



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

January 27, 2017

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

**Re: Cresson Project, Permit No. M-1980-244;
Fourth Adequacy Review for Amendment 11 (AM-11) and Amended AM-11**

Dear Mr. Henris:

The Division has completed its adequacy review of the January 2017 response (received January 23, 2017) to our December 2016 Third Adequacy Review (3AR) of the Cresson Project 112d-3 Amendment Application (AM-11) and the subsequently submitted amendment to AM-11. The current decision date for AM-11 is tentatively set at February 1, 2017 in order to meet the schedule required by the planned February 8, 2017 Pre-Hearing Conference. The Division received a Party Status Withdrawal Form from the City of Cripple Creek via email on January 26, 2017. If a similar form is received from the other Objectors, the decision date may be extended to the end of the 365 day review period, which would be February 11, 2017.

If there are outstanding issues which have not been adequately addressed at the end of the review period the Division may deny this application. Please address these adequacy issues by January 31, 2017, to ensure time for the Division to complete its review process prior to the decision deadline.

The following adequacy comments are either a request for further clarification to previous adequacy questions or are new based on additional information contained the January 2017 submittal. Otherwise, all responses to previous Division adequacy comments are considered adequate.

- VI-1. Groundwater monitoring well label. The Division is getting different information from CC&V than it is getting from their consultant Adrian Brown Consultants (ABC) regarding the label for the Grassy Valley monitoring wells located at approximately: 38°44'26.97"N, 105° 6'39.96"W. CC&V in email and telephone communications (as well as the 4th quarter monitoring data we received on January 26, 2017) insists these nested wells are GVMW-22A-70 and GVMW-22B-30. ABC is insisting in the January 2017 response that these wells are labeled GVMW-23A-70 and GVMW-23B-30. The Division attempted to clarify the registered label through the State Engineer's Office, but was unable to locate these wells in their system. The labels for these two wells need to be clarified for the historical record



and we need verification that they are registered with the State Engineer's Office. Please provide the following:

- a. A final definitive label to be included on all future maps, text and monitoring data reports, keeping in mind that all recent data (and perhaps all data) submitted to the Division for this location is included under the GVMW-22A-70 and GVMW-22B-30 labels.
- b. Documentation that these wells are registered with the State Engineer's Office.

VI-2. Safe Blasting near the Mollie Kathleen Tourist Mine.

- a. On page one of Colin Matheson's letter (last paragraph, 1st sentence) he references a maximum charge weight (per 8 ms delay) for a surface burn pattern of 2,200 lbs. This works out well for the 4 ips limit on underground protection, but on the next page when he discusses the 0.5 ips level for surface structures protection, the maximum allowable charge works out to be 1,108.5 lbs, which is about half what is apparently typically used, thereby presenting a potential problem. Am I missing something or are additional restrictions needed for surface blasting in the 1,135 foot range from the Mollie Kathleen. If appropriate, your response should include a written commitment to not exceed the 1,100 lbs/delay until the minimum safe distance allows a higher charge weight. Also include references for the 4 ips limit.
- b. The Division also needs clarification on the modified "Scaled Distance" (Ds). OSM's scale distance standards (Reference the 1987 Blasting Guidance Manual, Chapter 9, Option 2 (pp. 75 - 79)) are much more conservative (ranging from 50 to 65, depending on distance). As I understand the OSM Ds, they are somewhat conservative from a safety standpoint, but are about a factor of 4 from the 16 (15.95) presented by Matheson. The Division needs to know more about how this much lower Ds was determined. The Division engineer has had a telephone conversation with Mr. Matheson to discuss the issue and is satisfied with the methods. However, we will need a written summary for the public record.

VI-3. Damage Compensation Agreements. The revised Drawing C-1a shows approximately 35 structures, not owned by CC&V that are within 200 feet of the proposed permit boundary and some that are in the affected/permit area boundary. The number is approximate as some structures are labeled more than once and some may be the same, but labeled with different names (e.g., "Narrow Gauge CCK Railroad Tracks" and "Cripple Creek & Victor Railroad"). CC&V provided the Division a KMZ file for use in Google Earth to assist in identifying structures within the affected area boundary for which damage compensation agreements (DCA) are required. The following additional structures have been identified by the Division:

- Road (38 45' 36.57" N, 105 08' 32.58" W)
- Cabin (38 43' 18.34" N, 105 07' 57.93" W)
- Communication tower and road (38 42' 51.38" N, 105 08' 52.60" W)
- Houses and driveway (38 44' 08.79" N, 105 10' 29.90" W)

- Teller Co Road 82 is not identified, and the old alignment through the WHEX is shown on C-1a.
- Teller County Road 88 should be additionally identified on the Carlton Tunnel Outfall Area insert map. There are possibly fence lines and cattle guards northwest of Carlton area too. An insert scale is also needed since the scale is different than the map.

Damage compensation agreements are required for all identified structures (circled in pink highlighter) on the Division's marked up Drawing C-1a (enclosed). Telephone discussions with CC&V personnel referenced structures like the cattle corral near Beaver Valley Road are required to have DCAs (pursuant to C.R.S. 34-32-115(4)) in addition to the utility agreements that have been submitted. Pursuant to Rule 6.4.20, "a notarized agreement between the applicant and the person(s) having an interest in the structure that the applicant is to provide compensation for any damage to the structure" is required. Where such an agreement cannot be reached, the applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation.

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

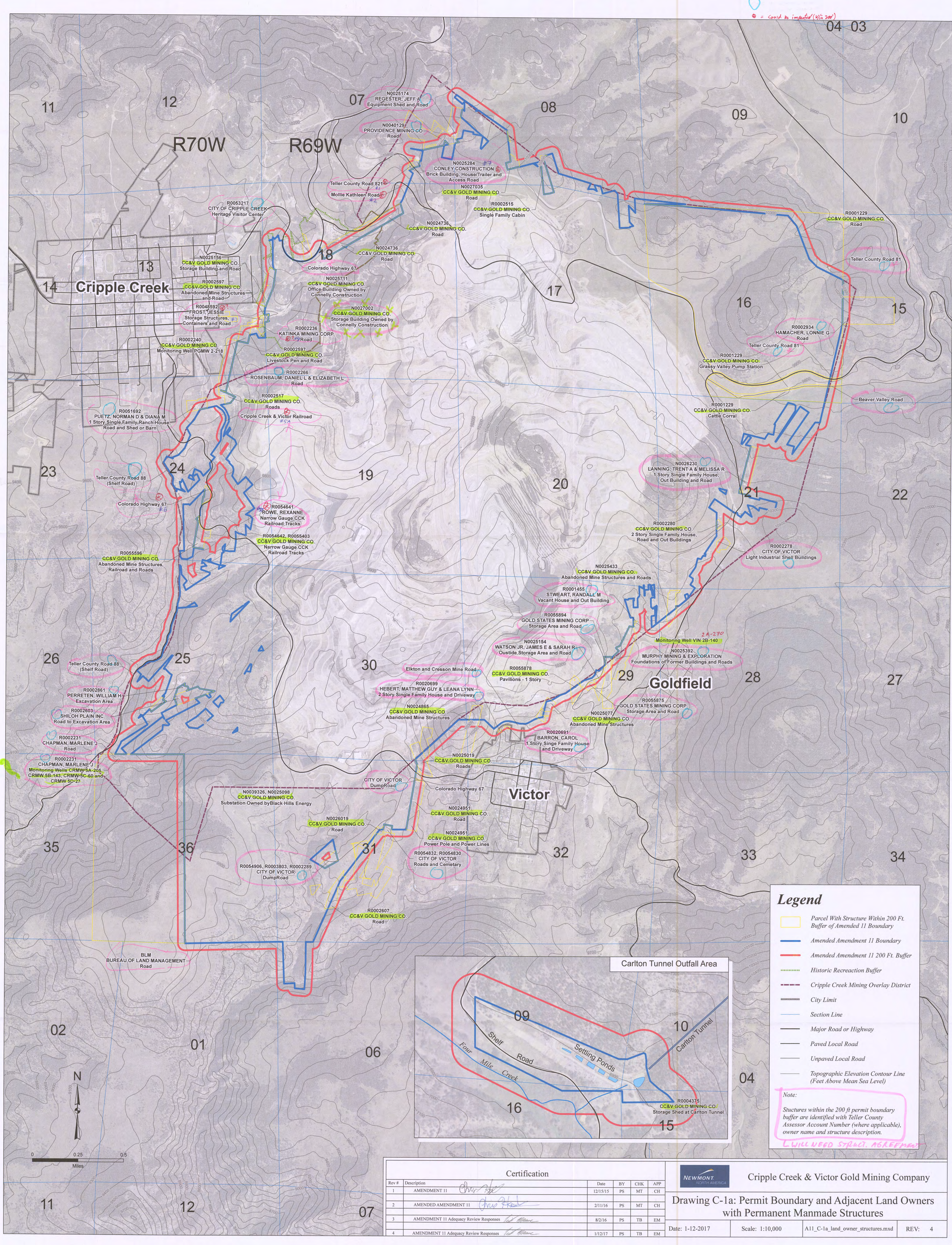
Sincerely,



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

Enclosure (Drawing C-1a markup)

ec: Wally Erickson, DRMS
Amy Eschberger, DRMS
Elliott Russell, DRMS
DRMS file
Meg Burt, CC&V
Erik Munroe, CC&V



Certification					
Rev #	Description	Date	BY	CHK	APP
1	AMENDMENT 11	12/15/15	PS	MT	CH
2	AMENDED AMENDMENT 11	2/11/16	PS	MT	CH
3	AMENDMENT 11 Adequacy Review Responses	8/2/16	PS	TB	EM
4	AMENDMENT 11 Adequacy Review Responses	1/12/17	PS	TB	EM

Cripple Creek & Victor Gold Mining Company

Drawing C-1a: Permit Boundary and Adjacent Land Owners with Permanent Manmade Structures

Date: 1-12-2017Scale: 1:10,000A11_C-1a_land_owner_structures.mxdREV: 4