



**COLORADO**

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

October 16, 2018

Bill Schenderlein  
Blue Earth Solutions, LLC.  
P.O. Box 2427  
Fort Collins, Colorado 80522

**RE: Lamb Lakes, 112c DRMS Permit Application No. M-2018-039  
Adequacy Review No. 2**

Dear Mr. Schenderlein:

The Colorado Division of Reclamation, Mining, and Safety (DRMS or Division) received a response to the Division's first adequacy review via e-mail on Monday October 15, 2018. As you are aware, the Division has received objections to the application and in accordance with Rule 1.4.9 has scheduled a hearing before the Mined Land Reclamation Board (MLRB or Board) during the November 14 and 15, 2018 MLRB meeting for consideration of the application. The Division has set a date for a pre-hearing conference for October 26, 2018. The Division is required to issue a recommendation to approve, approve with conditions or to deny the application to the Board no later than October 23, 2018. The following is a list of adequacy review items identified in the Division's first adequacy review letter. If the item has been resolved, it will not be listed. If an item needs additional clarification or information that will be listed under the applicable adequacy review item. Any new adequacy review items will be listed at the end of this letter.

**Rule 6.4.7 – Exhibit G – Water Information**

5. The application indicates future reclamation activities will not produce additional significant affects to the groundwater table on properties surrounding the Lamb Lakes site and that no additional impacts to the Cache La Poudre River and the two identified irrigation canals are anticipated. However, pit dewatering can lower the groundwater table adjacent to the site and could negatively impact adjacent well users and cause increased losses from adjacent irrigation canals. Please demonstrate how the proposed pit dewatering will not negatively impact the surrounding well users and cause losses to the adjacent irrigation canals.
  - a. **Blue Earth Solutions Response:** Regarding the Fort Collins Irrigation Canal Ditch, "To minimize impacts to Fort Collins Irrigation Canal Ditch irrigation water, dewatering operations shall not be performed during the irrigation season when irrigation flows could be affected by pit dewatering. (See the response letter for full details).
  - b. **DRMS Response:** Please provide a copy of the agreement between the applicant and the owner of the Fort Collins Irrigation Canal Ditch. In lieu of providing this agreement, please include a monitoring plan that will detect and measure any losses to the ditch during the life of the operation and any mitigation measures to be taken.



7. The applicant indicates specific alluvial groundwater conditions at the site are not available. In order to evaluate and monitor the impacts to the groundwater levels up-gradient, down-gradient and adjacent to the site, a baseline water monitoring plan and operational water monitoring plan will need to be devised. Please submit a groundwater level monitoring plan to include at a minimum:
  - i. Location of water monitoring wells. Please supply a map that accurately locates all proposed groundwater sample points.
  - ii. Monitoring well specification and completion information. If new wells will be installed, well completion information will need to be submitted after they are installed.
  - iii. Method of sampling and frequency of sampling. The Division will require quarterly sampling at a minimum.
  - iv. Reporting frequency to DRMS. The Division will require the operator to submit the water monitoring data each year with the annual report.
  - v. Trigger level for notification to DRMS and possible mitigation implementation. DRMS typically requires a permittee to notify the Division of a 2 foot change (rise or fall) of the seasonal high and low water level. Mitigation measures may then be implemented if necessary.
  - vi. A commitment to supply the baseline water level results to the Division prior to the installation of the slurry wall and/or pit dewatering. The Division will require at least five quarters of baseline water level sampling.
- b. **Blue Earth Solutions Response:** A monitoring plan was submitted following the recommendation presented in the Hydrologic Evaluation (Attachment B, adequacy response letter).
- c. **DRMS Response:** The Division has reviewed your response and the Hydrologic Evaluation submitted. Please address the following:
  - i. Please commit to submitting a Technical Revision, to the groundwater monitoring plan when the baseline groundwater levels have been collected and prior to initiating dewatering, mining or slurry wall construction. This revision shall include the results of the baseline water sampling, final well locations and construction information and proposed trigger points for possible mitigation.
  - ii. For any well located west of the river within 650 feet of the pit edge please attempt to obtain background water levels in these wells. This information should be included in the Technical Revision discussed above.
  - iii. Given the proximity of the pit edge to wells 60245, 150, 596, 595 and 15007, the Division will require water monitoring to occur on a monthly basis during dewatering. Please revise the groundwater monitoring plan to include monthly monitoring during dewatering.

If the Board approves the permit application, the Division will recommend a condition be placed on the permit that the above referenced Technical Revision be submitted and approved prior to initiating dewatering operations.

**Rule 6.4.19 – Exhibit S – Permanent Man-made Structures**

13. For each structure located within two hundred (200) feet of the affected land, the applicant may either:

- a. provide a notarized agreement between the applicant and the person(s) having an interest in the structure, that the applicant is to provide compensation for any damage to the structure; or
- b. where such an agreement cannot be reached, the applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or.
- c. where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility.

Please submit evidence a structure damage agreement was sought for each of the structure owners. As indicated above, if such an agreement cannot be reached you must provide an appropriate engineering evaluation.

- i. **Blue Earth Solutions Response:** The applicant submitted documentation they attempted to obtain structure agreements for the structures within 200 feet of the affected area. Also, the response indicated that once dewatering is complete, material analyses and stability evaluations will be performed as part of the reservoir construction and the applicant commits to providing the analyses and evaluation results to the Division prior to construction. (See response letter for more details).
- ii. **DRMS Response:** If the Board approves the permit application, the Division will recommend it be approved with a condition that the operator submit a Technical Revision application that includes the results and findings of the stability analysis. The Technical Revision will need to be approved by the Division prior to initiating construction of the slurry wall and commencement of the mining operation.

**Public Comment/Objections, Agency Comments**

The Division has received the enclosed written objections from the following people in accordance with Rule 1.7.1(2)(a) within the public comment period:

<b>First Name</b>	<b>Last Name</b>
Susan	Amador
Ben	Pfeffer
Hayes	Seubert
Hilary	White

Cosmo	Catalano
Maya	Ortega
Cheryl	Distaso
Amy	Fleshman
Maureen	DeCoursey

The Division has received the enclosed comments/objections from the following people who have not submitted all of the information required by Rule 1.7.1(2)(a):

First Name	Last Name
Ward	Sutton
Gina	Blickenstaff
Daniel	Covey
Sandy	Jordan
Mark	Vandever

The Division has received the enclosed comments from the following agencies:

- Colorado Parks and Wildlife
- Colorado Division of Water Resources
- History Colorado
- United States Army Corps of Engineers

16. Please review and respond to these comments and objections.

- a. **DRMS Response:** A response to this adequacy item was not submitted. Please provide a response to the comments and objections that were forwarded with the first adequacy review letter.

October 16, 2018

As indicated above, the Division is required to issue a recommendation to the Board regarding the application by October 23, 2018. The Division requests the applicant provide a response to these issues by Thursday morning October 18<sup>th</sup>, 2018. If you need additional time to address the Division's concerns you must request an extension of the decision date. This application is set for consideration by the MLRB on November 14, 2018. If you have any questions feel free to contact me at (303) 866-3567, extension 8120.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jared Ebert", with a stylized flourish at the end.

Jared Ebert

Environmental Protection Specialist III

EC: Eric Reckentine, North Weld County Water District [ericr@NWCWD.org](mailto:ericr@NWCWD.org)  
Richard Raines, Tri-Districts, [rraines@scwtp.org](mailto:rraines@scwtp.org)