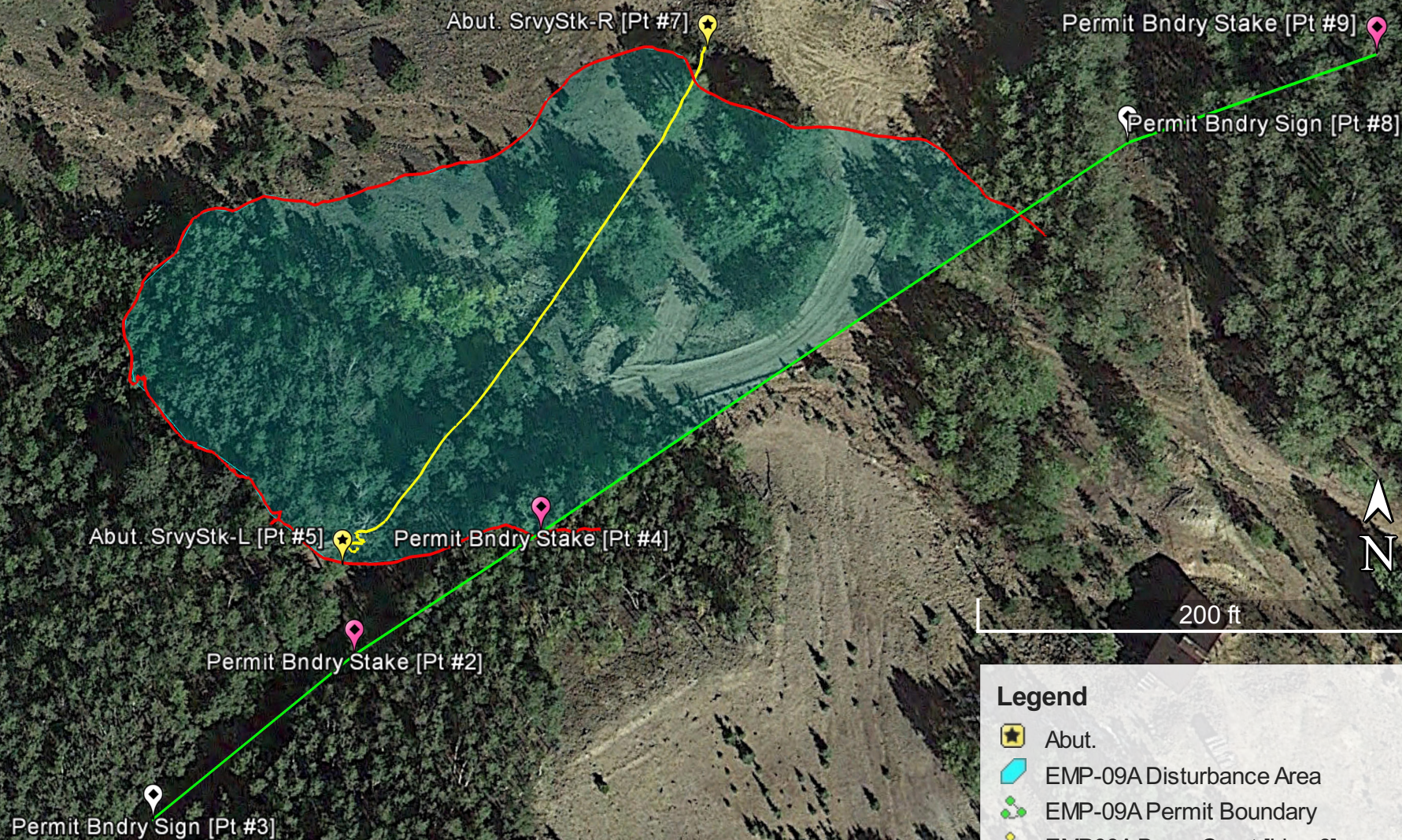
CC: Tony Waldron, DRMS  
Tom Kaldenbach, DRMS  
Wally Erickson, DRMS  
DRMS file

EC: Elliott Russell, DRMS  
Amy Eschberger, DRMS



# Figure 1. EMP-009A Disturbance

Based on GPS data collected on 4/21/15 w/ a Trimble Juno 3B.  
Disturbed area outside Permit Boundary = 1.35 acres  
Satellite Image Date: 9/24/13



## Legend

- Abut.
- EMP-09A Disturbance Area
- EMP-09A Permit Boundary
- EMP09A Berm Crest [Line 6]
- EMP09A Disturbance Limit [Line 10]
- Permit Bndry Sign [Pt
- Permit Bndry Stake [Pt