

# LTR TO DIEFENDERFER.docx

#### Mark Steen <goldtontine@gmail.com>

Thu, Jan 3, 2019 at 9:16 AM

To: Amy.Eschberger@state.co.us, michaela.cunningham@state.co.us Cc: Mark Steen <goldtontine@gmail.com>

Amy Eschberger and Michael Cunningham:

I will be emailing you the CMC Response Letters to the people who objected to the Application for an Amendment this morning along with other information. These letters will be included in the hard copy that I will file in Denver. Please contact me if there are any questions regarding any of the information that I am sending you.

Mark A. Steen Colorado Milling Company, LLC

Sent from my iPad

LTR TO DIEFENDERFER.docx

Gretchen Diefenderfer 9147 Sunshine Canyon Drive Boulder, Colorado 80302 December 25, 2018

<gretchend@me.com>

Gretchen Diefendefer:

The Colorado Milling Company, LLC is herewith responding to your 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.

As you know, 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. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill until it was competently managed. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the

facility and permit 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 breakeven 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 inform and remind you just who was actually responsible for all of the past problems you are revisiting in your letter. As for your claimed lack of stewardship shown in the past, the Colorado Milling Company, LLC has gone to great lengths to clean up the mess left behind when Mount Royale Ventures was forced off the property. It has spent considerable effort and funds cleaning up after the previous operators of the Gold Hill Mill. This should be easily discoverable to anyone who simply looks around the millsite.

The Colorado Milling Company, LLC is committed to following the terms and conditions of the original permit issued on September 26, 1985, and that includes restoring the use of the legal source of water for the Gold Hill Mill. It remains something of a mystery that you never broached the subject of the Gold Hill Mill Waterline's lack of repair and utilization during the years when Mount Royale Ventures was the permitted operator of the Gold Hill Mill.

The Colorado Milling Company, LLC's representatives are prepared to address any other legitimate concerns or problems that you want to bring to their attention.

Sincerely,

Joe Grant 855 Main Street Gold Hill, Colorado 80302 December 27, 2018

<joegrant@gmail.com>

Joe Grant :

The Colorado Milling Company, LLC is herewith responding to your 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.

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 completely incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill until it was competently managed.

Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits. Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman

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 breakeven 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 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 cleaning up after the previous operator of the Gold Hill Mill, Mount Royale Ventures.

The point of recounting all of this history is to help inform you just who was actually responsible for all of the past problems you are revisiting in your letter. The Colorado Milling Company is actually the first owner of the Gold Hill Mill in more than twenty-eight years that is adhering to the legal terms and conditions of the original Gold Hill Mill Permit. 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 Permit filed to add the previously permitted Left Hand Creek Pump Station, 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.

As for your expression of concern regarding the "use of incredibly large amounts of water for mining" being "irresponsible" in a such a high risk area for wildfires, please know that we offered to make the water stored underground in the Times Mine available for use by the Gold Hill Volunteer Fire Department many months ago. The Colorado Milling Company, LLC's representatives are prepared to address any other concerns or problems that you want to bring to their attention.

Sincerely,

Mr. Dick Cole: <goldhillcole@gmail.com>

December 28, 2018

The Colorado Milling Company, LLC is herewith responding to your email 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.

Your comments have been noted.

Sincerely,

Mark A. Steen

Colorado Milling Company, LLC

December 29, 2018

Gold Hill Town Meeting Tony Vrba, Chairwoman <tonyvrba@gmail.com>

Tony Vrba:

The Colorado Milling Company, LLC is herewith responding to the Gold Hill Town Meeting'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 email addressed to the Review Board, you posed several questions by writing: "As per your website and report there are many violations listed. Has there been any 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 the area safe needs to be a consideration when further decisions are made."

Since some of your members were not residents of Gold Hill when the Gold Hill Mill was permitted on September 26, 1985, the following history may be useful to those of your membership who want to know what has actually transpired at the property during the last thirty-three years.

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. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility.

Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits. Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer

except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernable to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit 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 breakeven 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 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 cleaning up after the previous operator of the Gold Hill Mill, Mount Royale Ventures. This should be easily discoverable to anyone who simply looks around the millsite.

The point of recounting all of this history is to inform and remind your members just who was actually responsible for all of the past problems you are revisiting in your letter. With regard to the other issues that were brought up at the Gold Hill Town Meeting's Special Town Meeting the following answers may be helpful:

There are no rusty pipes on the Waterline Easement. All of the pipes that have ever been installed on the Gold Hill Mill Waterline are made of plastic. The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was first permitted on September 26, 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine Adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipes and claiming that they were polluting the land and were a hazard to wildlife and hikers. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill Permit. Concern about noise from generators or pumping stations to move water. There are only two means of providing power to the Left Hand Creek Pump Station. One is though the installation of electricity to power the pump. This requires the installation of a pole and a powerline to bring electricity to the water pump. This can not be accomplished without an easement being granted by the owners of the Mammoth Millsite. The second method of providing power to the Pump Station is through the generation of electricity on site. The generator that will be employed to supply electricity to the pump will be housed in an insulated metal conex and will be muffled to reduce the noise of its operation.

All of the water quality issues were previously addressed when the Gold Hill Mill was originally permitted in the answers to public comments, the review by the Gold Hill Committee on Mining & the Environment, and public meetings that were held in the months between when the permit was applied for and when it was issued. There are many pages of comments and reports that are available on the DRMS website regarding this matter.

Contamination of water in case of flood. This has been addressed by moving the Pump House and fuel storage for the generator well above the Left Hand Creek floodplain and floodway. The Colorado Milling Company, LLC will be compliance with all of the applicable Rules and Regulations that apply to the Gold Hill Mill Waterline before anything is installed along the length of the Water Pipeline Easement Deed.

The Colorado Milling Company, LLC has expended a considerable amount of funds and effort in restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. It is also following the original, approved plan for obtaining a legal source of process water for milling operations. Incidentally, access to the water that is stored in the Times Mine has now been restored, and this considerable volume of water was offered to the Volunteer Fire Department months ago. It is something of a mystery why access to all this water has not been followed up by anyone in the town of Gold Hill. The Colorado Milling Company, LLC's representatives are prepared to meet and discuss their plans with any of your members willing to make constructive suggestions about improving our Gold Hill Mill Waterline and future mining and milling operations.

Sincerely,

December 29, 2018

Norman Skarstad Cynthia Michaels 10180 Lefthand Canyon Drive Jamestown, Colorado 80455

Norman Skarstad & Cynthia Michaels:

The Colorado Milling Company, LLC is herewith responding to your 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.

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 a completely uneducable ignoramus, a congenital liar, and totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit 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 breakeven 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 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 cleaning up after the previous operator of the Gold Hill Mill, Mount Royale Ventures. This should be easily discoverable to anyone who simply looks around the millsite.

The point of recounting all of this history is to inform you just who was actually responsible for all of the past problems you raised in your letter. With regard to the other issues that you brought up in your letter the following answers may be helpful:

The two of you expressed a concern that the site where the pump was going to be placed was too near Left Hand Creek. This has been addressed by moving the location of Pump House and fuel storage for the generator well above the Left Hand Creek floodplain and floodway.

You both commented on the condition of the Gold Hill Mill Waterline. The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was first permitted on September 26, 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine Adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipes and claiming that they were an eyesore and a permanent piece of trash. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill Permit. The removal of the Waterline and the Pumphouse are included in the Permit Bonding Section of the Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

The Colorado Milling Company, LLC has expended a considerable amount of funds and effort in restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. It is also following the original, approved plan for obtaining a legal source of process water for milling operations. The Colorado Milling Company, LLC's representatives are prepared to address any other concerns or problems that you want to bring to their attention.

Sincerely,

Chris and Leslie Finn 960 Pine Street Gold Hill Boulder, Colorado 80302 December 29, 2018

Chris and Leslie Finn:

The Colorado Milling Company, LLC is herewith responding to your 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.

Your comment that "the mining company chose to build and operate the pipeline outside of its legal boundaries" is not supported by the records on file with the Colorado Division of Mining, Reclamation and Safety. The Left Hand Creek Pump Station, Water Pipeline, and the Times Mine Adit portal were all permitted by the Colorado Mined Land Reclamation Board on September 26, 1985. At that time, the Division of Reclamation and Mining did not require the Gold Hill Mill's Waterline and the Times Mine's portal to be included in the boundaries of the mill permit, because there was very little surface disturbance involved with the installation of the Waterline. However, removal of the pipeline was included in the amount of the permit bonding calculations. This mining company is actually following the original, approved plan for obtaining a legal source of process water for milling operations with this Application for an Amendment to the Gold Hill Mill Permit.

Your assertion " that the mining company tried to bring in ore from off-site tailings, shows a lack of understanding of where their legal limits stands" is also not borne out by an honest examination of the operational history of this property. 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. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just

a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernable to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit 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 breakeven 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 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. However, this company has spent considerable effort and funds in restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. This is easily discoverable to anyone who simply looks around the millsite.

You both commented on the condition of the Gold Hill Mill Waterline. The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was first permitted on September 26, 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine Adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipeline. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill

Permit, and it will remain in place as long as it is needed. The removal of the Waterline and the Pump house are included in the Permit Bonding Section of the Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

Your statements regarding the pump that will be employed to move the water from Left Hand Creek to behind the Times Mine's bulkhead seem to rely entirely on the opinions of the aforementioned J. Wayne Tatman. When you state that the manager 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 thousands of feet from Lefthand creek "would take a pump the size of the Blue Bird Lodge to push the water.", you must be repeating something he said. J. Wayne Tatman is hardly a credible source for anything remotely related to the proper management of the Gold Hill Mill.

The selection of a three stage Bean pump was made after consulting with several competent engineers. However, in the event that the three stage Bean pump is not up to the task of supplying process water to the Gold Hill Mill, then a second pump will be installed along the twelve foot Water Pipeline Easement Deed. That is why the Easement Deed includes language for improving the existing water pipeline. If a larger, more powerful pump is needed at the Pump Station, it certainly will not be so large that it will not fit comfortably inside the metal container selected to house the Bean pump. This is hardly the greatest distance or rise in elevation that engineers have ever overcome by the selection of the proper pumping equipment to achieve the goal of moving water from its source to its place of consumption.

The two of you also expressed concern about regulating the water that will be pumped from Left Hand Creek. The October 2, 1985, Water Court Decree contains specific language regarding the consumptive use of the water controlled by the shares in the Left Hand Ditch Company. A copy of that Water Court Decree was among the documents furnished to the Division of Reclamation back in 1985, when proof was provided that the mill had a legal source of water for its operations.

You raised a question about the amount of water that will be pumped from Left Hand Creek having an impact on the "fish population that is still recovering from the flood?" While it is not very likely that the insertion of a single two (2) inch screened pipe pumping a maximum of fifty gallons a minute from this creek could really impact a thriving fish population, we are open to considering any serious suggestions about protecting the fish population in Left Hand Creek from either of you or anybody else.

Finally, if you believe that the "proposed water usage" could "hinder the fire department's ability to fight fire" you should reconsider the offer that was made to you months ago to make the very large volume of water that is stored in the Times Mine available for emergency use. Since the access to the Times Mine Adit portal was restored, all that needs to be accomplished to make this water available for the Fire Department is the installation of several hundred feet of steel pipe and several valves to ensure that this water could be used by the Fire Department. It is considerably closer than Left Hand Creek, and it contains ten times more water than any cisterns in Gold Hill that I know of from discussions with your fellow citizens.

By installing the Left Hand Creek Pump Station, restoring the Gold Hill Mill Waterline, and improving access to the Times Mine Adit bulkhead, the Colorado Milling Company, LLC is

following the original terms and conditions of the permit that was issued for the proper operation of the mill. The representatives of the Colorado Milling Company, LLC are prepared to address any legitimate concerns or problems that you want to bring to their attention.

Sincerely,

Amy Fortunato/James K. McCumber 4891 Lick Skillet Road Jamestown, Colorado 80455 December 29, 2018

Amy Fortunato/James K. McCumber:

The Colorado Milling Company, LLC is herewith responding to your 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, the two of you expressed concerns about the Colorado Milling Company's Application for an Amendment to the Gold Hill Mill Permit. You stated that it had been brought to your attention at the Special Gold Hill Town Meeting "that the Colorado Milling Company has, in the past, been in violation of the MLRB Rules and Regulations in regard to trucking off-site tailings to the mine to be milled." You considered this "specific example of blatant disregard of the rules" to indicate "a lack of business, legal, and safety responsibility." Since neither of you were living in the area when the Gold Hill Mill was permitted by the Mined Land Reclamation Board on September 26, 1985, the following outline of the operational history of our milling facility should be of some interest to both of you.

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. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernable to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit 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 breakeven 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 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. However, this company has spent considerable effort and money restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. This is easily discoverable to anyone who simply looks around the millsite.

You both commented on the condition of the Gold Hill Mill Waterline. In your letter, you stated that the pipeline "is considered by locals to be unsafe to humans and wildlife as well as an eyesore." The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was permitted back in 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipeline. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill Permit, and it will remain in place and be improved as long as it is needed. The removal of the Waterline and the Pump Station are included in the Permit Bonding Section of the Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

The next matter that you mentioned was in regard to the safety of the area residents because of the above ground pipeline that would be installed to pump water out of Left Hand Creek. You expressed a concern that the Water Pipeline would make the old mine access road along the South side of Left Hand Creek impassable in case of an emergency. This is a legitimate concern, and the pipeline could be buried in that location, or it could be a flexible hose between the water intake and the Pump House that could be removed or pulled up in an emergency. What do both of you believe would be the best solution to this question of how to deal with the Water Pipeline in this location?

With regard to the Times Mine adit, the mine entrance has been rehabilitated and secured with a set of heavy timbers around the old mine entrance, and a galvanized culvert has been emplaced to provide safe access to the mine entrance. The slope above the culvert has been stabilized, and there is no indication that this mine site will cause any problems in the future, as it was properly restored to a safe condition. The Left Hand Creek Pump Station, Water Pipeline, and the Times Mine Adit portal were all permitted by the Colorado Mined Land Reclamation Board on September 26, 1995. At that time, the Division of Reclamation and Mining did not require the Gold Hill Mill's Waterline and the Times Mine's portal to be included in the boundaries of the mill permit, because there was very little surface disturbance involved with the installation of the Waterline. However, removal of the pipeline was included in the amount of the permit bonding calculations. This mining company is actually following the original, approved plan for obtaining a legal source of process water for milling operations with this Application for an Amendment to the Gold Hill Mill Permit.

With regard to the use of the "well-worn foot trail through the woods that connects Left Hand Canyon and the town site of Gold Hill" you are referring to the historic mine access road that was built before Lick Skillet Road was constructed. This historic road is part of the Water Pipeline Easement Deed with Boulder County that provides for "Access to and to maintain, repair, and improve the existing water pipeline along Lick Skillet Road for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for mining and processing ore." This Easement Deed does not restrict foot traffic along the old mine access roads in this area, but the owners of the Water Pipeline Easement are guaranteed access to these roads for the purpose of maintaining, repairing and improving the Gold Hill Mill Waterline.

Your first hand knowledge of the effects of the 2013 flood is recognized by the representatives of the Colorado Milling Company, LLC. The location of the Pump Station has been moved above the floodplain and the floodway. The location of a gap between the patented mining claims and your patented millsite has obviated the need for a footbridge across Left Hand Creek. The volume of water that can be taken from Left Hand Creek is determined by the Water Court Decree, and the amount of water that can be pumped from the creek and the effect on downstream users was a consideration when the water rights were purchased.

The Colorado Milling Company, LLC is following the original, approved plan for obtaining a legal source of process water for milling operations. It is actually the first owner of the Gold Hill Mill in more than twenty years that is adhering to the legal terms and conditions of the original Gold

Hill Mill Permit. As the closest residents where the Pump House will be located, and since both of you and your dogs are probably the most frequent users of the old mine access roads in this area, the Colorado Milling Company, LLC's representatives are prepared to address any other concerns or problems that you want to bring directly to their attention. Thank you for considering our side of this discussion.

Sincerely,

City of Boulder Public Works Jeffrey M. Arthur, Director 1739 Broadway Boulder, Colorado 80306 December 30, 2018

#### Subject: Gold Hill Mill, DRMS File No. M-1994-117

Mr. Arthur:

The Colorado Milling Company, LLC is herewith responding to your 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.

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. However, this company has spent considerable effort and money restoring the Gold Hill Mill to its original condition inside the building and cleaning up the property. The Left Hand Creek Pump Station, Water Pipeline, and the Times Mine Adit portal were all permitted by the Colorado Mined Land Reclamation Board on September 26, 1995. At that time, the Division of Reclamation and Mining did not require the Gold Hill Mill's Waterline and the Times Mine's portal to be included in the boundaries of the mill permit, because there was very little surface disturbance involved with the installation of the Waterline.

This Application for an Amendment to the Gold Hill Mill Limited Impact Permit was 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. It is this company's fulfillment of the original, approved Permit issued on September 26, 1985, by the Colorado Mined Land Reclamation Board.

The Colorado Milling Company, LLC will be employing the proper spill-prevention techniques and other precautions during construction and operation of the Left Hand Creek Pump Station. The Bean pump and the generator will be housed in a metal conex that will have containment barriers around each piece of equipment. The fuel for the generator will be stored in a metal tank set in a HDPE spill containment vessel with a capacity to hold any fuel that could possibly escape by accident or vandalism.

The Colorado Milling Company, LLC has moved the location of the Pump House and the fuel storage tank well above the Left Hand Creek floodplain and floodway. It is very unlikely that these

structures could be mobilized by a flood in this location. The need for a footbridge is no longer an issue, because our Registered Mineral Surveyor has located a gap between the patented mining claims and the patented millsite in this area that will provide our employees with a safe access to operate and service the pump and generator.

With regard to your concerns about the release of water from the mill tailings impoundment, the present tailings impoundment has never been the source of process water flowing into Four Mile Creek. The Gold Hill Mill is operated as a zero discharge facility. 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 inspected. They all worked as designed during the unprecedented 2013 flood.

As to the other concern that you expressed regarding the possibility of a loss of water from a malfunction of the pump, the three stage Bean pump will have an automatic pressure sensitive shut-off system installed on it. At the fifty gallons per minute maximum rate of withdrawal from Left Hand Creek, it is not possible that a malfunction of the pump could cause excess diversions from the creek that would be in exceedance of the decreed water rights allowance. The Colorado Milling Company, LLC will have employees monitoring the Gold Hill Mill Waterline during all of the hours that it will be pumping water. Records will be kept showing compliance with the terms and conditions of the Water Court Decree that entitles the company to divert, transport, store and consume this water.

The Colorado Milling Company, LLC will obtain all of the permits that are required to operate its milling facility to ensure that it is in compliance with all of the applicable County of Boulder, State of Colorado, and U.S. Federal Agencies and Departments' Rules and Regulations.

Sincerely,

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

December 29, 2018

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 permit 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,

December 30, 2018

Department of the Army Corps of Engineers, Omaha District Planning, Programs, and Project Management Division Eric A. Laux Chief, Environmental Resources Section 1616 Capitol Avenue Omaha, Nebraska 68102

Dear Mr. Laux,

The Colorado Milling Company, LLC is herewith responding to your 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.

The Colorado Milling Company, LLC has been in contact with the Colorado Division of Water Resources regarding this Application for an Amendment to its existing Gold Hill Mill Limited Impact Permit. The company has also been in contact with the Colorado Division of Wildlife regarding fish and wildlife resources on the land included in this Permit Amendment. The Colorado State Historic Preservation Office reviewed this Application for an Amendment to ensure that there are no potential cultural resources in the project area.

Any construction associated with this project will be located outside of the floodway, and as far from the stream channel as possible. The Pump House and fuel storage tank are being located above the Left Hand Creek floodplain and the floodway. Our plans will be submitted to the proper floodplain management offices here in Colorado to ensure that the project is in compliance with the floodplain management criteria of Boulder County and the State of Colorado.

Thank you for your recommendations.

Sincerely,