



April 9, 2015

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GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

Mr. Caleb Foy
Colorado Division of Water Resources
1313 Sherman Street, Suite 818
Denver, Colorado 80203

**RE: Gold Basin Mine-Sec. 5, Twp. 12S, Rng 80W, 6th P.M. Chaffee County
Response to Colorado Division of Water Resources Comments for M-1992-045**

Dear Mr. Foy,

On behalf of Gold Basin, R Squared is responding to your comments outlined in your March 11, 2015 e-mail regarding Gold Basin's mine permit application. Gold Basin Mine has briefly discussed the project with Mr. Sutton and he has weighed in on the water issues outlined in your e-mail.

A summary¹ of Cache Creek's hydrological characteristics follow:

"The Cache Creek Placer area is located in the Clear Creek-Arkansas River watershed (110200010404), with a mean annual precipitation of 22 inches. *The area has three main water sources. Cache Creek, an ungauged creek originating in the alpine areas of Quail Mountain, has a natural hydrograph with year round base flow. The drainage area is approximately 3.5 square miles, and has an estimated 2-year peak flow of 29.3 cfs (USGS - StreamStats). The mean seven day, 2 year interval low flow (M7D2Y) is estimated at 0.3 cfs (USGS - StreamStats). Mean annual flows are estimated at 3.07 cfs, with peak flows occurring in May/June from snowmelt off of Quail Mountain (USGS - StreamStats). Cache Creek is not listed by the state of Colorado or the BLM as impaired.*"

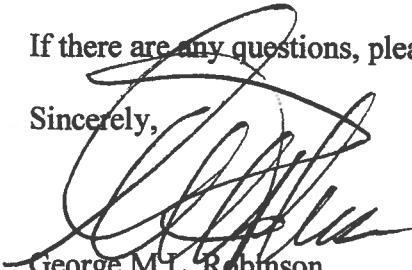
Gold Basin's mine operation does not anticipate exposing groundwater during or after mining operations. Stormwater will not be contained on site. Stormwater will be managed and monitored in accordance with the approved Stormwater Management permit (COR-40278). Non-consumptive process water obtained from Cache Creek will be diverted in accordance with the attached water right (86CW79). Water will be diverted through the placer processing units, settling ponds and ultimately discharged to Cache Creek pursuant to Gold Basin's industrial permit (CO-0048940). Process water will not be retained in ponds in excess of 72 hours. The reclamation plan does not plan for water to be retained onsite for more than 72 hours and water will not be used:

¹ Environmental Assessment (EA)
Cache Creek Placer Area Management Plan
DOI-BLM-CO-200-2012-0069 EA
February, 2014

to control dust,
to support reclamation activities or
to be used for non-mining uses.

If there are any questions, please call or send an e-mail to georgerobinson@r2incorporated.com.

Sincerely,



George M.L. Robinson
Principal

Attachment: Water Right

Cc Brian Sutton-DNR-Water Commissioner-Division 2 Office
Steve Witte-DNR
Dustin Czapala-CDRMS-Environmental Projection Specialist Grand Junction
Larry Leffingwell-Gold Basin Mine, LLC

District Court Water Division 2 COLORADO

Case No. **86CW79** Filed in the office of the Clerk, District Court Water Division 2, Colorado SLP 29 1968

APPLICATION FOR WATER RIGHTS (SURFACE) OCT 11 1968 3:30 p.m.

CONCERNING THE APPLICATION FOR WATER RIGHTS OF *Buster Hayner* Clerk

John Pearson and Betty Lou Pearson Chaffee County

1. Name, address, telephone number(s) (residence and business) of applicant(s)

John Pearson, 8290 Hwy 78 West, Boulder, CO 81023, public

Accountant, Phone: 485-3218

Betty Lou Pearson, 8290 Hwy 78 West, Boulder, CO 81023, administrative assistant, Phone: 485-3218

2. Name of structure (ditch, spring, cache, creek)

Catch Creek

3. Legal description of each point of diversion: (include distance and bearing from established government section corner or quarter corner, or distances from section lines, and indicate 1/4, section number, township, range and meridian; include map)

NW corner of SE 1/4 NW 1/4 SE 1/4 Section 5 Township 12 South Range 80 West of 6th PM located in Chaffee County, Colorado

4. Source (tributary and river) tributary to Arkansas River 9 miles from the point of origin by road rising upon the land from springs and watersheds located upon applicants land.

5. A. Date of initiation of appropriation: **June 30, 1947**

B. How appropriation was initiated: **by use to establish the placer claims of the June placer, July placer and Gold Basin placer**

C. Date water applied to beneficial use:

6. Amount claimed: **15** cfs (x) Absolute () Conditional

7. Use or proposed use: **non-consumptive drainage and running for tailings in and over dredge or placer washing plant.**

CENTRAL FILES

DISTRICT COURT, WATER DIVISION NO. 2, STATE

Case No. 86CW79

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STATEMENT OF OPPOSITION

DIV OF WATER RESOURCES
STATE ENGINEER
COLORADO

IN THE MATTER OF THE APPLICATION FOR WATER RIGHTS OF JOHN PEARSON
AND BETTY LOU PEARSON IN CHAFFEE COUNTY

1. Name and Address of Objector:

City of Colorado Springs
30 South Nevada Avenue
Colorado Springs, CO 80903

Attention: Gary Bostrom, Water Division

Copies of all pleadings should also be served upon the undersigned counsel for Objector.

2. Grounds for Objection: Application 86CW79 should not be granted, or should be granted only upon certain conditions, for the following reasons:

(a) The City of Colorado Springs owns vested and decreed water rights in the Arkansas River and its tributaries which may be injured by granting this Application.

(b) Applicants' claim that its use is non-consumptive lacks support. Applicants should be placed on strict proof of this issue.

(c) The Application contains insufficient information for Objector to ascertain whether it has additional grounds for objection. Therefore, Objector reserves the right to state additional grounds for objection as it learns more of the Application.

(d) Objector requests that this Statement of Opposition apply to any amended or supplemental application without necessity for filing an additional statement of opposition.

Respectfully submitted this 20th day of November, 1986.

HORN, ANDERSON & JOHNSON

By: 

Gregory L. Johnson, 1488
840 Holly Sugar Building
Colorado Springs, CO 80903
(303) 632-3545