

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

1313 Sherman Street, Room 215 Denver, Colorado 80203

May 19, 2016

Jack Henris Cripple Creek & Victor Gold Mining Company 100 North Third Street Victor, CO 80860

Re: Receipt of Corrective Action Documentation; Cresson Project; Permit No. M-1980-244

Dear Mr. Henris,

The Division received your above referenced response in regards to Compliance Problems 1 & 2 identified in the April 29, 2016 inspection report of the Cresson Project. The status of the corrective actions are listed below.

Compliance Problem #1: A significant volume of metallurgical processing fluid was exposed in the High Grade Mill infiltration trench. This is a potential attractant to wildlife. The surface area of the exposed fluid exceeded the permit condition (not to exceed 3 feet x 3 feet area).

On May 9, 2016, the Operator's submitted photographic documentation showing there is no longer any area in the HGH infiltration trench that isn't covered by bird balls; **this problem has been resolved**.

Compliance Problem #2: A significant volume of metallurgical processing fluid was observed in the High Grade Mill infiltration trench. The approved permit states the remainder of the mill leach circuit water balance, not recycled, will be pumped to AGVLF or SGVLF and either injected into the barren pipeline or to a designated drip tube distribution system. As such, the infiltration trench is an unapproved structure and the construction and use of the structure is not authorized by the Permit, the Act and Rules.

On May 9, 2016, the Operator's submitted documentation which stated that CC&V stopped placing fluids in the HGM infiltration trench on May 6, 2016; **this problem has been resolved**.

If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at <u>elliott.russell@state.co.us</u>.

Sincerely,

Elliott R. Russell Environmental Protection Specialist

Cc: Tim Cazier, DRMS; Wally Erickson, DRMS

1313 Sherman Street, Room 215, Denver, CO 80203P 303.866.3567 F 303.832.8106http://mining.state.co.usJohn W. Hickenlooper, Governor| Robert Randall, Interim-Executive Director| Virginia Brannon, Director

