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## Fwd: LTR TO PINE BROOK.docx

**ROBERT DE HAAS** <bob@pinebrookwater.com>

Wed, Jan 2, 2019 at 2:21 PM

Reply-To: ROBERT DE HAAS <bob@pinebrookwater.com>

To: amy.eschberger@state.co.us

Dear Amy,

As you are aware the Pine Brook Water District has been a concerned party about the operation of the Cash Mine/Mill operated by Mark Steen. Attached is a letter from him sent to us via email and our response to that letter. As we have stated previously our intent is not that we want his operations shutdown BUT we absolutely want to make sure that it is operated properly and safely for all concerned.

Thanks,

----- Original Message -----

From: Mark Steen <goldtontine@gmail.com>

To: bob@pinebrookwater.com

Date: December 30, 2018 at 7:53 PM

Subject: LTR TO PINE BROOK.docx

Sent from my iPad

Robert de Haas, Manager

Pine Brook Water District

303-443-5394

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### 2 attachments



**LTR TO PINE BROOK.docx**

30K



**Response to M. Steen Letter.pdf**

61K

**COLORADO MILLING COMPANY, LLC**  
**P.O. Box 1523**  
**Longmont, Colorado 80502**

Pine Brook Water District  
Mr. Robert de Haas, Manager  
1903 Linden Drive  
Boulder, Colorado 80304

December 29, 2018

<bob@pinebrookwater.com>

Mr. Robert de Haas, Manager:

The Colorado Milling Company, LLC is herewith responding to the Pine Brook Water District's letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117 filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

In your letter, you commented on the effects of the September 2013 flood with the statement: "many of the tailings piles in the area were disturbed by that flood." While I know that the old Boulder Mill's tailings pond located at the junction of Gold Run and Four Mile Canyon was disturbed by the flood; I do not know of any other old, historic mill tailings that were mobilized by those extraordinary flood waters that could have affected the Pine Brook Water District's water quality. Most of the other mills that were located above the Pine Brook Water District's Four Mile diversion were constructed and operated during the earliest days of mining in Boulder County. Evidence of these Nineteenth Century stamp milling operations are almost nonexistent, since they discharged tailings directly into the streams in those early days, and the tailings were washed down to Boulder Canyon many decades ago. In fact, when the Environmental Protection Agency was investigating this area for mill tailings to collect and remove, it could not locate any tailings to transport to the Front Range Landfill near Erie, except those deposited just below the Boulder Millsite. The mill tailings produced by the Boulder Mill were deposited in the creek bottom in a tailings pond that would never be acceptable in this enlightened age of environmental awareness. They were actually confined in a very small area between the creek and a solid rock cliff by the use of hundreds of sandbags filled with the coarse sand fraction of tailings produced in the Boulder Mill's mineral processing operations. Those tailings were placed in this pond between 1935 and 1942, when the Boulder Mill ceased production, and they set undisturbed until the September 2013 flood.

While I know that the Boulder Mill's tailings pond was affected by the 2013 flood, I also know with great certainty that the Gold Hill Mill's tailings retention pond did not contribute to any downstream problems with water quality as a result of that flood. There has never been a loss of tailings from this pond. It is situated on Horsfal Flats, which is well above any streams or water courses. The lined tailings pond and the diversion ditches that protect it were properly designed and regularly maintained. They all worked as designed during the unprecedented 2013 flood.

The Gold Hill Millsite has been inspected at least five times since the 2013 flood, and no problems with the loss of tailings from the pond has been noted by the Division of Reclamation, Mining and Safety during any of those inspections. When you and your colleagues visited the Gold Hill Millsite on March 24, 2017, you must have seen that there was no evidence of the loss of tailings from the tailings retention pond.

In your letter, you also commented on “past violations which occurred while the mine was under various management companies, but the common thread has been that the owner was actively involved also.” The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina’s on-site Mill Superintendent was totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. Every operational violation at the Gold Hill Mill dates from Mr. Tatman’s appointment to a position that he proved entirely unsuited for by every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation and Mining and the Boulder County Land Use Department to J. Wayne Tatman’s permit violations. When he finally departed the site in 1997, the facility and permits were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company’s break even price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The point of recounting all of this history is to counter your assertion that the “common thread has been that the owner was actively involved also.” In fact, the long time owners of the Gold Hill mining properties were not actively involved in the management of the operations at their properties from 1990 until 2015. They have been interested and concerned observers, but not the actual managers of the milling operation during all but a few years during the period 1985 through 1988. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015 but has not yet begun processing ore in the facility. This company has, however, spent considerable effort and funds restoring the mill to its original condition and cleaning up the millsite.

As for the water rights issues, as you know, there is a Water Court Decree in place that determines how the Colorado Milling Company, LLC will withdraw, transport, store and consume its process water. The Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117 filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit is this company's fulfillment of the original, approved Permit issued on September 26, 1985, by the Colorado Mined Land Reclamation Board.

Sincerely,

Mark A. Steen  
Colorado Milling Company, LLC



Date: January 2, 2019

To: Colorado Milling Company, LLC  
P.O. Box 1523  
Longmont, CO 80502

Re: Your Letter of December 29, 2018 letter.

Mr. M. Steen,

Thank you for your response to our concerns. However it does not appear that all of our concerns are fully addresses.

First we are aware of three tailings piles that were disturbed, one just above the Salina Junction on Gold Run, one just below the same junction, and one by the old Black Swan mill site below said junction. There are more that are still under investigation and their status has yet to be finalized. Efforts have either been completed or are in process to either remove material from these sites or to try stabilize the sites so that they will not be as susceptible to future events.

Second, the files and your response support our view that you, as the owner, are responsible for the mine, whether you are the operator or not. We would also note that some of the latest notes show a lack of freeboard for the retention pond and we question the integrity of the pond but leave that for the Division of Mine Safety to determine.

Finally, while we agree that you have a water court decree, the issue is whether that decree confirms adequate rights for your proposed operations, a concern shared by the Division of Mine Safety. The placement of a Conex box which you state will be above the level of the flood waters of the 2013 flood. The question is what type of flood (ie 100 yr, 50 yr, etc.) was the 2013 flood in that area. While the 2013 flood was a 100 year to 100 year plus flood down lower we have not seen any documentation of what it was there. A quick review of the Boulder County Flood Plain Mapping appears to include the area of the proposed Conex Box site within or very close to their 100 flood plain.

Sincerely,

Cc: Division of Mine Safety, Amy Eschberger, Environmental Protection Specialist