

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

1313 Sherman Street, Room 215 Denver, CO 80203

November 20, 2017

# Re: May Day Idaho Mine Complex, Sunrise Mining LLC, File No. M-1981-185, Rationale for Recommendation to Approve a 112d-2 Amendment Application with Objections

## Introduction

Herein, all references to the Act and Rules refer to the Colorado Mined Land Reclamation Act, 34-32-101 et seq., C.R.S. (the Act), and the Hard Rock and Metals Mining Rules and Regulations (the Rules or Rule). Copies of the Act and Rules are available through the Division's website at http://mining.state.co.us.

On November 20, 2017, The Division of Reclamation, Mining and Safety (the Division or Office) issued its recommendation to approve the permit amendment application for the May Day Idaho Mine Complex, File No. M-1981-185, over public objections. This document is intended to explain the process by which the Division arrived at its recommendation to approve, over public objections, and respond to the issues raised in writing by timely objecting parties. The Division reserves the right to further supplement, amend, modify or clarify this document and recommendations with additional details as necessary.

## Summary of the Review Process

Sunrise Mining LLC (the Applicant) filed the Amendment Application with the Division on March 27, 2017 as required by the Mined Land Reclamation Board (MLRB) Order dated January 9, 2017. The Application was deemed incomplete for filing and notice of incompleteness was sent to the Applicant on April 7, 2017. The required information was submitted and the Amendment Application was considered complete for filing on May 2, 2017. The original proof of publication in the local newspaper as required in Rule 1.6.2 (1) (d) found that the publication was incorrect. The Applicant was notified of this discrepancy on May 15, 2017 which was corrected and re-published in accordance with Rule 1.6.2 (1) (d). Proof of the corrected publication was received on May 23, 2017. The Amendment Application described a phased mining operation for the extraction of Gold and Silver that includes the removal of existing historic ore stockpiles, exploration activities, and possible development and production of the resources. The Amendment Application specified that no onsite processing or milling of any kind would be taking place. The permit boundary consists of 274.7 acres, and through the review process the affected land acreage was determined to be 45.7 acres leaving 229 acres permitted but not affected by the mining operations. The public comment period closed on



June 27, 2017 in accordance with Rule 1.7.2 (a). During the public comment period the Division received written comments from the following individuals and agencies:

Timely Letters of Objection:

- 1. Scott Collignon, dated June 18, 2017, received June 22, 2017
- 2. Lisa Giovannielllo, dated June 15, 2017, received June 23, 2017
- 3. William Karls, dated June 19, 2017, received June 23, 2017
- 4. David Kingsley, dated June 22, 2017, received June 27, 2017

Timely Commenting Agency:

1. La Plata County, dated June 27, 2017, received June 27, 2017

The Division forwarded copies of all comments to the Applicant, and notice of receipts to the objecting parties on July 12, 2017. On August 10, 2017 the Division received notice from La Plata County that their letter dated June 27, 2017 was intended as a general comment and not an objection. The concerns in the letter were addressed, but not treated as an objection for the remainder of the process. On August 31, 2017 the Division received a request from the Applicant for a decision date extension to address adequacy items raised in the review process. The request was approved on September 14, 2017 and set the new Decision Date for the Amendment Application to Friday December 15, 2017. The Item was then scheduled to appear before the Mined Land Reclamation Board (MLRB) at the December 13-14, 2017 meeting, and a Pre-Hearing Conference was scheduled in accordance with Rule 2.7.1 (5). Notice of the Pre-Hearing Conference and of the Formal Public Hearing were sent to all parties and interested persons on November 2, 2017. Due to the receipt of timely objections, on the decision date the Division will not make a decision on the Application, but rather a recommendation to the Board.

During the review period the Division generated three adequacy letters dated July 31, August 28 and November 2, 2017. The Applicant addressed all adequacy issues to the Division's satisfaction. Therefore, on November 20, 2017 the Division determined the Application to have satisfied the requirements of Section 34-32-115(4) C.R.S. and issued its recommendation to approve the Application.

## **Concerns Raised by the Objecting Parties and Commenting Agency**

To properly address the concerns raised by the objecting parties, each letter of objection will be addressed individually. A summary of the concerns are represented by bold italic font followed by the name of the objecting party. The Division's response follows in standard font.



# 1. Concerns regarding the visual impacts that are currently on site, proposed truck traffic across the La Plata River and the history of violations. (Scott Collignon)

In these proceedings, the Division's jurisdiction is limited to implementing and administering the specific requirements of the Act and Rules. The Division considers all timely submitted comments in its review, but can address only the issues that directly relate to the specific requirements of an application as stated in the Act and Rules. The Act and the Rules do not provide authority to address issues of visual impacts. Potential visual impact issues are typically addressed at the local government level and should be addressed through the La Plata County permitting process. The Division would also like to note that some of the facilities and scars to the landscape are historic, pre-law disturbances and are not associated with the proposed mining activities outlined in the Application.

The past violations, and associated corrective actions, referred to in the comment letters were incurred by the previous Operator, Wildcat Mining Corporation, and are not a part of this review process. Pursuant to Orders of the MLRB, those violations were required to be abated prior to submission of any other permit actions. As discussed below, the Operator is in compliance with prior MLRB Orders, allowing for this Amendment Application process to commence. Presently, no outstanding corrective actions exist and the permit, which is now managed by Sunrise Mining LLC, is considered to be in good standing and in compliance with prior MLRB Orders.

The previously used low-water crossing was determined to be unpermitted and all river crossings were stopped indefinitely. The bridge across the La Plata River was pre-existing to provide access to the private parcels of land on the East side of the River. Prior to the permitting process all private parcels that were served by that bridge, including the bridge itself, were purchased by La Plata County Land LLC. Access to the parcels as well as use of the bridge was granted to Sunrise Mining LLC. The capacity and engineering specifications of the bridge was addressed and approved through Technical Revision 3, but was never constructed. The Engineered specifications and construction details of the new bridge were included in the Amendment Application to handle the increased load and frequency of the proposed truck traffic. The details of the bridge can be found in the Geotechnical Stability Exhibit, 6.5, Attachment 6.5-1. These documents are also included in Exhibit A to this document. The structure has been approved by the Division and construction will commence prior to the removal of any ore materials. Concerns regarding traffic in general are part of the La Plata County land use jurisdiction and should be addressed through the County process.



# 2. Concerns regarding the potential contamination or pollution of the La Plata River as well as the history of past violations. (Lisa Giovanniello)

Pursuant to Rule 6.4.21 (10) - Surface Water Control and Containment Facilities Information; The Applicant must provide design specifications certified by a licensed professional engineer for all Environmental Protection Facilities for the protection of surface waters. A stormwater management plan was established that included several stormwater control structures that include, but are not limited to, debris basins, bar ditches and water bars. The stormwater management plan was submitted and reviewed by the Colorado Department of Public Health and Environment and a Storm Water Discharge Permit has been issued, Permit No. COR03H717. The stormwater management plan as well as the engineering and construction specifications of each individual structure can be found in Exhibit U, Attachment U-3 as well as Exhibit G, Figure G-2. The locations of the structures are identified in Figures C-7, D-9, U-1 and U-6. A copy of Figure C-7 is included as Attachment B to this document.

Similarly, in the interest of protecting surface waters in the vicinity of the permit area from possible contamination the Ore Storage Pad and Designated Chemical Storage Facility have been designated as Environmental Protection Facilities. No fuel will be stored on site at this time. All of these facilities will be located at the Base of Operations as detailed in Exhibits A, C, D, and U. Details of the engineered designs and construction specifications of these structures is demonstrated in Exhibit U, Section 6.4.21(7): Facilities Evaluations and shown in the enlarged figures C-8 and D-3 and is also included as Exhibit C. All Environmental Protection Facilities have been approved by the Division and upon construction the Applicant is required to submit the "As Built Certifications" signed by a licensed professional engineer. The Purpose of the "As Built Certifications" is to certify to the Division that the facilities have been constructed in accordance with the plans submitted in the Amendment Application. The Division would like to note that no ore removal or mining activities of any kind will take place until all Environmental Protection Facilities are constructed, certified and inspected by Division Staff.

As previously discussed, the past violations and associated corrective actions were incurred by the previous operator Wildcat Mining Corporation. Those violations were required to be abated prior to submission of any other permit actions. The previous violations are not part of the current review process. At the time of this Application review no outstanding corrective actions exist and the permit, which is now managed by Sunrise Mining LLC, is considered in good standing.



## 3. Concerns regarding the history of violations, status of previous corrective actions, Inspection frequency and a general objection to the activity. (William Karls)

Division Staff inspected the site on June 30, 2016 to verify the status of the previous corrective actions. Subsequently the Mined Land Reclamation Board issued an Order dated January 9, 2017 that found the previous Operator, Wildcat Mining Corporation, had complied with Corrective Actions 1,2 and 3 of the December 2011 Board Order. The Order also required that a full permit amendment be submitted that addressed the remaining corrective actions. That amendment has been submitted by the Applicant, and is the subject to this review process. This order is included as Exhibit D.

The site will be inspected in accordance with Board Policy 20.7.3.4.2 which states "all 112d-1 and 112d-2 operations shall have one complete inspection annually with additional frequency, as deemed necessary based on operational complexity." Division staff has determined that once activities commence on site, inspections will occur at least quarterly or as conditions dictate.

# 4. Concerns regarding La Plata Canyon being a living community, not a mining community. (David Kingsley)

In these proceedings, the Division's jurisdiction and authority is limited to the requirements of the Act and the Rules. The Division considers all timely submitted comments in its review, but can address only the issues that directly relate to the specific requirements of an application as stated in the Act and Rules. The Act and Rules do not provide jurisdiction or authority to address issues of zoning and land use codes, or compliance thereof. Such issues are typically addressed at the local government level and should be addressed through the La Plata County permitting process.

### Conclusion

After completion of the review process as defined by the Act and the Rules and consideration of all timely received comments and objections, Division staff has determined the Amendment Application has satisfied the requirements of Section 34-32-115(4) C.R.S. Therefore, on November 20, 2017 has issued its recommendation to approve the 112d-2 Amendment Application for the May Day Idaho Mine Complex, File No. M-1981-185, over public objections.



## Exhibit A;

# La Plata River Bridge Details, Geotechnical Stability Exhibit 6.5

## STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY Department of Natural Resources

1313 Sherman St., Room 215 Denver, Colorado 80203 Phone: (303) 866-3567 FAX: (303) 832-8106

June 26, 2012

Randy Oser Wildcat Mining Corporation 1630 Ringling Blvd. Sarasota, FL 34236



John W. Hickenlooper Governor

Mike King Executive Director

Loretta Piñeda Director

#### **RE:** May Day Idaho Mine Complex, Permit No. M-1981-185, Technical Revision (TR-3) Approval

Dear Mr. Oser:

On June 26, 2012 the Division of Reclamation, Mining and Safety (Division) approved the Technical Revision request (TR-3), which was submitted to the Division on June 14, 2012, addressing the following:

#### Renovation of the bridge crossing the La Plata River.

The terms of TR-3 approved by the Division are hereby incorporated into Permit No. M-1981-185. All other conditions and requirements of the permit remain in full force and effect.

The financial warranty amount of \$204,562.00, currently held by the Division for this site, is considered sufficient at this time.

If you require additional information, have questions or concerns, please contact me at the DRMS Grand Junction Field Office.

Sincerely, Dusin Capla

Environmental Protection Specialist Department of Natural Resources Division of Reclamation, Mining and Safety 101 South 3<sup>rd</sup>, Suite 301 Grand Junction, CO 81501 Phone: (970) 243-6299 Fax: (970) 241-1516

Ec: Mike Thompson

#### ATTACHMENT 6.5-1 BRIDGE APPROVED RENOVATION PLAN

MINING INDUSTRY CONSULTANTS

C 18050 COUNTY ROAD G . CORTEZ, CO 81321 . 970.565.0278 . MT@REARDONSTEEL.US



June 13, 2012

Dustin Czapla Division of Reclamation, Mining and Safety 101 South 3<sup>rd</sup>, Suite 301 Grand Junction, CO 81501

## RE: Technical Revision 3, May Day Idaho Mine Complex, Permit No. M-1981-185, La Plata River Bridge Renovation

Dear Mr. Czapla,

This letter and the enclosed attachments comprise Wildcat Mining Corporation's (WCM) submittal of its 3rd Technical Revision (TR3) to the May Day Idaho Mine Complex Permit No. M-1981-185. TR3 is focused on renovation of the bridge crossing the La Plata River, and is being provided to DRMS in accordance with WCM's October 11, 2011 response to Adequacy Issue No. 7 from Tim Caizer's September 28, 2011 Memorandum to Wally Erickson.

On January 19, 2012 WCM performed geotechnical drilling of the fill material behind both bridge abutments (drilling contractor: Enviro-Drill of Farmington, New Mexico). The drilling was logged by WCM consultant, David McClay, P.E. The logs for each drilling location are included with this submittal. The drilling of the west abutment, designated as BRB-01, consisted of three hollow stem auger boreholes at the edges and center of the abutment. All three borings reached refusal at 3.0 feet from the surface; the center borehole is represented by the BRB-01 drill log provided with this submittal. The 3 feet of augured fill above refusal consists of very dense and angular, coarse to fine sandy gravel, classified as a well-graded gravel according to the ASTM Unified Soil Classification System (USCS) (ASTM D2487-11). Due to the high compaction of the fill and the shallow depth to refusal at BRB-01, blow counts exceeded the maximum measurement of 50 blows per foot.

Drilling of the east abutment, designated as BRB-02, consisted of three hollow stem auger boreholes at the edges and center of the abutment. The north-outside and center boreholes reached refusal at 2.0 feet, and the south-outside borehole reached refusal at 4.0 feet; the south-outside borehole is represented by the BRB-02 drill log provided with this submittal. The 2.0 to 4.0 feet of augured fill consisted of very dense, silty-gravely sand classified as well-graded sand according to the USCS. Similar to BRB-01, due to the high compaction of the fill and the shallow depths to refusal at BRB-02, blow counts exceeded the maximum measurement of 50 blows per foot.

During Spring 2012, WCM engaged Wilson Structural Engineering (WSE) of Durango, Colorado to assess the structural integrity of the bridge, as is, and to develop a renovation plan for the bridge in order to safely accommodate a loaded tandem dump truck with a gross weight of 54,000 pounds. On May 24, WSE provided WCM with a Bridge Renovation Plan, included with this submittal, specifying the following:

- 1. Extension of the existing steel abutments by welding a 3/8" by 6" triangular gusset plate parallel to the web the abutments, spanning new w12x53 steel beems on the outer edges of the abutments, then welding and bolting a 3/8"x12" cap plate to the underside of the new steel beams where the they rest on the welded gussets.
- 2. Reinforcement of the existing steel abutments by adding 3/8" web stiffners under the centerline of each beam from the top to the bottom of each abutment, and welding and anchoring 3/8" steel plate lying flat against the concrete footing of the abutments.



- 3. Addition of 3/4"x5"x10"(top) or 3/4"x5"x16"(bottom) flange splice plates at the splices of the existing girders.
- 4. Addition of 4 sets of diagonal steel cross-bracing connecting all of the girders
- 5. Connection of w5x16 guardrail posts on the outside girders, and installation of 12 gauge guardrail to the posts with a minimum height of 27"
- 6. Welding and bolting of new flat bar-steel grate decking to the steel girders, spanning the total length of the bridge

Detailed descriptions and drawings are provided in WSE's renovation plan, including design criteria, construction requirements, specifications on connections/fastners, and structural steel requirements.

The current wood decking covering the bridge will be removed by hand and stacked neatly outside the Idaho warehouse for later use and/or firewood donations. The only heavy equipment required to implement the renovation plan will be a trackhoe, positioned behind the west abutment, to place the new girders and steel grate decking. All other components of the plan can be accomplished with hand held power tools and a mobile welder.

The renovation plan will be implemented under the guidance and oversight of a licensed structural engineer. Upon completion WCM will provide DRMS with a letter endorsed by a licensed structural engineer stating that the renovation plan was implemented properly, and confirming the intended load capacity of the bridge. When completed, the bridge will have a deck width of 13.0'; all other spatial dimensions of the bridge will remain as they are currently. WMC wants to make very clear that no new disturbance will occur as a result of renovating the bridge, and that no activities will occur that will disturb the banks of the La Plata River or place fill into the river.

WCM has been notified by David Tippit, President of Fairview Land Corporation (FLC) (private land owner of the bridge), that FLC desires that the bridge remain as a permanent feature of the property after mining operations cease. Currently, the bridge serves as the only vehicular access point for FLC to access its property east of the La Plata River. Also, the bridge in its current state has been in place prior to WMC's lease of the mine property from FLC. Therefore, WMC does not intend to reclaim the bridge, and is not including a reclamation plan with TR3. FLC will be providing WMC with a notarized letter stating its intentions during the week of June 17th. WMC will forward the letter to DRMS as soon as it is received.

Thank you for taking the time to review this information. If you have any questions or concerns, please do not hesitate to call (office: 970-565-0278; cell: 970-426-2924) or email (<u>mt@reardonsteel.us</u>).

Sincerely;

Mike Thompson Principal/Reardon Steel LLC

Enclosures: La Plata River Bridge Abutment Geotechnical Borings Bridge Renovation Plan

Ec:

Randy Oser, President/Wildcat Mining Corporation



## Key to Boring and Test Pit Log Symbols and Abbreviations

#### Notes

Refer to attached Figure for boring locations

Blow counts converted to Standard Penetration Test (split-spoon sampler) where appropriate Atterberg Limits test used to determine if soil is silt or clay, where possible.

Graphic Log descriptions included on Page 3

#### Abbreviations

ASTM – American Society for Testing and Materials U.S.C.S. – Unified Soil Classification System

BRB – Bridge Boring

#### Sampling

MC – California sampler symbol

- SS Standard Penetration Test (Split Spoon sampler) symbol
- AU Auger cuttings sample symbol
- GB Grab sample

N – Blow counts per 6 inches

(N) - Blow counts per foot

Testing

w – Moisture Content, percent

DD – Dry Density, pounds per cubic foot

LL – Liquid Limit, PI – Plasticity Index: Atterberg Limit test results (moisture content)

UU Triaxial – unconsolidated, undrained triaxial compression test (ASTM D 2850- 03a(2007)) Compaction – modified Proctor compaction test (ASTM D 1557-09)

## Unified Soil Classifications (ASTM D2487-11)

<b>Group Symbol</b>	Group Name	Group Symbol	Group Name		
GW	Well-graded gravel	SW	Well-graded sand		
GP	Poorly-graded gravel	SP	Poorly-graded sand		
GM	Silty gravel	SM	Silty sand		
GC	Clayey gravel	SC	Clayey sand		
GW-GM	GW-GM Well-graded gravel with silt		Well-graded sand with silt		
GW-GC	Well-graded gravel with clay	SW-SC	Well-graded sand with clay		
GP-GM	Poorly-graded gravel with silt	SP-SM	Poorly-graded sand with silt		
GP-GC	Poorly-graded gravel with clay	SP-SC	Poorly-graded sand with clay		
CL	CL Lean clay		Fat clay		
ML	ML Silt		Elastic Silt		
OL	Organic clay/silt	ОН	Organic clay/silt		

Sar	Ids	Clays		
Blows per foot (N)	<b>Relative Density</b>	Blows per foot (N)	Consistency	
		Less than 2	Very Soft	
0-4	Very Loose	2-4	Soft	
4-10	Loose	4-8	Medium	
10-30	Medium	8-15	Stiff	
30-50	Dense	15-30	Very Stiff	
Over 50	Very Dense	Over 30	Hard	

Penetration Resistance and Soil Properties (Peck, et al)

#### **Plasticity Chart**



#### References

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American Society for Testing and Materials, 2011. Standard Practice for Classification of Soils for Engineering Purposes (Unified Soil Classification System). May 1.

Peck, Ralph B., Foundation Engineering, Second Edition, John Wiley & Sons, 1973.



NOTE: DUAL SYMBOLS ARE USED TO INDICATE BORDERLINE SOIL CLASSIFICATIONS

	4.1	Vildoot			BORING NUMBER BRB-01	
Cr		lining Corporation				
	a l	Public Compron VRCVON				
CLIEN	T Wildc	at Mining Corporatio	n		PROJECT NAME La Plata River Bridge	-
PROJ	ECT NUM	BER Geotech-001			PROJECT LOCATION Hesperus, Colorado	-
		D <u>1/19/12</u>		COMPL	ETED GROUND ELEVATION HOLE SIZE 6.75 in	-
		TRACTOR _Enviro-			GROUND WATER LEVELS:	
		HOD Hollow Stem				-
					ED BY J. Erich Rauber, P.E. AT END OF DRILLING No Free Water Encountered	-
NOTE	S <u>Third</u>	offset; first two refus	als at	3 feet	AFTER DRILLING No Free Water Encountered	=
	щ					
E	 ∑ E E E		တံ	GRAPHIC LOG		
DEPTH (ft)	DLE	TESTS	U.S.C.S.	Γ.Υ.	MATERIAL DESCRIPTION	
	SAMPLE TYPE NUMBER			υ		
0				5-C-T-	(GP) Brown coarse to fine sandy Gravel (fill) (very dense)	_
		w=5.9%	GP	603		
	AU 1'-2'	W=5.9%	GP	0.0		
				[	3.0 Refusal at 3.0 feet.	7.3
					Bottom of borehole at 3.0 feet.	×
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AVDA						
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OTEC						
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NIEX						
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GENERAL BH / TP / WELL - GINT STD US LAB.GDT - 5/2/12 13:01 - C:PROGRAM FILESIGINTPROJECTSWAYDAY.

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5	N N	Mining Public Co		,			BORING NUMBER BRB-02 PAGE 1 OF 1
CLIENT	Wildca	at <u>Minl</u>	ng Corporati	ion			PROJECT NAME La Plata River Bridge
PROJEC		BER _	Geotech-00	1			PROJECT LOCATION Hesperus, Colorado
DATE STARTED _1/24/12 COMPLETED _1/24/12			D _1/2	24/12	GROUND ELEVATION _8642.63 ft HOLE SIZE _6.75 in		
DRILLIN	IG CON	TRAC	TOR Envir	o-Drill			GROUND WATER LEVELS:
DRILLIN	IG METI		Hollow Ster	n Auger 2.75 ' ID			AT TIME OF DRILLING No Free Water Encountered
LOGGED BY David McLay, P.E. CHECKED BY J. Erich Rauber, P.E. AT END (				CHECKED	Rauber, P.E. AT END OF DRILLING No Free Water Encountered		
NOTES Third offset; first two refusals at 2 feet							AFTER DRILLING No Free Water Encountered
o DEPTH (ft)	SAMPLE TYPE NUMBER	RECOVERY %	BLOW COUNTS (N VALUE)	TESTS	U.S.C.S.	GRAPHIC LOG	MATERIAL DESCRIPTION
	AU 2'-3'	0	41/4"	w=10.1%	- sw		(SW) Brown silty gravelly Sand (fill) (very dense) 4.0 8638.6
Refusal at 4.0 feet. Bottom of borehole at 4.0 feet.							

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## Exhibit B;

# Storm Water Management Structure Map Figure C-7

# SUNRISE MINING, LLC LOCATED IN SECTION 21 AND SECTION 28

LA PLATA COUNTY, STATE OF COLORADO T. 36 N., R. 11 W., N.M.P.M.

IDAHD

TUNNEL

GLORY HOLE

NAY DAY





03 -08 721

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NO. 4

SECTION 28



==== Private Access Subject to Obtaining USFS Special Use Pe

Access Road

BASEO

ATION

KEY MAP N.T.B.

+ ADDI-J

Proposed Utility

Idaho Spring







Mayday No.1 Bench- 0,5 Acres

Lower Deadwood Guich- 12 Acres
 Mayday No.1-Above Bench- 2.4 Acres

(2) Middle Deadwood Guich- 77 Acres (388 acres above No.2 Channe 1 Upper Deadwood Gulch- 311 Acres (Above Chief Reclamation)

To be Maintained Base of Operations

Culvert #1-3.5 Acres (New Access Road) Cuivert #2-368 Acres (Mayday No.2 Bench)

- **CR** Channel Restoration
- CUL Culvert

- RR Rip Rap

PREPARED ST. DOR NEVIEWED BY DHLA DATE: 0-23-2011

FIG

STORMWATER MANA

STRUCTURE!

SUNRISE MINING,

- DB Debris Basin

## Exhibit C;

# Base of Operations Engineered Designs, Environmental Protection Facilities





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

1313 Sherman Street, Room 215 Denver, CO 80203

November 14, 2017

Sara Glinatsis Sunrise Mining LLC. P.O. Box 160 Arvada, CO 80001

## Re: May Day Idaho Mine Complex, File No. M-1981-185, 112d-2 Amendment Application (AM-2) Request for Final Clarifications

Dear Mrs. Glinatsis,

The Division of Reclamation, Mining and Safety (Division) received your response to the 2<sup>nd</sup> Adequacy Review on November 13, 2017. Division Staff has reviewed your responses to ensure that they adequately satisfy the requirements of the Colorado Mined Land Reclamation Act (Act) and the associated Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metals and Designated Mining Operations (Rules). During the review of the submitted material, the Division requests clarifications on the following matters;

- 1. Exhibit U- Environmental Protection Plan
  - a. In the previously submitted adequacy response dated November 9 2017, a narrative clarifying the construction details of the ore storage pad at the Base of Operations was included. Also included were amended figures C-8 and D-3. While that clarifies the construction details of the base of the ore pad, the secondary containment drawing was also removed from those figures. The Division wishes to clarify that in addition to the liner of the ore storage pad, it must also have secondary containment structures as detailed in the previously submitted figure D-3. Please commit to installing both the 4 inch compacted clay liner as well as the secondary containment berms around the perimeter of the ore storage pad as detailed in the upper left hand corner of the previously submitted figure D-3.
  - b. Similarly in the updated figures C-8 and D-3 the fuel storage area with secondary containment has been removed from the plan for the Base of Operations. Please clarify that was the applicants intent, and that no fuel will be stored on site. If this was done in error, please submit a new Figure C-8 and D-3 that includes the



1313 Sherman Street, Room 215, Denver, CO 80203 P 303.866.3567 F 303.832.8106 http://mining.state.co.us John W. Hickenlooper, Governor | Robert W. Randall, Executive Director | Virginia Brannon, Director Request for final clarifications, AM-2 November 14, 2017 Page 2

details of the fuel storage area with secondary containment as well as the details of secondary containment for the ore storage pad.

Please submit these clarifications to the above listed issues by **Wednesday November 22, 2017**. If you require additional information, or have questions or concerns, please feel free to contact me at the Division's Grand Junction Field Office, by pone at (970)-243-6368 or by email at lucas.west@state.co.us.

Sincerely,

71

Lucas West Environmental Protection Specialist Division of Reclamation, Mining and Safety 1313 Sherman Street, Room 215 Denver, CO 80203 Phone: (970)-243-6368

Cc: Russ Means, Senior Environmental Protection Specialist Jeff Fugate, DRMS Minerals AGO



Sunrise Mining, LLC P.O. Box 160 Arvada, CO 80001

November 15, 2017

Lucas West Environmental Protection Specialist Colorado Division of Reclamation, Mining & Safety 1313 Sherman Street, Room 215 Denver, CO 80203

Dear Mr. West:

Per the "May Day Idaho Mine Complex, File No. M-1981-185, 112d-2 Amendment (AM-2) Request for Final Clarifications" dated November 14, 2017, the responses to the two issues defined in the letter are as follows:

## 1. Exhibit U – Environmental Protection Plan

a. In the previously submitted adequacy response dated November 9, 2017, a narrative clarifying the construction details of the ore storage pad at the Base of Operations was included. Also included were amended figures C-8 and D-3. While that clarifies the construction details of the base of the ore pad, the secondary containment drawing was also removed from those figures. The Division wishes to clarify that in addition to the liner of the ore storage pad, it must also have secondary containment structures as detailed in the previously submitted figure D-3. Please commit to installing both the 4-inch compacted clay liner as well as the secondary containment berms around the perimeter of the ore storage pad as detailed in the upper left hand corner of the previously submitted figure D-3.

Response: Secondary containment will be provided for the ore storage pad located at the base of operations. A 4-inch compacted clay liner will be installed on a six-inch scarified soil base as indicated and secondary containment berms will be built around the perimeter of the ore storage pad. The berms will be built to specifications approved by DRMS and details of the berms and the storage pad will be confirmed in as built drawings when the construction of the storage pad is complete. b. Similarly, in the updated figures C-8 and D-3 the fuel storage area with secondary containment has been removed from the plan for the Base of Operations. Please clarify that was the applicant's intent, and that no fuel will be stored on site. If this was done in error, please submit a new figure C-8 and D-3 that includes the details of the fuel storage area with secondary containment as well as the details of secondary containment for the ore storage pad.

Response: No fuel will be stored on site during the initial phases of operation. If fuel storage is necessary later, the requirement will be addressed through the Technical Revision Process.

Please let me know if you have any other questions.

Sincerely.

Jack Alimatrie

Sara Glinatsis Manager of Sunrise Mining, LLC sglinatsis@diamondhillfarms.com 308-760-8925

# <u>Exhibit D;</u>

## January 9, 2017

## **Mined Land Reclamation Board Order**



COLORADO Division of Reclamation

Division of Reclamation, Mining and Safety Department of Natural Resources

1313 Sherman Street, Room 215 Deriver, CO 80203

DATE: January 9, 2016

TO: Wildcat Mining Corporation Attn: George Robinson 3926 North State Hwy 67 Sedalia, CO 80135

RE: Findings of Fact, Conclusions of Law and Order Wildcat Mining Corporation

File No. M-1981-185

On January 9, 2017 the Mined Land Reclamation Board signed the enclosed Board Order for the above captioned operation. We advise that you read this document carefully.

Since Camille Mojar Board Secretary

Enclosure(s)

<u>Certified Mail</u> 7014 2120 0001 7885 6774 7014 2120 0001 7885 6774 Cc's

Tony Waldron Russ Means Lucas West John Roberts Jeff Fugate George Robinson Chris Neumann



1313 Sherman Street, Room 215, Denver, CO 80203 P 303.866.3567 F 303.832.8106 http://mining.state.co.us John W. Hickenlooper, Governor ( Robert W. Randall, Executive Director ) Virginia Brannon, Director

#### BEFORE THE MINED LAND RECLAMATION BOARD STATE OF COLORADO

#### FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

IN THE MATTER OF THE REQUEST FOR REINSTATEMENT BY WILDCAT MINING CORPORATION, File No. M-1981-185

THIS MATTER came before the Mined Land Reclamation Board ("Board") on December 15, 2016, in Denver, Colorado for a hearing to consider the request of Wildcat Mining Corporation ("Operator") to reinstate permit number M-1981-085. First Assistant Attorney General Jeff Fugate, Lucas West, Russ Means, and Tony Waldron appeared on behalf of the Division of Reclamation, Mining and Safety ("Division"). Chris Neumann, Esq. and George Robinson appeared on behalf of the Operator.

The Board, having considered the presentations of the parties and being fully informed of the facts in this matter, hereby enters the following:

#### FINDINGS OF FACT

1. Operator holds a 112d-1 reclamation permit for a gold and sliver operation known as the May Day Idaho Complex, located in Section 28, Township 36 North, Range 11 West, 10th Principal Meridian in La Plata County, Colorado.

2. At its regular meeting on December 16, 2015, the Board held an enforcement hearing to consider a possible violation by Operator, civil penalties, permit revocation, and forfeiture of financial warranty for failure to comply with the conditions of a Board order, permit number M-1981-185. The Board tabled the matter to its January 27, 2016, regular meeting for the stated purpose of allowing Operator an opportunity to prepare a response to the Board's inquiry into Operator's financial ability to complete corrective actions and progress toward completing the corrective actions.

3. At its regular meeting on January 27, 2016, the Board held an enforcement hearing to consider Operator's financial ability to complete the corrective actions ordered by the Board in its order effective December 12, 2011, ("December 2011 Order"), its February 21, 2014 Order, and Operator's progress toward completion of the corrective actions. During the January 27, 2016, hearing the parties presented an agreement for settlement of this matter, which the Board approved.

4. The Board issued an order dated March 3, 2016 ("March 2016 Order"). In the March 2016 Order, the Board found that the Operator was in violation of section 34-32-124(6)(a), C.R.S. for failure to comply with the conditions of its permit by failing to comply with the conditions of a Board order, specifically the Board order signed and effective February 21, 2014, requiring Operator to complete all outstanding corrective actions set forth in the December 2011 Order. The Board ordered that the Operator commence repair

and stabilization related to all outstanding corrective actions as set forth in the December 2011 Order no later than May 15, 2016. Required work specifically included the following tasks reflected in paragraphs 2, 3, and 4 of the December 2011 Order:

- May Day 1 portal stabilization and maintenance;
- stabilization of the Chief Portal and the access road immediately above;
- reclamation of Little Deadwood Gulch at the May Day 2 and Chief Portal; and
- initiate all water quality characterization, monitoring and reporting as required under Rule 6.4.21(8), (9) and (11) for a Designated Mining Operation.

5. The Board's March 2016 Order also required water quality characterization sampling to begin no later than June 15, 2016, with the first quarter report due to the Division within 30 days of receipt of analytical data reports. The Board ordered that Operator complete the required work outlined above in paragraph 3 and set forth in the December 2011 Order no later than july 1, 2016.

6. On June 10, 2016, the Division received a written request from the Operator to be added to the Board's June 22, 2016, Board meeting agenda so that Operator could request that the Board grant additional time to comply with the corrective action in the March 2016 Order.

7. At a hearing during the Board's June 22, 2016 meeting, the Operator requested an extension until October 15, 2016, to complete all required corrective action in the March 2016 Order. As grounds for the extension the Operator testified that the U.S. Army Corps of Engineers requires a study before granting the Operator a permit for a culvert that is needed as part of the reclamation of Little Deadwood Guich at the May Day 2 and Chief Portal. The Division objected to the extent of the request and argued that the extension should be limited to the deadline for the Operator to complete reclamation of Little Deadwood Guich. The Division argued that the study required by the U.S. Army Corps of Engineers does not impact the Operator's ability to complete the remaining required corrective actions.

8. The Board granted the Operator's request for an extension of the deadline to complete the work required for the reclamation of Little Deadwood Gulch at the May Day 2 and Chief Portal to October 15, 2016, with all other work due to be completed by the original deadline of July 1, 2016.

9. On November 23, 2016, the Operator, through counsel, submitted a letter to the Division and the Board requesting reinstatement of permit number M-1981-185.

10. The Operator has completed the corrective actions set forth in the March 2016 Order.

Wildcat Mining Corporation May Day Idaho Complex/M-1981-185 11. The Operator has failed to complete corrective action numbers 4, 5, 6, and 7 set forth in the December 2011 Order.

12. The Division did not object to reinstatement of permit number M-1981-185, provided that the Board affirm that no mining activities may occur at the site until corrective action numbers 4-7 of the December 2011 Order are completed within a reasonable time to the satisfaction of the Division or the Board.

#### **CONCLUSIONS OF LAW**

13. The Board has jurisdiction over this matter pursuant to the Colorado Mined Land Reclamation Act, Article 32 of Title 34, C.R.S. (2016).

#### GRDER

Based on the foregoing findings of fact and conclusions of law, the Board orders as follows:

The Board hereby GRANTS the Operator's request to reinstate permit number M-1981-185. The Border further ORDERS that no mining activities may occur at the May Day Idaho Complex until corrective action numbers 4, 5, 6, and 7 of the December 2011 are completed to the satisfaction of the Division or the Board.

The Board ORDERS the Operator to, within one hundred eighty days of the effective date of this order, submit a complete permit amendment application that addresses, and demonstrates compliance with, all outstanding corrective actions, specifically including corrective action numbers 4, 5, 6, and 7 of the December 2011 Order.

DONE AND ORDERED this 9 day of Tomarung. 20 (7.

FOR THE COLORADO MINED LAND RECLAMATION BOARD

Thomas Brubaker, Chair

#### NOTICE OF APPEAL RIGHTS

This order becomes effective and final upon mailing. Any party adversely affected or aggrisved by agency action may commence an action for judicial review by filing a notice of appeal with the district court within thirty-five (35) days after the effective date of this

Wildcat Mining Corporation May Day Idaho Complex/M-1981-185 order, pursuant to section 24-4-106, C.R.S. (2016). In the event that an appeal is filed, designations of record made in accordance with section 24-4-106(6), C.R.S. should be served on the Board at: 1313 Sherman Street, Room 215, Denver, CO 80203, Attention: Camie Mojar

Wildcat Mining Corporation May Day Idaho Complex/M-1981-185

#### CERTIFICATE OF SERVICE

This is to certify that I have duly served the within FINDINGS OF FACT,

CONCLUSIONS OF LAW, AND ORDER upon all parties herein by depositing copies

of same in the United States mail, first-class postage prepaid, at Denver, Colorado,

this 9th day of January 2017 addressed as follows:

By certified mail to: 7014 2120 0001 7885 6794 Wildcat Mining Corporation Attn: George Robinson 8926 North State Hwy 67 Sedalia, CO 80135 7014 21200001 7885 6743 Chris Neumann Greenberg Traurig, LLP 1200 17<sup>th</sup> Street, Suite 2400 Denver, CO 80202

By electronic mail to:

Tony Waldron Division of Reclamation, Mining & Safety 1313 Sherman Street, Room 215 Denver, Colorado 80203

Russ Means and Lucas West 101 South 3<sup>rd</sup>, Suite 301 Grand Junction, CO 81501

By electronic mail to:

John J. Roberts First Assistant Attorney General Department of Law Business and Licensing Section Ralph L. Carr Colorado Judicial Center 1300 Broadway, 10<sup>th</sup> floor Denver, CO 80203

Jeff Fugate First Assistant Attorney General Department of Law Natural Resources & Environment Section Ralph L. Carr Colorado Judicial Center 1300 Broadway, 10<sup>th</sup> floor Denver, CO 80203

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Wildcat Mining Corporation May Day Idaho Complex/M-1981-185

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