



## COLORADO

Division of Reclamation,  
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

October 5, 2017

Mr. Mike Eiselein  
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;  
Preliminary Adequacy Review for Amendment 12 (AM-12)**

Dear Mr. Eiselein:

The Division of Reclamation, Mining and Safety (Division) has completed its preliminary adequacy review (PAR) of your Cresson Project 112d-3 Reclamation Permit Amendment Application (AM-12). The application was received on July 7, 2017. After receiving a response to our July 14, 2017 Notice of Incompleteness on July 17, 2017, the Division determined that the permit amendment application is “filed” as that term is defined in Rule 1.1(20.1) of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board (MLRB). On July 17, 2017, the Division set the **decision date for the application** to **October 15, 2017**.

Please be advised that if you are unable to satisfactorily address any concerns identified in this review before the decision date, **it will be your responsibility to request an extension of the review period**. If there are outstanding issues that have not been adequately addressed prior to the end of the review period, and no extension has been requested, the Division will deny this application.

The review consisted of comparing the application content with specific requirements of the Hard Rock Act, 34-32-101 et seq., C.R.S. (the Act) and the Minerals Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard rock, Metal and Designated Mining Operations (Rules).

### **APPLICATION**

The Application Form is adequate as submitted.

### **PROJECT DESCRIPTION**

1. Reclamation Costs, p. 7-4. The last sentence in paragraph 7.2 states “Completed reclamation will be deducted from the amount included in previous years for that particular area.” Please be aware and acknowledge CC&V must submit a revision request in the form



of either a partial acreage reduction or surety reduction to the Division in order for any change in reclamation liability to be approved, as the Division is required by C.R.S. 34-32-117(4)(c) and Rule 4.14(2) to verify reclamation is completed as stated in the approved permit.

## **6.4 SPECIFIC EXHIBIT REQUIREMENTS – 112d DESIGNATED MINING OPERATIONS**

### **6.4.1 EXHIBIT A – Legal Description**

2. Mine Entrance Location. Pursuant to Rule 6.4.1(2) the mine entrance location must be included in Exhibit A. The coordinates for the entrance location should be identical to those provided in the Application Form, Item 10. Most Applicants present the mine entrance location at the beginning of Exhibit A, before describing the affected area. Please resubmit Exhibit A with the mine entrance location included.
3. Carlton Tunnel, p. A-3. When compared to the legal description presented in AM-11 and approved by the Division, no portions of Section 16 (Township 16 South, Range 70 West, 6<sup>th</sup> Principle Meridian) were included. The AM-12 description does not mention any boundary adjustments to the Carlton Tunnel area. This particular Section 16 is managed by the State Land Board (SLB) and may have additional permit implications. The Division noted (see Exhibit C, Drawing C-1 Comments 4a, 7, and 10 below) there is a sliver of Section 16 in the inset portion of Drawings C-1 and C-1a that appears to be inside the permit boundary. However, Drawing C-2a clearly shows the permit boundary outside of Section 16. Please confirm whether or not the Carlton Tunnel portion of the permit boundary includes any of Section 16, and resubmit Exhibits A, C, and F as appropriate.

### **6.4.3 EXHIBIT C – Pre-mining & Mining Plan Map(s) of Affected Lands**

4. Drawing C-1. Please address the following discrepancies:
  - a. In coordination with Comment 3 above, please confirm whether or not the Carlton Tunnel portion of the permit boundary includes any of Section 16 and update and resubmit Drawing C-1 as appropriate.
  - b. The Legend indicates parcels shaded green are owned by “CC&V Gold Mining Company”, whereas parcels shaded yellow are owned by a private third party. The Division has identified several parcels that according to the Teller County Assessor’s online map tools appear to be owned by CC&V, Newmont Mining, or some combination of the two (e.g., Newmont CC&V Mining Corp). The following Account Nos. are examples of, but not necessarily all of the parcels that do not appear to be in the category of “Private Third Party” (shaded yellow) but should be shaded green as being owned by the mine: R0053207, N0025288, N0025285, N0026177, N0024752, N0024751, N0024749, R00053204, N0025800, R0003069, R0048592, R0002266, N0025495, and R0002391. Please review all the yellow and green shaded parcels and revise Drawing C-1 to reflect the intent of separating land owners by color (yellow vs. green) such that

third parties not associated with the mine are yellow and parcels owned by mine affiliates are green.

5. Drawing C-1a. Please address the following discrepancies:
  - a. In coordination with Comment 3 above, please confirm whether or not the Carlton Tunnel portion of the permit boundary includes any of Section 16 and update and resubmit Drawing C-1a as appropriate.
  - b. Note 2 in the Legend indicates “Structure labels in parentheses” (presumably the number) has some correlation to the table in Exhibit T. The Division could not find any of these numbers in parentheses in Exhibit T. Please explain the indicated correlation.
6. Drawing C-2. This drawing depicts “Existing and Approved Facilities” while showing the AM-11 permit boundary. Please also include the proposed realignment for AM-12 in order to clearly show where the permit boundary is to be modified for AM-12.
7. Drawing C-2a. In coordination with Comments 3 and 6 above, please confirm whether or not the Carlton Tunnel portion of the permit boundary includes any of Section 16 and update and resubmit Drawing C-1a as appropriate. If the permit boundary in the Carlton Tunnel area is to change, please show that proposed change as requested for Drawing C-2.
8. Drawing C-3. A “Proposed Gas Line” is shown in the Legend and in the northwest groin of the Squaw Gulch VLF embankment/Highway 67 realignment. This gas line is not discussed in Exhibit D. Please provide some background and discussion and resubmit Exhibit D.
9. Drawing C-4. This drawing, as previously included with AM-11 depicts “Proposed Overburden and Mines”. As the permit boundary adjustment in AM-12 was required to incorporate development waste removed from the Chicago Tunnel, the Division expected this drawing to be included to identify the development waste location as it was not previously in the permit boundary. Please submit Drawing C-4 with the development waste location identified.
10. Drawing C-4b. In coordination with Comment 3 above, please confirm whether or not the Carlton Tunnel portion of the permit boundary includes any of Section 16 and update and resubmit Drawing C-4b as appropriate.

#### **6.4.4 EXHIBIT D – Mining Plan**

11. Page D-1. In coordination with Comment 8 above, please provide some background and discussion on the proposed gas line and resubmit Exhibit D.

#### **6.4.6 EXHIBIT F – Reclamation Plan Map**

12. Drawing F-2 (F-3?). Please address the following discrepancies:
  - a. The previous version of this Drawing submitted under AM-11 was numbered Drawing F-3. Drawing F-2 was for North Cresson (Globe Hill) and East Cresson (Wildhorse Extension). As the Permittee is required to only submit exhibits that change during the

amendment application process, the submittal of this F-2 drawing replaces the previous North Cresson (Globe Hill) and East Cresson (Wildhorse Extension) reclamation plan details, thereby eliminating that area from the more detailed reclamation plan maps. The Division does not believe this was the intention. Please resubmit this map as Drawing F-3.

- b. Please also revise the “Key Map” inset at the bottom of this map to show the other Drawings F-2 through F-8 and include a note that these other maps were approved in AM-11 and have not changed in AM-12, nor will they be included in AM-12.

#### **6.4.8 EXHIBIT H – Wildlife Information & 6.4.12 EXHIBIT L – Reclamation Costs**

13. The Division is currently reviewing technical revision 91 (TR-91) that deals with wildlife protection fencing. The TR-91 review process will determine the appropriate changes to these two Exhibits with respect to fencing. Any future approval of AM-12 shall not be interpreted as changing any permit conditions being reviewed as part of TR-91.
14. The updated reclamation cost summary (Tab 6) presented in Exhibit L is confusing. There are two different numbers in red text with boxes around them labeled “Updated Grand Total” pointing at the same AM-11 total. One is for \$207,457,307, the other is \$207,432,274. Both are less than the current required bond of \$207,607,502. There are five other red text boxes with numbers in the top portion of the table with no explanation. Tab 54a is also included as a second page, also with red text boxes: one for “cost to reclaim 2 acres” and the other for “cost to reclaim 4 acres”, again with no explanation. Furthermore, the \$25,033 and \$50,066 figures from Tab 54a do not appear to be reflected in the cost summary table. The Division would expect to see reclamation costs for moving the Chicago Tunnel development waste in the added permit area, as well as regrading, topsoiling and seeding for the added four acres of disturbance. For reference the Division has enclosed the updated Surplus Tracking sheet as Table 1 showing the current required surety as \$207,607,502. Please explain your Exhibit L.

#### **6.4.15 EXHIBIT O – Owner(s) of Record of Affected Land (Surface Area) and Owners of Substance to be Mined**

15. Comment regarding font size. Each successive revision, going back to AM-11, seems to have smaller font size for the information presented in Exhibit O. This is part of the public record and needs to be legible. The updated version dated August 23, 2017 and received by the Division on August 28<sup>th</sup> is marginally legible. Please commit to using a larger, legible font for Exhibit O with future submittals.

#### **6.4.20 EXHIBIT T – Designated Mining Operation Environmental Protection Plan**

16. Comment regarding font size. Each successive revision, going back to AM-11, seems to have smaller font size for the information presented in Exhibit T. This is part of the public record and needs to be legible. The updated version dated August 23, 2017 and received by the Division on August 28<sup>th</sup> is marginally legible. Please commit to using a larger, legible font for Exhibit T with future submittals.

Mr. Mike Eiselein

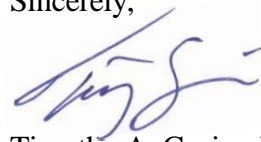
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17. In coordination with Comment 5b above, please explain how/where the "Structure labels in parentheses" on DrawingC-1a are in the table in Exhibit T.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Timothy A. Cazier".

Timothy A. Cazier, P.E.

Environmental Protection Specialist

Enclosure

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

**Table 1. CC&V Warranty Tracking (AM-12 Update) TR-76 to Current Revision (Sorted by Issuance Date)**

Number	Revision Type	Sequence	Description	Submittal Date	Decision	Decision Date	Sorted by Issuance Date	Surety +/-	Required Surety	Additional Surety Submitted	Surety Held by DRMS	Surplus Warranty
TR77	TR	77	Relocate substation	9/25/2015	AP	10/9/2015	10/9/2015	\$9,750.00	<u>\$136,365,808.00</u>	\$ -	\$173,434,420.00	\$ 37,068,612.00
SI6	SI	6	Newmont submitted replacement bonds also include AM-10 Phase 2 (2nd Installment of 2014 Update additional warranty (66% of Chem & Physical Closure of SGVLF )	10/22/2015	AP	11/5/2015	11/5/2015	\$36,962,820.00	<u>\$173,328,628.00</u>	\$ -	\$173,434,420.00	\$ 105,792.00
TR76	TR	76	Relocate two pipelines between the AGADR and the SGADR - one barren and one fresh water	9/25/2015	AP	11/5/2015	11/6/2015	\$19,533.00	\$173,348,161.00	\$ -	\$173,434,420.00	\$ 86,259.00
AR2	AR	2	Release 35.2 acres near Goldfield	5/20/2016	WD	6/23/2016	6/23/2016	\$0.00	\$173,348,161.00	\$ -	\$173,434,420.00	\$ 86,259.00
AR3	AR	3	Release areas near Goldfield and Shelf Road	6/23/2016	AP	8/1/2016	8/1/2016	\$0.00	\$173,348,161.00	\$ -	\$173,434,420.00	\$ 86,259.00
TR80	TR	80	High Grade Mill Temporary Fresh Water Line	7/25/2016	AP	8/2/2016	8/2/2016	\$17,410.00	\$173,365,571.00	\$ -	\$173,434,420.00	\$ 68,849.00
TR79	TR	79	High Grade Mill Solution Piping to AGVLF Injection Drains	7/21/2016	AP	8/19/2016	8/19/2016	\$7,480.00	\$173,373,051.00	\$ -	\$173,434,420.00	\$ 61,369.00
TR84	TR	84	North Grassy Valley Access Road	9/14/2016	WD	10/5/2016	10/5/2016	\$0.00	\$173,373,051.00	\$ -	\$173,434,420.00	\$ 61,369.00
TR85	TR	85	High Grade Mill Permanent Fresh Water Line Reroute	9/13/2016	AP	10/12/2016	10/12/2016		\$173,373,051.00	\$ -	\$173,434,420.00	\$ 61,369.00
CC&V	+ Surety	--	CC&V submittal of warranty increase: CS - ****8080	9/21/2016	--	9/21/2016	9/21/2016		\$173,373,051.00	\$ 500,000.00	\$173,934,420.00	\$ 561,369.00
TR78	TR	78	Power & Light Installation at the HGM & SGVLF Construction Specification Changes	7/5/2016	AP	10/25/2016	10/25/2016	\$2,455.00	\$173,375,506.00	\$ -	\$173,934,420.00	\$ 558,914.00
TR82	TR	82	Modification of the Phase I liner completion location, defer construction of Phase II, and provide an overview of stormwater controls that will remain in place during the construction delay.	9/7/2016	AP	11/4/2016	11/4/2016	\$0.00	\$173,375,506.00	\$ -	\$173,934,420.00	\$ 558,914.00
TR83	TR	83	Haulage of crushed ore and agglomerated tailings from the LOB to SGVLF on unlined areas	9/6/2016	AP	11/9/2016	11/9/2016	\$0.00	\$173,375,506.00	\$ -	\$173,934,420.00	\$ 558,914.00
TR86	TR	86	Globe Hill Stormwater Diversion Channel	11/28/2016	AP	1/10/2017	1/10/2017	\$0.00	\$173,375,506.00	\$ -	\$173,934,420.00	\$ 558,914.00
TR81	TR	81	High Grade Mill Vat Leach Containment Enhancements	8/8/2016	AP	1/18/2017	1/23/2017	\$0.00	\$173,375,506.00	\$ -	\$173,934,420.00	\$ 558,914.00
TR87	TR	87	Squaw Gulch VLF Phase 1 Completion Record of Construction Report	12/12/2016	AP	1/23/2017	1/23/2017	\$0.00	\$173,375,506.00	\$ -	\$173,934,420.00	\$ 558,914.00
AM11	AM	11	Incorporates areas of Poverty Gulch (incl. EMP Pond 9A) and adds underground mining methods with related changes to AGVLF and ECOSA	12/17/2015	AP	2/8/2017	2/8/2017	\$34,056,768.00	\$207,432,274.00	\$ -	\$173,934,420.00	\$ (33,497,854.00)
TR88	TR	88	Proposing the reroute of a powerline in preparation for the Globe Hill Pit operations. The Ironclad Power Reroute Project will include the addition of 30 power poles and associated powerline with a subsequent removal of 10 power poles and associated powerline.	2/22/2017	AP	3/8/2017	3/8/2017	\$5,070.00	\$207,437,344.00	\$ -	\$173,934,420.00	\$ (33,502,924.00)
TR90	TR	90	Installation of a 6 cu. ft. Mercury Retort in the AGADR	4/13/2017	AP	6/1/2017	6/1/2017	\$77,980.00	\$207,515,324.00	\$ -	\$173,934,420.00	\$ (33,580,904.00)
TR89	TR	89	High Grade Mill flotation concentrate for transportation offsite	3/10/2017	AP	6/27/2017	6/29/2017	\$80,876.00	\$207,596,200.00	\$ -	\$173,934,420.00	\$ (33,661,780.00)
AR4	AR	4	Release 66.9 acres in Poverty Gulch	4/28/2017	AP	7/10/2017	7/10/2017	\$0.00	\$207,596,200.00	\$ -	\$173,934,420.00	\$ (33,661,780.00)
CC&V	+ Surety	--	CC&V submittal of warranty increase: LC - ****9NYA	7/11/2017	--	7/11/2017	7/11/2017		\$207,596,200.00	\$ 34,056,768.00	\$ 207,991,188.00	\$ 394,988.00
TR93	TR	93	CR82 Guardrail Project	8/4/2017	AP	8/10/2017	8/10/2017	\$0.00	\$207,596,200.00	\$ -	\$ 207,991,188.00	\$ 394,988.00
TR94	TR	94	Revised Arequa Gulch Valley Leach Facility Reclamation Plan	8/9/2017	WD	9/7/2017	9/7/2017	\$0.00	\$207,596,200.00		\$ 207,991,188.00	\$ 394,988.00
TR92	TR	92	HGM to SGVLF Solution Line	7/31/2017	AP	9/12/2017	9/12/2017	\$11,302.00	\$207,607,502.00	\$ -	\$ 207,991,188.00	\$ 383,686.00
TR91	TR	91	Wildlife Protection Fencing	5/31/2017	TBD	12/31/2017	12/31/2017		\$207,607,502.00		\$ 207,991,188.00	\$ 383,686.00
AM12	AM	12	Extend permit boundary into Poverty Gulch to satisfy obligation under MV2016054 (M-1988-026) incorporating development rock piles into the affected lands boundary, and reflect boundary cahnges under AR-04.	7/7/2017	TBD	12/31/2017	12/31/2017		\$207,607,502.00		\$ 207,991,188.00	\$ 383,686.00
Future	TBD	TBD	TBD	12/31/2099	TBD	12/31/2099	12/31/2099					

**Legend**

6/23/2016 Revision not issued, or still in review. Date used for sorting purpose only

7/11/2017 Artificial date, used strictly for sorting

\$173,328,628.00 Fixed reference, no formula

\$136,365,808.00 Formula working backwards

\$207,596,200.00 Formula working forward