

1313 Sherman Street, Room 215 Denver, CO 80203

January 24, 2018

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

Re: Project, Permit No. M-1980-244; Technical Revision (TR-96) Preliminary Adequacy Review

Dear Mr. Eiselein:

On January 4, 2018 the Division of Reclamation, Mining and Safety (Division) received a request for a Technical Revision (TR-96) addressing the following:

Increase height of backfill in Wild Horse Extension (WHEX) Pit

The submittal was called complete for the purpose of filing on January 4, 2018. The decision date for TR-96 is February 3, 2018. 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 Technical Revision (TR).

The following comments are based on the Division's review of the request for TR-96:

- Reclamation Plan and Figure 2. The second paragraph under "Backfill Design" discusses the 1.5% grade on the flatter portions to promote positive drainage on Figure 1 during operations, and the direction of final reclamation flows on Figure 2. However, Figure 2 does not show a specific grade on the flat portion. The third paragraph on page 2 states final slopes will be no steeper than 2.5 H:1V. The Division calculated the steep slopes (adjusting the scale and discussed in Comment 2 below) and estimated the slopes to vary between 2.5 H:1V and 4.75H:1V. However, unbroken slope lengths were as long as 1,200 feet on the 2.5H:1V and as long as 760 feet on the flatter slopes. The Division's experience and common practice indicate slope lengths need to be significantly shorter to reduce the potential for rill and gulley erosion. Please provide the following:
 - a. Confirm the flat portions for final reclamation on Figure 2 will also be graded at 1.5% for positive drainage.



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- b. Confirm the blue drainage direction arrows on Figure 2 are intended to indicate the general direction of runoff and not that runoff will flow other than perpendicular to the contour lines as the figure currently suggests.
- c. Commit to incorporating the TR-96 grading for the WHEX backfill into the site-wide reclamation redesign of heap leach pads and overburden storage area plans to manage stormwater in such a way as to control erosion in accordance with Rules 3.1.5(3) and 3.1.6(3) in writing prior to the February 3, 2018 decision date; or redesign the reclamation plan to meet Rules 3.1.5(3) and 3.1.6(3) prior to the decision date.

Figures.

2) Scales. Both Figures 1 and 2 provide a scale bar and a scale ratio (i.e., 1:4800). Using an engineering scale (1 inch = 40 feet), it was estimated the scale of the drawings as received by the Division was closer to 1:4500, or 1 inch = 375 feet. The Division was able to compensate and no further response is necessary. However, for future submittals, please ensure the scale and scale bar are consistent on the submitted figures.

Financial Warranty.

3) The proposed bond increase of \$355,964 for the additional earthwork and 45 acres of revegetation appears adequate. Please be aware this amount exceeds the current surplus bond of \$162,648 CC&V currently has with the Division. Assuming no significant changes to this TR as a result of responding to this adequacy letter and the Division approves TR-96, the additional \$193,316 bond will be due 60 days from the date of the approval letter.

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

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