

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

1313 Sherman Street, Room 215 Denver, CO 80203

January 25, 2018

Mark Steen Colorado Milling Company, LLC P.O. Box 1523 Longmont, CO 80502

RE: Comments to 110(2) Hard Rock Amendment Application; Gold Hill Mill; DRMS File No. M-1994-117

Dear Mr. Steen,

The Division has received timely comments to the Gold Hill Mill amendment application. The letters of objection and letters of support were received within the public comment period that began when the application was called complete for the purposes of filing on January 4, 2018, and before the public comment period ended on January 23, 2018.

Timely letters of objection received:

- 1. On January 19, 2018, the Division received an objection from Gold Hill Town Meeting, dated January 19, 2018.
- 2. On January 22, 2018, the Division received an objection from Chris and Leslie Finn, dated January 18, 2018.
- 3. On January 22, 2018, the Division received an objection from Norman Skarstad and Cynthia Michaels, dated January 22, 2018.
- 4. On January 23, 2018, the Division received an objection from Gretchen Diefenderfer, dated January 23, 2018.
- 5. On January 23, 2018, the Division received an objection from Joe Grant, dated January 23, 2018.
- 6. On January 23, 2018, the Division received an objection from Dick Cole, dated January 23, 2018.
- 7. On January 23, 2018, the Division received an objection from Amy Fortunato and James K. McCumber, dated January 22, 2018.

Timely letters of support received:

1. On January 17, 2018, the Division received a letter of support from Veruska Trask, dated January 17, 2018.



- 2. On January 23, 2018, the Division received a letter of support from Dirk Arnold, dated January 23, 2018.
- 3. On January 23, 2018, the Division received a letter of support from Kory MacFarlane, dated January 23, 2018.

Copies of the letters of objection and the letters of support have been enclosed for your records. Please inform the Division how the Applicant intends to address the jurisdictional issues raised by the timely Objectors.

If you have any questions, please contact me at (303)866-3567 x8116.

Sincerely,

III.

Michael A. Cunningham Environmental Protection Specialist

Enclosures (10)

CC: Wally Erickson, DRMS



M-1994-117-AM01 Gold Hill Mill Amendment

1 message

 Tony Vrba <tonyvrba@gmail.com>
 Fri, Jan 19, 2018 at 6:07 PM

 To: michaela.cunningham@state.co.us
 Cc: "Lane, Eric" <elane@bouldercounty.org>, krarmstrong@fs.fed.us, Gretchen Diefenderfer <gretchend@me.com>, Dan

 Maedke <maedkedan@gmail.com>, Jojo Morrison <jojomorrison29@gmail.com>, Martha Knapp <elev8296@earthlink.net>

Colorado Division of Minerals and Geology Mined Land Reclamation Division 131 Sherman Street Room 216 Denver CO 80203

January 19, 2018

SUBJECT: M-1994-117-AM01 Gold Hill Mill Amendment

Dear Review Board:

The Gold Hill Town Meeting Community is concerned about the Gold Hill Mill Amendment and with the integrity of the operations.

As per your website and report there are many violations listed. Has there been an effort by the operators to make corrections? Is there a trend of fixing violations in a timely manner? The owner's prior actions and reliability to make an effort to keep the area safe needs to be a consideration when further decisions are made. If they are not addressing safety, nature, noise, and aesthetic issues the operators should not be granted permission to expand operations that may impact Boulder County Open Space, U.S. Forestry, Bureau of Land Management lands and our community.

Some issues that were brought up at a GHTM Special Meeting on January 8th included: -old rusty pipes pollute U.S. Forestry Land, Boulder County Land, and US Government land; and can be a hazard to wildlife and hikers -noise from generators or pumping stations to move water -Water Quality; contamination of ground water -contamination of water in case of flood

Thanks to Mike and Amy for their phone conversations and explaining the processes and regulations. Please add us to your mailing list and make the GHTM Board aware of any changes, hearings or reclamation processes. We appreciate your time and attention to this matter.

Sincerely,

Tony Vrba Chair, Gold Hill Town Meeting

Copy to: Boulder County Open Space U.S. Forestry Service

Mike Cunningham Colorado Division of Mining Reclamation and Safety 1313 Sherman St., Room 215 Denver, CO 80203 JAN 2 2 2018

1/18/2018 Chris and Leslie Finn 960 Pine Gold Hill Boulder, CO 80302 303-444-5549

DIVISION OF RECLAMATION MINING AND SAFETY

Mike Cunningham,

This is a letter objecting to the amendment No. 1 (revision AM-1) of permit No. M-1994-117 for the following reasons:

As we understand the amendment, the Colorado Mining Company LLC is adding three items to the current permit: The pump station of .256 acres; the pipeline easement of .539 acres and the Times Mine adit portal of .002 acres. The fact that these properties have been utilized by the mining company for many years, yet were not included in the boundary of the permitted area, demonstrates that the mining company chose to build and attempted to operate the pipeline outside of its legal boundaries. This, and the example that the mining company tried to bring in ore from off-site tailings, shows a lack of understanding of where their legal limits stand.

The old white pipe has remained for 20 years, broken and littering BLM and open space land. Now they are being told to remove it. Why did the current owners not take the initiative to clean up the old pipe? If this new pipe project does not work, again, will the new pipe be left for another 20+ years littering public lands? We feel that the fact that the old pipe has remained on public land without cleaning it up demonstrates a lack of concern for public lands.

The manager of the mine in the 80s and early 90s made many statements during his time at the mine indicating that the plan to pump water up from Lefthand was a "pipe dream". According to him, witnessed by us, the engineers realized that pumping water up the thousands of feet from Lefthand creek "would take a pump the size of the Blue Bird Lodge to push the water". Our understanding from the manager was that water was never pumped through the original pipe; it did not work.

According to this permit, water *was* pumped up to the mine using a "three stage portable Bean pump". The lack of actual proof concerning whether the pipe ever worked in the past, and if there is any feasible way of getting it to work in the future is a major concern. It is unclear in the permit if the plan is to use this same pump in the future. What are the specifications on this pump? Is it powerful enough to push the water the over 4000 feet, even with the proposed smaller diameter pipe and "check valves"? We feel this question needs to be answered before this project moves forward in any way.

We are also concerned with regulating the water used from Lefthand Creek. Who will regulate the water usage? It states in the permit that he has a 10.4 acre feet in dry year to a 22.53 acre feet share of the water. How is this monitored? Will there be a gauge to track water usage? How will this impact the fish population that is still recovering from the flood? Has the Left Hand Water District been notified? The Gold Hill Fire Protection District and Lefthand Fire District have water wells for hydrants in Lefthand creek for fire protection. Could the proposed water usage from the Colorado Mining Company LLC impact the water supply enough to hinder the fire department's ability to fight fire?

We object to the current request based on the past track record of Colorado Mining Company LLC in breaking the rules of their permit and by not demonstrating respect for public lands.

Chris and Leslie Finn



Permit no. M-1994-117

1 message

Norman R Skarstad <Norman.Skarstad@colorado.edu> To: "michaela.cunningham@state.co.us" <michaela.cunningham@state.co.us> Mon, Jan 22, 2018 at 4:03 PM

Dear Mike,

This email is in regards to permit no. M-1994-117, Amendment No. 1 (Revision AM-1) regarding running a water line to a mill in Gold Hill, Colorado.

We have concerns about this application to pump water from Lefthand Creek, up to the mill in Gold Hill. Mr. Steen is not well regarded in this community and the overwhelming feeling is that he likes to sneak around the rules and that he is not trustworthy. Nobody trusts him that I have met. From what I understand, he has been caught moving mine tailings from a mine several miles away to his mill in Gold Hill, which he had planned on processing there.

We are concerned that the pump, which he plans on placing next to the creek in Lefthand Canyon will be in a flood zone. This canyon was drastically changed during the flood of 2013 and the site where he plans on placing his pump will be, in my opinion, in an area which would easily be affected by any small rise in the creek's level. This is a concern as toxins could then spill into the water and onto the fragile steam ecosystem. The last pipeline he installed around 30 years ago was a failure and was never cleaned up. It continues to be an eyesore for our community and I worry that the pump would be quickly abandoned and also become a permanent piece of trash we'd all have to look at for many years. At a minimum, he should clean up the pipeline from 30 years ago before he begins with the new one.

We have other objections which are not handled by this department so we won't address them here. We would like to be a party to this matter and to be informed of the status of this application. Here is our contact information.

Norman Skarstad & Cynthia Michaels 10180 Lefthand Canyon Drive Jamestown, Co 80455

Thank you, Norman Skarstad and Cynthia Michaels



Gold Hill Milling, permit M-1994-117

1 message

Gretchen Diefenderfer <gretchend@me.com> To: michaela.cunningham@state.co.us Tue, Jan 23, 2018 at 2:09 PM

Dear Mr. Cunningham, Th

As a member of the Gold Hill community and a neighbor of the Gold Hill Mill (permit No. M-1994-117), I am writing to express my concerns about the operations of the Mill and the mines associated with it. As the Amendment No. 1 (Revision AM-1) shows on the cover sheet, there have been 7 violations cited. Because of the lack of stewardship shown in the past, for instance the leftover pipe from years ago littered up and down the hillside where there new pipe is planed, many of us would like assurance that there will be oversight and enforcement of this operation. We want to be kept informed of any meetings and hearings related to both the Mill as well as the mine (M1983-141) I cannot load any of the pages in the LaserFiche WebLink, today, as apparently the site is jammed up, so I am unable to be more specific.

I cannotThank you,

Sincerely,

Gretchen Diefenderfer

Gretchen Diefenderfer 9147 Sunshine Canyon Drive Boulder, CO 80302-9772 303-442-3847



Permit no. M-1994-117 (Gold Hill Mill)

1 message

Joe Grant <joegrant@gmail.com> To: michaela.cunningham@state.co.us

Tue, Jan 23, 2018 at 2:22 PM

Hi Mike,

I am writing to voice my concern about the proposed permit for the Gold Hill Mill for Hard Rock/Metal Mining. My biggest concern is specifically directed to the amount of water needed to be pumped out of Lefthand creek and the potential for spills, overflow and the consequences to communities down canyon. My understanding from talking with other community members is that this mine has had issues with properly managing this in the past and due to that precedent I am worried about how well this will be managed moving forward.

We are in the midst of one of the driest winters on record, and we are at high risk of wildfires every summer. The use of incredibly large amounts of water for mining is irresponsible particularly in such a high risk area.

I've attached a photo of leakage currently happening in one of our local mines. If this were to happen at the Gold Hill Mill site at a much larger scale the consequences to the community would be devastating.

Joe Grant 855 Main st. Gold Hill, CO 80302 303-709-4282



IMG_9590.JPG 4938K





Permit M-1994-117 Revision AM-01

1 message

Dick Cole <goldhillcole@gmail.com>

Tue, Jan 23, 2018 at 2:49 PM

To: michaela.cunnungham@state.co.us, Contact@pinebrookwater.com, cdphe.comments.wqcd@state.co.us, waterquality@lefthandwater.org, healthinfo@bouldercounty.org, gretchendief <gretchend@mac.com>, mcarsonhatcher@bouldercounty.org, rogerflynn@colorado.edu, abutler@bouldercounty.org, kmartinez@bouldercounty.org, Amy.Eschberger@state.co.us, Michael.Cunningham@state.co.us, dcase@bouldercounty.org, huttonk@bouldercolorado.gov, taddeucciJ@bouldercolorado.gov

Greetings to all:

I am writing today regarding the amended application to permit Colorado Milling Company to pump water from Left Hand Creek to Times mine adit for use at the Gold Hill Mill. As a current resident of Gold Hill (and former resident of Summerville downstream from Gold Hill Mill at a time when illegal discharges occurred in my side yard) I request the following comments to be considered:

First, the applicants state they own 20 shares of Left Hand District Water. Let's consider the as-proposed use of this amount in dry years for example. Dry year amount would equal roughly 10.4 acre feet, or 3,388,850 gallons of water pumped. (Applicants also propose in wet years to use 22.53 acre feet, or more than double dry year amount). Let's not disregard that the pump proposed for this task moves water at the rate of 50 gallons /minute. So, in order to use the full allotment in a dry year the pump would run 1130 hours. Even if the full allotment would not be required for whatever task performed at the mill, the provision here is to move, store and use a substantial amount of water---and it is unclear if there is to be any noise abatement at the pumping site, where neighboring properties' peace and quiet may be affected.

2.Proposal is for this large amount water to be stored in the Times mine, the adit of which is still in Left Hand Creek watershed. However, this water would be used at the Gold Hill Mill which is in the Boulder Creek watershed. It is possible that this water might be accessed by a bore hole that would also be in Boulder Creek watershed, I don't know, but somehow the water has to be moved again, across the divide(Sunshine Canyon Drive) to the mill site for use there. If there should be an accident related to this water or mismanagement thereof, it would be discharged into Cash Gulch, headwaters of Gold Run, then into Four Mile Creek in Boulder Creek watershed, as has happened numerous times in the past. It is unclear how Left Hand Water feels about their water potentially being discharged into another watershed.

3.Four Mile Creek is also a source of water for the Pine Brook Water District to treat for potable use by 1200 people. From what I understand, PBWD treatment facilities can treat for naturally occurring contaminants, but tailings and mine waste are beyond the scope of their facilities to provide safe water for their subscribers.

4.I mention these facts because there have been several illegal discharges by various operators of this mill in the past. One such discharge into Cash Gulch in early 1990's was estimated by the Division of Minerals and Geology to have contained 10,000 cubic feet(~75,000 gallons) of contaminated water. More illegal discharges have occurred as recently as 2009 and 2011. Some of the discharges I refer to occurred under the permit M-1983-141, which is the permit for operation of the Cash and Who Do mines. The ore from these two mines is the only ore permitted to be milled at the Gold Hill Mill, and the permit holder for M-1983-141 is the same Colorado Milling Company. Although these illegal discharges have occurred under various managers employed by the land owners, through all these the current applicant's representative, Mark A. Steen has been affiliated with the operations there either as land owner or silent partner.

5. There are also numerous other violations in the permit files both recent and past relating to mismanagement of the facilities at the Gold Hill Mill which have occurred on both permits M-1983-141 and M-1994-117. The permit file also reflects several requests for extensions of time to remedy violations and a general history of foot-dragging by the operators to comply with enforcement re these violations.

While I realize that the current amended application deals only with the water-pumping and storage aspects of their operation on the mill permit, I submit these comments to be considered with the intent of insuring water quality and safety of all concerned. My understanding is that mining operations at the mill,etc.are currently in cessation, but expect that water quality monitoring will be ongoing as accidents may happen. If and when the permits are approved to re-start operations, I expect that the amount of the surety bond required by the permittee will be increased substantially by MLRB to reflect the increased downstream threat posed by M-1994-117 Revision AM-01.

Please feel free to reply with comments and corrections.

Respectfully submitted, Dick Cole Gold Hill

1/22/2018

Amy Fortunato/James K. McCumber 4891 Lickskillet Rd. Jamestown, CO 80455 303-443-1851

RECEIVED

JAN 232018

DIVISION OF RECLAMATION MINING AND SAFETY

Colorado Division of Minerals and Geology Mined Land Reclamation Division 1313 Sherman Street – Room 215 Denver CO 80203

Dear Members of the Board:

I am writing this letter to express our concerns regarding permit #M-1994-117, Revision AM-1. As members of the Gold Hill Town Meeting and owner of the neighboring property from where the Colorado Milling Company, LLC intends to pump fresh water from Left Hand Creek through an above-ground pipeline to the Times Mine, we have the following objections, in no particular order:

1. Prior History of Failing to Comply with MLRB Rules

At the last Special Gold Hill Town Meeting on January 8, 2018, it was brought to my attention that the Colorado Milling Company has, in the past, been in violation of the MLRB Rules and Regulations in regards to trucking off-site tailings to the mine to be milled. This specific example of blatant disregard of the rules, in addition to several other violations that were mentioned at the meeting, indicates a lack of business, legal, and safety responsibility. We are concerned that this behavior pattern will continue, our town and its community members paying the consequences for the company's negligence and disregard. Does this record of repeated infractions not cause concern to the MLRB?

2. Prior History Of Failing to Remove Mining Remains from Area Forests

The remains of a white, PVC pipeline from the Colorado Milling Company's previous attempt to pump water from Left Hand Creek to the Times Mine litter the woods to this day. The pipe can be seen from Lickskillet Road and is considered by locals to be unsafe to humans and wildlife as well as an eyesore. That PVC pipeline has been strewn through the woods since 1987. I understand that this old, PVC pipe is to be removed before the proposed new pipe is installed. However, this indicates to me that the Colorado Milling Company will only address the negative impacts of their mining operations on the community when it affects them. We are concerned that any future negative fallout resulting from the proposed new pump(s) and pipeline will be ignored, as well.

3. Safety of Area Residents Regarding the Pump, Mill, and Above-Ground Pipeline The 2013 flood event caused both the private bridge just east of the proposed pump site and the culverts just west of it, at the bottom of Lickskillet Road, severe damage. Both have been replaced since the flood. Lower Lickskillet Road, an important, rural access for fire fighters and emergency vehicles to and from Left Hand Canyon, was damaged though passable. The private bridge was completely wiped out. Homeowners that relied on that private bridge to access their homes had to drive along a trail (south side of Left Hand Creek and area of the proposed above-ground pipeline), through our property, to cross Left Hand Creek at Lickskillet Road. This went on for close to four years after the flood when the private bridge was finally replaced. How will the above ground pipeline impact those homeowners and emergency vehicles if either of those bridges become damaged and impassable again in the future? Would those people have the obstacle of a pipeline to drive over? Would it be passable in the case of an emergency? Should that portion of the pipeline be buried? We would like a more detailed statement regarding the plan for this issue. Also, the Mined Land Reclamation Board, in August of 2017, found the Colorado Milling Company to be in violation for offsite damage, related to the collapsed mine adjacent to Sunshine Canyon Drive, just west of the mill site. This was considered offsite damage as the subsidence occurred while the operator was attempting to rehabilitate this historic mine in order to install the water pipeline to the mill. Will this issue and potential future safety issues resulting from this operation be properly monitored, repaired and stabilized?

4. Use of Well-Established Trail

Gold Hill and Left Hand Canyon area community members historically used a well-worn foot trail through the woods that connects Left Hand Canyon and the town site of Gold Hill. The trail crosses public, government, and private owned lands. The lower entrance has recently been blocked with a chain, and "no trespassing" sign, I assume by Colorado Milling Company since this appears to be the access they plan to use to install the new pipeline. Trees have been removed and a new cutvert installed at this location in preparation for the operation to proceed, prior to the public objection period. Will locals continue to have access to this well-used recreation trail?

5. <u>Re-Zoning of Flood Plain and Impacts of Water Usage of Left Hand Creek</u>

The 2013 flood event caused widespread damage and changes along waterways throughout the county and other areas of the state. In response, The Boulder County Floodplain Remapping Project has revised Left Hand Creek waterway's flood risks since the initial Gold Hill Mill Limited Impact Mining Permit was issued. How will the pump, footbridge, and pipeline structures affect the newly revised risk zones? What will the impact of this water usage actually have on Left Hand Creek, the Left Hand Water District, wildlife, farmers downstream etc...? How will the Colorado Milling Company get enough water to pump to the Times Mine when the creek is running low, like now? Will they have to engineer a pool in Left Hand Creek to draw from? How will this effect water access for fire fighting in Gold Hill and Left Hand's fire districts? These are questions we have. We are asking the Board and the County to examine these implications with great care.

Overall, we feel the amendment that would allow this to take place is not in the best interest of the citizens of Gold Hill, and we strongly urge you to reconsider your decision.

Sincerely,

Amy Fortunato James K. McCumber



Permit # M-1994-117 (Gold Hill Mill) Amendment #1

1 message

Veruska Trask <veruska_summerville@msn.com> To: "michaela.cunningham@state.co.us" <michaela.cunningham@state.co.us> Wed, Jan 17, 2018 at 10:58 AM

Dear People,

Colorado Division of Mine Safety and Reclamation,

I approve of Mark Steen's mining in the Gold Hill Area. He is willingly working with all requirements, and is willing to solve all problems with the reopening of the mill. His conservation easement of many acres speaks to his conservation of land. Please approve the amendment to his permit. I have known Mark Steen for many years and I appreciate his contribution to the community, Gold Hill is a mining district and during the time the mill was operating Mark Steen and his business partners worked w the community in terms of hours of operation and any issues that needed to be addressed. I have full confidence in Mark Steen and Colorado Mills in solving any problems associated with reopening the mill.

Thank-you.

Veruska Trask 303 443-6566

1627 Gold Run Rd. Boulder, CO. 80302

RECEIVED

JAN 232018

Dear Mr. Cunningham:

DIVISION OF RECLAMATION MINING AND SAFETY

I am in support of the approval of the Colorado Milling Company's Application to get an Amendment for the Gold Hill Mill Permit No. M-1994-117. I have lived in the Gold Hill area for more than forty years and I am very aware of the benefits of having this gold mill under new management.

I worked for Colorado Milling Company for more than a year, and was involved in their successful efforts to clean up the mill site after it was abandoned by the previous operator. There were four junked trucks and more than thirty used tires left on the property. Trashed equipment and old machinery were all over the place. It filled three large scrap metal bins and took more than a dozen trips to the Boulder dump to just clean up the outdoor area around the Gold Hill Mill. I was also involved with the clean up and restoration inside the Gold Hill Mill. This involved months of cleaning up the mess left behind by Mount Royal Ventures the past operators. Many months were involved in repairing the milling machinery that had been operated without proper knowledge and management. One example of this is how they left the large thickener tank. This tank was half filled with waste mud and inoperable. It took more than four weeks to empty this tank and another couple of weeks to sandblast the rust off the inside of this tank. I only mention these things, because I want people to know that there is a new attitude in place at this site. The Colorado Milling Company is committed to having a first class operation at the Gold Hill Mill.

I am also familiar with the benefit that the citizens of this area have because of the Conservation Easements that Boulder County's Parks and Open Space Department have on this historic mining area. The Conservation Easements clearly define what the property owners can do with their mining claims. Everything that the Colorado Milling Company is doing is part of an agreement with Boulder County. This includes all of the items included in the Permit Amendment. The pumping station and the water pipeline are all on an Easement retained by the mill owners for the purpose of legally pumping water from Left Hand Creek for use in the Gold Hill Mill.

Based upon my own experience, I am sure that the Colorado Milling Company will operate the mill and mines that it owns in a good professional and fully legal manner. Please keep this in mind when you review this Permit Amendment.

Thank you,

Dirk Arnold, GRI

1/23/2018



Cunningham - DNR, Michael <michaela.cunningham@state.co.us>

Cash Mine

1 message

Patience McKaig <mckaigp@yahoo.com> To: "michael.cunningham@state.co.us" <michael.cunningham@state.co.us> Cc: Kory MacFarlane <macrockarms@gmail.com> Tue, Jan 23, 2018 at 3:11 PM

Mike Cunningham Colorado Division of Reclamation, Mining and Safety 1313 Sherman Street, Room 215 Denver, Colorado 80427

Via email to: michaela.cunningham@state.co.us

Mr. Cunningham:

I am writing this to support the Colorado Milling Company's Application for an Amendment to the Gold Hill Mill Permit No. M-1994-117. I have been working in underground mining in Colorado for more than twenty years. I worked at the Cash Mine for the last operator, Mount Royale Ventures. I know from first hand experience what a mess that company made of the Cash Mine and the Gold Hill Mill. I also know that operator walked off and left a lot of junk equipment and trash at the mine and mill. The present operator has cleaned up all of that junk and trash and repaired the Gold Hill Mill. This has taken several years of hard work to get accomplished. Anyone who lives in the area can see the difference.

I am familiar with this situation because I was hired to make the underground repairs at the Times Mine. I helped set the culvert and repaired the plumbing. The old timbers were replaced and the Mine is now safe and secure. When water is pumped to this mine, it will be a great thing for the town of Gold Hill. As I understand it, there would be more than 350,000 gallons of water for fighting fires. It is located above the town, and it could be connected with a pipeline that would make this a great source of water for the next fire. I repaired and connected a 2 inch pipe for this purpose. Mr. Lewis Perkins approach the Gold Hill fire chief about this, but was told to forget about it by the fire chief. Since they are opposed to mining in one of the oldest mining towns in Colorado, they do not want this water to fight a fire that could burn their town down. Does this make sense?

I have read several comments about the waterline and the pump from Left Hand Creek by people who do not seem to know much about pumps. There won't be any problem with the pump being able to push the water up to the Times Mine. It is not hard to look this stuff up. Some people might even ask why Mount Royal Ventures didn't do this when they were running the Gold Hill Mill.

I hope you will work with Colorado Milling Company to make this a successful operation.

Sincerely,

Kory MacFarlane

Cash Mine.pages 722K