

May 20, 2015

George Robinson
R Squared, Inc.
3926 North State Hwy 67
Sedalia, CO 80135



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Gold Basin Mine, Permit No. M-1992-045, Comments Regarding 112 Conversion Application

Dear Mr. Robinson:

On May 18, 2015 the Division of Reclamation, Mining and Safety (Division) received comments regarding the above referenced application from the Colorado Division of Water Resources (DWR). Please note the jurisdictional issues presented by the DWR.

If you require additional information, or have questions or concerns, please contact me at the Division's Grand Junction Field Office.

Sincerely,



Dustin Czaplak

Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
101 South 3rd, Suite 301
Grand Junction, CO 81501
Phone: (970) 243-6299
Fax: (970) 241-1516

Cc: Laurens Leffingwell
1700 Wadsworth Road
Old Mill Creek, IL 60083

Enc: DWR comments dated May 18, 2015





COLORADO

Division of Water Resources

Department of Natural Resources

Office of the State Engineer
1313 Sherman St, Suite 818
Denver, CO 80203

Response to Reclamation Permit Conversion Application Consideration

DATE: May 18, 2015
TO: Dustin M. Czapla, Environmental Protection Specialist
CC: Division 2 Office; District 11 Water Commissioner
FROM: Caleb Foy, P.E.
RE: Gold Basin Mine
Operator: Gold Basin, LLC
Contact: George Robinson, (303) 832-7664
Sec. 5, Twp. 12S, Rng. 80W, 6th P.M., Chaffee County

CONDITIONS FOR APPROVAL

- ☒ The proposed operation does not anticipate exposing groundwater. Therefore, exposure of ground water must not occur during or after mining operations. If stormwater is contained on-site, it must infiltrate into the ground or be released to the natural stream system within 72 hours, or all work must cease until a substitute water supply plan, or augmentation plan approved by water court, is obtained. Reclamation plans must ensure water will not be retained onsite for more than 72 hours unless an augmentation plan approved by water court is obtained.
- ☒ The proposed operation will consume water by: ☐ evaporation, ☐ dust control, ☐ reclamation, ☐ water removed in the mined product, ☒ processing, ☐ other:.

The proposed source of water is to be supplied by the Pearson Placer water right decreed by the Division 2 Water Court in case no. 86CW79. Pearson Placer was decreed for 15 cfs from Cache Creek for placer mining on June Placer, July Placer, and Gold Basin Placer, with a priority date of June 30, 1947, provided, however that this right shall be junior to all priorities awarded in cases filed prior to 1986, and otherwise junior as provided in CRS 1973, 37-92-306. In order to ensure a viable water supply for the proposed operation, it is strongly recommended that the operator be required to obtain a plan for augmentation/substitute water supply plan to allow out-of-priority diversion of the subject water; otherwise, diversion of the subject water right will be strictly limited to in-priority diversions under the discretion of the local Water Commissioner.

COMMENTS: This office previously provided comments dated March 11, 2015 and April 14, 2015 for this application. The comments provided herein are meant to supplement the previous sets of comments based on additional information obtained by this office regarding



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the source of the proposed water supply. The applicant may consult with the local Water Commissioner regarding administration and use of the Pearson Place water right decreed by the Division 2 Water Court in case no. 86CW79. The local Water Commissioner, Brian Sutton, is available via email at: brian.sutton@state.co.us or via telephone at: (719) 221-0367.

