



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

December 19, 2016

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

RE: Adequacy Review #3; TR-81; Cresson Project; Permit No. M-1980-244

Dear Mr. Henris,

On December 5, 2016, the Division received Cripple Creek & Victor Gold Mining Company's (CC&V) response to the Division's Adequacy Review #2 for TR-81 of the Cresson Project (Permit No. M-1980-244). The Division has reviewed the content of TR-81 and the December 5, 2016 adequacy response and submits the following comments. Adequacy items 9 and 15 correlate with the adequacy issues previously raised. Adequacy item 16 is a new adequacy issues not previously raised. Please be advised TR-81 may be deemed inadequate and denied on December 22, 2016, unless the following adequacy items are addressed to the satisfaction of the Division. To allow enough time to review your responses, the Division requests you submit them no later than two (2) days prior to the decision date.

9. *Response to adequacy item 9 is inadequate.*

In accordance with the Corrective Actions imposed by the Mined Land Reclamation Board under Violation MV-2016-035, CC&V was required to provide a schedule for clean-out activities to restore secondary containment capacity after an upset event has occurred. Within the TR-81 submittal, on August 8, 2016, CC&V committed that in the event an upset condition within the vat leach tank circuit, the process slurry would be removed from the secondary containment within seven (7) days. On November 17, 2016, CC&V further clarified that process slurry would be removed as quickly as possible and is expected to occur within two operating shifts.

Within the December 5, 2016 response, CC&V stated that in the event the secondary containment capacity cannot be fully restored within seven days of an upset condition, CC&V will provide a plan to DRMS on the earliest anticipated timeframe when that will occur. Additionally, the response stated that CC&V will continue to operate the mill during re-establishment of the secondary containment and will continue to rely on the tertiary liner containment as capacity for potential upset conditions above and beyond the secondary containment capacity.

The Division agrees with CC&V that operations will be allowed to continue during the clean out activities, however, leach circuit operations shall not continue after the seventh day if the full secondary containment capacity has yet to be re-established. The seven day schedule proposed in the August 8, 2016 submittal will be an enforceable condition of the permit. Please note, the



Division is willing to entertain any requests for the written approval to allow the continuance of leach circuit operations after the seventh day for unforeseen circumstances that limit the re-establishment activities albeit the issue that has caused the consumption of secondary containment has been fully resolved.


15. Please respond to the follow up adequacy issues identified by Tim Cazier in the attached memorandum, dated December 19, 2016, RE: FL Smidth Engineering Drawing Review.

16. In accordance with Rule 6.4.21(15), provide a detailed construction schedule of the secondary containment enhancement. The Division understands that climatic conditions will delay this project, but it shall be completed no later than June 30, 2017.

This concludes the Division's adequacy review of this Technical Revision. This letter shall not be interpreted to mean that there are no other technical deficiencies in your request. Other issues may arise as additional information is supplied. Please be advised TR-81 may be deemed inadequate and denied on December 22, 2016, unless the above mentioned adequacy review items are addressed to the satisfaction of the Division. **If more time is needed to complete the reply, the Division can grant an extension to the decision date. This will be done upon receipt of a written waiver of the Applicant's right to a decision by December 22, 2016, and the request for additional time. This must be received no later than the deadline date, before December 22, 2016.**

If you need additional information or have any questions, please contact me at the 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 elliott.russell@state.co.us.

Sincerely,



Elliott R. Russell
Environmental Protection Specialist

Attachment: FL Smidth Engineering Drawing Review Memo from Tim Cazier, dated December 19, 2016

EC: Erik Munroe; Cripple Creek & Victor Gold Mining Company
Meg Burt; Cripple Creek & Victor Gold Mining Company
Wally Erickson; Division of Reclamation, Mining & Safety
Tim Cazier; Division of Reclamation, Mining & Safety



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1313 Sherman Street, Room 215
Denver, CO 80203

Date: December 19, 2016

To: Elliott Russell

From: Tim Cazier, P.E.

RE: Cresson Project, DRMS File No. M-1980-244;
Adequacy Review - TR-81, FL Smidth Engineering Drawing Review

The Division of Reclamation, Mining and Safety (Division) engineering staff has reviewed CC&V's adequacy responses, dated December 1, 2016 and FL Smidth's revised engineering drawings (Drawing No. 20-647-30, still labeled Rev. 2, but dated 11-28-2016) which includes three drawings, two of which do not have drawing numbers, but include five revised "Containment Extension" Details (referenced on Dwg 20-647-30) on the second sheet, and a third sheet with revised notes and specifications. The following comments are posed to ensure adequate engineering analyses and design practices are implemented to eliminate or reduce to the extent practical the disturbance to the hydrologic balance expected by the mining operation with respect to water quality and quantity in accordance with Rules 3.1.6(1), 6.4.7, 7.3.1 and 7.3.2(2). The preliminary adequacy review comment numbering sequence has been retained for tracking purposes.

Drawing 20-647-30:

- 15.1. (CC&V Comment Response #7) Section callouts. The December 1, 2016 comment is adequate.

Sections:

- 15.2. (CC&V Comment Response #8) Rubber membrane concerns. The December 1, 2016 comment is adequate.
- 15.3. (CC&V Comment Response #9) Membrane splicing. The December 1, 2016 comment is adequate.
- 15.4. CC&V Comment Response #9). The December 1, 2016 comment is adequate.

New Comments:

- 15.5. Northeast Corner Stairway Accommodation. The Division engineer visited the containment area on November 22, 2015 along with CC&V personnel. It was



not clear for the drawings provided how additional containment could be provided in the northeast corner without significant changes to the stairway access. As a certification report will be required to ensure the containment is increased as designed (see comment 15.6 below), please provide design details as to how the containment extension will be addressed in the area of the stairway.

- 15.6. Pursuant to Rule 7.3.2(2), 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. Please commit to providing the Division with a construction quality assurance certification report within 30 days of completing the construction.