



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

February 11, 2016

Mr. Jack Henris
Cripple Creek & Victor Gold Mining Company
100 N. 3rd Street
P. O. Box 191
Victor, CO 80860

**Re: Cripple Creek & Victor Mining, Co., Cresson Project, M-1980-244;
Requirements for Certification of Environmental Protection Facilities**

Dear Mr. Henris:

The Division of Reclamation, Mining and Safety (Division) has received three Quality Assurance Monitoring and Test Results for the Squaw Gulch VLF in the last 15 months for the purpose of demonstrating compliance with Rule 7.3.2 of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations. On more than one occasion, portions of these reports have certified that environmental protection facilities (EPFs) were constructed in accordance with approved designs and specifications, when in fact they were not, albeit sometimes in potentially less than significant ways. After each instance, the Division believed both CC&V and the construction quality assurance (CQA) contractor understood the importance of properly documenting compliance with drawings and specifications submitted to, and approved by the Division during the permitting process. The purpose of this letter is to remind CC&V of the purpose EPF certification and document the Division's expectations for a proper submittal.

The Division's requirement to review and accept certification of EPFs is based on Rules 7.3.1(5) and 7.3.2(2) of the Mineral Rules and Regulations of The Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations:

Rule 7.3.1(5) – No chemicals used in the extractive metallurgical process ... shall be placed in constructed facilities until the Board or Office accepts the certification of the facility, or phase thereof, that precedes placement.

Rule 7.3.2(2) – Unless otherwise required by the Office, the Operator or Applicant must provide a certified verification by a professional engineer or other appropriately qualified professional that will confirm that the facility was constructed in accordance with the approved design plan.

The following describes general areas where demonstration of compliance with approved design has been problematic and attempts to clarify the Division's expectations for future submittals:

1. Specifications – Demonstration of compliance with specifications have been the most problematic. Responses have indicated that the industry standard has changed; or the approved specifications were too stringent for smaller parallel EPF projects after having performed QA/QC tests in accordance with approved specifications. Please be aware that compliance with specifications approved by the Division is mandatory. If approved specifications are too stringent, not expected to be met and/or cannot be met; then CC&V must request a change to, or propose new specifications through the technical revision process before construction of the project component in question is initiated.



2. Record of Construction (ROC) Drawings – Record of Construction drawings are the basis for demonstrating that portion of a construction project for which the engineer of record (registered professional engineer) and/or registered professional land surveyor certify as having been constructed in accordance with the approved design plan. ROC drawings shall provide sufficient information on each drawing, or by reference to other ROC drawings (in the same submittal) and/or specifications previously approved by the Division to demonstrate that portion of the construction project for which the mine is requesting acceptance of certification. ROC drawing references to text and/or figures in the certification report does not meet the industry standard for ROC drawings.
3. Pipeline Certification – The Division considers pressurized (i.e., pumped) barren solution pipelines within 25 feet of the edge of the liner system to be EPFs, requiring certification that the pipeline was constructed in accordance with the approved design plan.

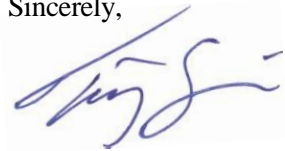
If these standards are not met in future submittals, the Division may reject such a certification report, resulting in significant project delays and potential construction demolition and rework in order to demonstrate compliance with approved designs.

The CC&V Environmental Department has asked that the Division provide an estimate for review time of certification reports so that future CC&V submittals of certification reports might be scheduled such that impacts to project schedules are minimized. As you may be aware there is no statutory or regulatory requirement or guidance for the Division's review time. That being said, 30 days could be considered a reasonable time for review. However, depending on complexity and organization of the report; number of Division staff needed for the review; and staff work load, the review may take as long as 60 days.

Please circulate this letter with CC&V's Projects, and Process Group managers and your CQA contractors so that there is a complete understanding of the Division's expectations for future certification report submittals.

If you have any questions or need further information, please contact me at (303)866-3567 x8169.

Sincerely,



Timothy A. Cazier, P.E.
Environmental Protection Specialist

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