STATE OF COLORADO

Eschberger - DNR, Amy <amy.eschberger@state.co.us>

I shared "DRMS THIRD ADEQUACY RESPONSE LETTER Final Draft5-16-19[11664].docx" with you in OneDrive

1 message

Mark Steen <goldtontine@gmail.com> Thu, May 16, 2019 at 1:42 PM
To: "amy.eschberger@state.co.us" <amy.eschberger@state.co.us>

DRMS THIRD ADEQUACY RESPONSE LETTER Final Draft5-16-19[11664]

View in OneDrive

OneDrive

Free online storage for your files. Check it out.
Get the OneDrive mobile app.

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

Colorado Division of Reclamation, Mining and Safety May 16, 2019
Amy Eschberger
Environmental Protection Specialist
1313 Sherman Street – Room 215
Denver, Colorado 80203

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 3

Attention: Amy Eschberger:

This is the Colorado Milling Company, LLC's Response Letter to the Amy Eschberger's January 14, 2019 Adequacy Review No. 3 of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally 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. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Amy Eschberger's Adequacy Review comments.

Exhibit C – Mining Plan (Rule 6.3.3):

1)The operator's response to item no. 8 states the footbridge will no longer be installed, and that a field survey has disclosed a gap between the Mammoth MS No. 17576 and the Paris MS No. 5149A that will provide access to the pump station from Lickskillet Road. This open area is located entirely on the Gold Gulch unpatented lode mining claim owned by the operator. Please describe this new proposed access to the pump station. Is there an existing trail/road in this area? If so, will it need to be improved and/or widened for access by the operation? Will any

vegetation need to be removed from this area? This information is needed for the Division to determine whether the access is considered affected land pursuant to Rule 1.1(4). Please show this proposed access on the E-1 – Mine Plan Map.

CMC Response: This lowermost access to the Gold Hill Mill Waterline will be a three (3) foot wide foot unimproved path between Lickskillet Road and the area below the location of the Pump Station. It will be located entirely on the Gold Gulch No. 3 unpatented lode mining claim. This foot path will be approximately two-hundred and fifty (250) feet long. The foot path will be located on a grassy slope for a distance of approximately one-hundred and twenty-five (125) feet, until it reaches the Southeast corner of the Mammoth Millsite, MS No. 17576, where the land flattens in the Left Hand Creek flood plain. Aside from this grassy slope, most of the foot path will be situated on sand and gravel deposited in this area by the fluvial activity of Left Hand Creek. The use of this foot path will not require the removal of any large pine trees or significant vegetation along the course of this access path to the lower end of the Gold Hill Mill Waterline. Most of the larger species of vegetation in this area consists of small deciduous trees such as Quaking Aspen, Narrow Leaf Cottonwood, Mountain Alder, and Rocky Mountain Maple trees. Some of these may have to be trimmed to provide access to the lower segments of the Waterline, but it is not expected that any trees will have to be removed for this purpose, unless necessary to facilitate ingress and egress to the Pump Station.

——

2) The operator's response to item no. 9 includes a generalized cross-section of the Times Mine adit and a generalized cross-section of the Times-Wynona Mines. The Times-Wynona Mines cross section shows a different scenario than what is depicted in the cross-section of these workings submitted with the December 11, 2018 response. Firstly, the new submittal shows the 50 foot winze dropping down at an angle to connect to the 100 foot level of the Wynona Mine, while the previous submittal shows the 50 foot winze dropping vertically to connect to this level. Secondly, the new submittal does not show the tunnels for each of the four levels in the Wynona Mine. Please explain the differences between these two cross-sections.

Additionally, please add more details to these cross-sections, including:

a. the elevation of the Times Mine portal b. the floor elevation at the bulkhead location c. the collar elevation of the 50 foot winze d. the collar elevation of the Wynona Mine shaft e. the proposed maximum water level to be maintained in the mine workings f. the length and diameter of the culvert installed in the Times Mine adit g. the dimensions of the concrete bulkhead in the Times Mine adit h. the distance to the bulkhead from the portal entrance i. the distance between the bulkhead and the winze opening j. the location of any equipment installed or to be installed in the Times Mine adit and/or Wynona Mine shaft

These details are needed to better depict the proposed water storage scenario, and thus help the Division determine whether disturbances to the prevailing hydrologic balance will be minimized, as required by Rule 3.1.6(1).

CMC Response: The exact attitude of the Times Mine winze was not determined prior to pumping water behind the bulkhead in the mine in 1987, but it was observed to be an inclined winze at the time that the mine was cleaned up by Gold Hill Ventures' miners. The generalized cross-section of the Times-Wynona Mines shows the location of the four known levels driven along the vein off the Wynona Mine shaft. None of these four levels are known to connect with any other mine workings in this area, other than the Times Mine via the winze. The previously submitted cross-section of the underground mine workings in the Wynona Mine was drawn along the vein. The cross-section of the Times-Wynona Mines was drawn along the cross-cut that was driven at a right angle to access the Times vein, which has the same general attitude as the Wynona vein. Both of these veins are striking northeast-southwest. The internal shaft, or winze, was most likely sunk to access the Wynona Mine for ventilation when both of these mines were last active.

These details (as determined by a survey completed by a Colorado Registered Mineral Land Surveyor) have been added to the cross-section prepared for this Response Letter:

a.The elevation of the Times Mine portal is 8,342.60 feet.
b.The floor elevation at the bulkhead location is 8,342.40 feet.
c.The collar elevation of the 50 foot winze is 8,347.70 feet.
d.The collar elevation of the Wynona Mine shaft is 8,444.98 feet.
e.The proposed maximum water level to be maintained in the mine workings is 8,364.50 feet at the top of the Times Mine stope above the winze.

f.The length and diameter of the culvert installed in the Times Mine adit is 50 feet in length by 5 feet in diameter.

g.The dimensions of the concrete bulkhead in the Times Mine adit are approximately 6 feet in height by 4.5 feet in width by 3 feet in thickness.

h.The distance to the bulkhead from the portal entrance is 108.14 feet.

i.The distance between the bulkhead and the winze opening is 356.00 feet.

j.There will not be any equipment installed in the Times Mine adit and/or Wynona Mine shaft.

___

3)The operator's response to item no. 9 states that water will be drawn from the Times and Wynona Mine workings from drill holes and pumps that will be connected to these mine workings. It was the Division's understanding that water would only be pumped out for mill use from the Wynona Mine shaft. Please describe any other locations proposed for obtaining water from these workings. Additionally, please be sure these locations are clearly identified on the E-5 - Mill Site map.

CMC Response: CMC will pump water from both the Times Mine and the Wynona Mine workings from existing drill holes and pumps that will be installed in these mines. Both of these drill holes are clearly identified on Map E-5-Millsite Map.

___

4)The operator's response to item no. 10 states the operation will access the water pipeline easement using four historic mine roads. Please describe these existing roads. Will the roads need to be improved and/or widened for use by the operation? Will any vegetation need to be removed from these areas? This information is needed for the Division to determine whether the access roads are considered affected land pursuant to Rule 1.1(4). Please show these historic mine roads on the E-1 through E-5 maps.

CMC Response: The Gold Hill Mill Waterline will be accessed using four historic mine roads. The main historic mine access road to the Gold Hill Mill Pipeline Easement is located off of

Lickskillet Road on the Paris Millsite, MS No. 5149B. This lowermost access road connects with the historic mine road from Left Hand Canyon to Gold Hill. It provides access to the Pipeline Easement in both directions towards Left Hand Creek to the North, and as far as the Cold Spring No. 2 Lode Claim to the South. The second historic mine access road to the Pipeline Easement extends from Lickskillet Road with two branches to the Red Cloud and Cold Spring Mines, which are located in this area. The third historic access road to the Pipeline Easement also extends from Lickskillet Road with two branches to the Alamakee Mine. The fourth, uppermost historic access mine road extends from Sunshine Canyon Road to the portal of the Times Mine. All of these historic mine access roads are shown on the Surface Ownership & Permit Area Map E-2, the Mine Reclamation Plan Map E-3, the Surface Ownership & Permit Area Map E-4, and the Access-Water Line and Easements Map E-6. None of these historic mine access roads will need to be improved or widened for use by the Gold Hill Mill operation. The only vegetation that will need to be removed consists of deadfall on the roads and live tree branches that will need to be cut back to provide access to the Gold Hill Mill Waterline. These historic mine access roads are not considered affected lands pursuant to Rule 1.1(4).

___

5) The operator's response to item no. 10 states the legal right to cross the property between the county roads and the waterline was preserved in the Water Pipeline Easement Deed with Boulder County. The Easement for Water Line with Access agreement was submitted with the response. This agreement grants the operator a permanent and perpetual 12 foot wide easement with access for ingress and egress over a portion of the Eureka Millsite, MS 601B (from Lickskillet Road, County Road 89). This appears to be the only access location covered by the agreement. However, the operator has stated the operation will use four historic mine roads to access the water pipeline easement. Does one or more of the historic mine roads cross the Eureka Millsite, MS 601B? Please describe the properties on which the four historic mine roads exist. Additionally, please provide demonstration the operator has a legal right to access/cross these properties as proposed.

CMC Response: There are two Water Pipeline Easement Deeds involved in this Application for an Amendment to the Gold Hill Mill Limited Impact Permit. The first Water Pipeline Easement was dated May 4, 2001, by and between Boulder County and the owner of all of the land included

in the Gold Hill Mill Waterline. A copy of this Easement was attached to the Application for an Amendment to the Gold Hill Mill Permit filed on December 19, 2017. It provides for access to maintain, repair and improve the existing water pipeline for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for mining and processing ore. This included all of the existing historic mine access roads extending from the Boulder County Roads to the Water Pipeline Easement. The second Easement for a Water Line Easement was dated September 24, 2015 by and between the Sapp Brothers and the Colorado Milling Company, LLC. This Agreement grants access to the 12 foot wide Waterline Easement with ingress and egress over a portion of the Eureka Millsite, MS No. 601B. Both of these legally binding, recorded Water Pipeline Easements grant the operators of the Gold Hill Mill access to all of the access roads along the entire length of the Waterline.

_____

6) The operator's response to item no. 11 indicates the operation proposes retaining water behind the Times Mine bulkhead above the collar elevation of the 50 foot winze connecting the Times Mine to the Wynona Mine, potentially filling the Times Mine cross-cut with water. This appears to contradict the operator's response to item no. 12 which states the maximum elevation that water will be retained in the mine is 8,360 feet, the collar elevation of the 50 foot winze. Please explain this contradiction. Additionally, please explain how/when the collar elevation of the winze was obtained.

CMC Response: The operation is currently retaining water behind the Times Mine Bulkhead above the collar elevation of the winze that connects the Times Mine with the Wynona Mine. When the water stored in the Wynona Mine workings has been drawn down by pumping for milling operations, the water in the Times Mine will occasionally drop below the collar elevation of the winze. When water is pumped from Left Hand Creek behind the Times Mine Bulkhead, it will replenish the water stored in the underground mine workings in both mines and rise above the back (ceiling) of the cross-cut into the stoped area along the Times vein. All of the elevations in the Times Mine are from the original 1986-1987 surveying work completed by Carl Swift, a Colorado Registered Mineral Surveyor.

____

7) The operator's response to item no. 13 indicates the Times Mine bulkhead is already impounding some water. Please provide demonstration the bulkhead is designed to impound water for the full height of the bulkhead, with completely flooded workings (Times Mine cross-cut filled with water). This demonstration must include certification by a professional engineer. Alternatively, the operator can commit to maintaining water levels in the mine workings below the collar elevation of the 50 foot winze (said to be 8,360 feet). In either case, please describe the monitoring system that will be utilized to monitor bulkhead pressure.

CMC Response: Deer & Ault Consultants, Inc., of Longmont, Colorado, were retained by CMC to provide an evaluation of the Times Mine Bulkhead, and their Technical Memorandum addresses all of the outstanding issues related to the Times Mine Bulkhead. Their Evaluation of the Times Mine Bulkhead by Christoph Goss, PhD, P.E. dated May 15, 2019 has been attached to this Response Letter to the DRMS as part of this Amendment to the Gold Hill Mill Limited Impact Permit.

———

8) The operator's response to item no. 12 states that water levels will be monitored by periodic manual measurements in the Wynona Mine shaft well casing. Please state the frequency that water levels will be monitored during operations. Additionally, please commit to maintaining the monitoring records on site to be made available for Division review during inspection.

CMC Response: The water levels in the Wynona Mine will be monitored on a weekly basis when the Gold Hill Mill begins processing ore. This will help CMC determine the frequency and duration of pumping operations from Left Hand Creek to replenish the water being consumed in the Gold Hill Mill. Once the milling operation determines the rate of water consumption from mineral processing, the frequency of monitoring the water levels in the Wynona Mine may decrease. CMC will maintain the monitoring records on site for review during inspections by the DRMS.

———

9) The operator has indicated the Wynona Mine workings are currently flooded to some extent. Therefore, please commit to measuring water levels in these workings on a quarterly basis for five quarters, and submitting this data to the Division a minimum of 60 days prior to commencing with operations. This information will help demonstrate whether the proposed

water storage is a closed system, thus minimizing disturbances to the prevailing hydrologic balance.

CMC Response: The use of the Wynona Mine workings for underground water storage was accepted when the Gold Hill Mill was approved by the Mined Land Reclamation Board on September 25, 1985. The Wynona Mine workings are currently storing water as originally permitted under the 1985 Cash Mine Permit Amendment. The Wynona Mine workings have been filled with water since 1987, when water was first pumped behind the Times Mine Bulkhead, and there has never been any observed, or reported, disturbance to the prevailing hydrologic balance in this area. No downgradient water rights or wells located in the town of Gold Hill have been affected by the underground storage of water in these mine workings. There has not been a single claim made by anyone during the last three decades asserting that their water rights have been injured by the water that was stored in the Times and Wynona Mines. The most recent water level measurements in the Wynona Mine shaft drill hole found the water to be approximately ninety (90) feet below the ground surface; and the water level in the Times Mine drill hole encountered water approximately eighty-nine (89) feet below the ground surface. This demonstrates that both of these mines are sharing the same underground water pool through the connection of the Times Mine winze with the Wynona Mine. Accordingly, any requirement to measure the water level in the Wynona Mine for fifteen months prior to starting milling operations in the Gold Hill Mill would be redundant and unnecessary.

A Hydrologic Study of this area was conducted by Adrian Brown Consultants, Inc. in 2006 for the last permitted operator of the Gold Hill Mill. This report provided useful information about the groundwater flow system of the area around the Gold Hill Mill. It was filed with the DRMS on December 8, 2006. Adrian Brown, P.E. reached several conclusions from his study of the hydrogeology of this area that confirms the same observations that were included in CMC's December 8, 2018 Response Letter to the DRMS's Adequacy Review No. 1. The groundwater level was measured in the four monitoring wells located below the Millsite. Groundwater was found to be approximately thirty (30) feet to sixty (60) feet below ground surface in all four wells. This indicated that the rockmass comprising Horsfal Flat is saturated close to the ground surface, which can only occur if the permeability of the rockmass is sufficiently low to be unable to remove the infiltration from precipitation in this area. The precipitation at Gold Hill is 19.5 inches per year,

and the infiltration to groundwater at this elevation would be expected to be in the order of 10% of this total, or 2 inches per year. This is equivalent to 0.1 gallons per minute per acre of area. Groundwater in the vicinity of the Millsite exists in a low permeability/low yield system typical of the granitic rocks of the Front Range. Yield of wells completed in the bedrock in this area is small; typically, a few gallons per minute at most. According to this report, the groundwater table is a muted reflection of the ground surface, and it intersects the ground surface in the deeper gulches and creeks. The Times Mine and the Wynona Mines are near the highest part of Horsfal Flat, where the groundwater water table is much lower than the steeper areas found in Lickskillet and Cash Gulches.

The general quality of the groundwater in the granitic country rock is good, as reflected in the water quality samples taken from the wells that are downgradient of the Millsite; while the ambient groundwater quality in the mineralized veins and fissures in the mines is of substantially lower quality. The groundwater found in the mines generally contains higher concentrations of sulfate and some metals, notably iron, manganese, and zinc that are elevated above that found in the groundwater in the granitic country rocks. The absence of any elevated sulfate or the presence of higher concentrations of these metals in any of the analyses of the water samples taken from these monitoring wells indicates that the water stored in these mines for more than thirty years is not flowing out of the mine workings. This confirms that the water stored in the Times and Wynona Mines is not migrating from these mines into any of these downgradient monitoring wells.

As part of the Comprehensive Water Monitoring Plan for the Cash Mine, a monitoring well located downgradient to the Gold Hill Mill was selected to monitor the quality of water in this area. This monitoring well is one-hundred and eighty-eight (188) feet deep and it was drilled in solid granitic country rock. The depth to groundwater ranges between fifteen (15) feet and thirty-five (35) feet. CMC has been sampling the groundwater in this well on a quarterly basis since it became the permitted operator of the Gold Hill Mill and the Cash Mine. Nothing has ever been detected in this downgradient monitoring well that would indicate that the water contained in the Wynona Mine workings was affecting the water quality in this area. This confirms the impermeable nature of the granitic country rocks surrounding the Times and Wynona mines.

10) The operator's response to item no. 14 states the Wynona Mine water will be sampled on a quarterly basis (and analyzed for a total of 12 water quality parameters), when the operation begins storing water in the mine and when the mill is in operation. Firstly, please add the following parameters approved in Technical Revision No. 9 to the Winona Mine sampling parameter list: Manganese, Temperature, and Conductivity. Secondly, please commit to collecting a grab sample of the current mine-pool and providing the results to the Division a minimum of 60 days prior to pumping out the water for mill use or pumping any additional water behind the Times Mine bulkhead. Lastly, please commit to reporting the Wynona Mine water quality sampling results to the Division on a quarterly basis along with the other required water monitoring data for the site once operations have commenced.

CMC Response: The water stored in the Wynona Mine workings was sampled and analyzed on a quarterly basis when the Gold Hill Mill was in operation during several different periods under four different permitted operators. However, the water in the Wynona Mine cannot be accessed for sampling and analysis at the present time, because the drill hole casing has shifted during the last two years. CMC will substitute the water stored in the Times Mine, which can be accessed from the drill hole situated above the winze or from the water behind the Times Mine Bulkhead. CMC will sample this water on a quarterly basis for the same parameters in mg/l (T) as was previously done when the mill was being operated, with the following elements: Arsenic, Cadmium, Copper, Iron, Lead, Mercury, Silver, Zinc and Manganese, along with pH, Solids (dissolved), Sulfate as SO4, mg/l, Temperature and Conductivity. These will be added to the approved Technical Revision No. 9 sampling parameter list for the Times Mine until such time that the Wynona Mine water can be accessed for quarterly sampling. In addition, CMC will commit to collecting a grab sample of the current mine-pool water and providing the results to the DRMS a minimum of 60 days prior to pumping out the water for milling or pumping any water behind the Times Mine Bulkhead.

———

11) The operator's response to item no. 15 states the discrepancy between the estimated annual water usage for the mill and the amount of water the operator is authorized (per Decree) to withdraw from Left Hand Creek during irrigation season was a mathematical error. However, no

further explanation was provided. Please describe the error. Will the mill be limited to operating less than 50 tons of ore per day and/or less than 260 days per year due to the water requirements (4 tons water/1 ton ore)?

CMC Response: The underground water storage capacity in the Times Mine is approximately 187,000 gallons, and the water storage capacity in the Wynona Mine is approximately 660,000 gallons. The actual underground storage capacity of water for processing ore in the Gold Hill Mill has not yet been determined, because the last permitted operators of the milling facility did not utilize the Times and Wynona Mines for water storage. CMC will not know the actual underground water storage capacity until it resumes milling operations. The meters that will be installed at the Pump Station and the Wynona Mine will help determine how much water is being consumed during ore processing operations, and the actual underground water storage capacity of the Times and Wynona Mines. The recycling of some of the process water has always been a part of the plan of operations for the Gold Hill Mill, and that is expected to be employed at some point during future milling operations.

Additionally, it is CMC's intention to increase the tailings storage capacity at the processing facility on property retained for this purpose. At such time, the current tailings storage pond will be converted for use as a lined water storage feature. CMC anticipates that the Gold Hill Mill will then process at a level of 50 tons of ore per day for 260 days per year.

——

12) The operator's response to item no. 17 states the Wynona Mine shaft has been caved from about 10 feet down to about 70 or 80 feet below the surface for many years, and no water has ever been observed flowing from the collar of the shaft.

The Division has the following questions/comments regarding the Wynona Mine shaft:

a.Please describe any work that will need to be done to the shaft prior to using it for the operation. b. How does the operator know the location of the collapse? Has the shaft been characterized since caving in? c. Will this collapse interfere with the operator's ability to obtain accurate water level readings or collect water quality samples from the shaft? d. How does the operator intend to install the necessary infrastructure through the collapsed shaft to pump water from the workings? Is there existing infrastructure that will be utilized?

CMC's Responses to these questions/comments regarding the Wynona Mine shaft are listed below:

a.Please describe any work that will need to be done to the shaft prior to using it for the operation.

CMC Response: No work will need to be done to the Wynona Mine shaft prior to using it for milling operations. However, the drill hole will need to be restored so that the water stored in the underground mine workings can be collected and sampled. The steel casing and the pump may have to be pulled and replaced prior to resuming milling operations.

___

b. How does the operator know the location of the collapse? Has the shaft been characterized since caving in?

CMC Response: The Wynona Mine shaft was caved from approximately ten (10) feet down when the Cash Mine was originally permitted in 1984. ITEC Environmental backfilled the shaft to its present level, which is about four (4) feet below the surrounding surface elevation. CMC has determined that the shaft is filled with material down to about sixty (60) feet. This would indicate that there was about fifty (50) feet of material in the shaft before it was backfilled to its present elevation.

___

c. Will this collapse interfere with the operator's ability to obtain accurate water level readings or collect water quality samples from the shaft?

CMC Response: As described above, the drill hole will probably have to be restored before accurate water level readings and water quality samples can be collected from the Wynona Mine workings.

___

d. How does the operator intend to install the necessary infrastructure through the collapsed shaft to pump water from the workings? Is there existing infrastructure that will be utilized?

CMC Response: The operator intends to restore the upper sixty (60) feet of the existing drill hole casing that extends through the collapsed shaft. The water pump may have to be pulled from the shaft and replaced before the water stored in the Wynona Mine workings can be withdrawn and used to process ore in the Gold Hill Mill.

___

Exhibit D – Reclamation Plan (Rule 6.3.4):

13) Please describe the proposed reclamation plan for the Wynona Mine shaft. Additionally, please be sure the closure costs for this shaft are included in the reclamation cost estimate.

CMC Response: The Wynona Mine shaft will not be reclaimed. Neither will the Times Mine drill hole site. Both of these drill holes will be used by the Gold Hill Mill as a future source of emergency water in case of another forest fire similar to the 2010 Four Mile Canyon Fire that devastated the South side of the property now owned by CMC. A diesel or gasoline powered generator will be installed to provide electrical power to both of these drill hole sites, and a sprinkler system will be placed around the Millsite. This fire control system is necessary, because another large forest fire in this area is probably inevitable given the tremendous overgrowth on the North side of this property from Sunshine Canyon Drive to Left Hand Creek. In that event, the water in these two mines will be needed to protect the Gold Hill Millsite from another forest fire in this area. This will obviate the closure costs for reclaiming the Wynona Mine shaft and sealing the drill hole into the Times Mine workings.

___

Exhibit E – Map (Rule 6.3.5):

14) The operator's response to item no. 25 included revised Exhibit E maps. Map E-3 – Revised Mine Reclamation Plan indicates the proposed pump station, fuel tank, and 2" water line will be removed for reclamation. However, the map does not clearly describe the components of the reclamation plan for the Times Mine adit, or the mill site, including the Wynona Mine shaft. Please include these details on the reclamation plan map. Because Map E-3 is very busy due to the surface ownership information being included, it would be helpful to also include the

reclamation information for the Times Mine and the mill site on a map showing a closer view of those areas (i.e., Map E-5). Please be sure any mining plan and reclamation plan maps are labeled accordingly.

CMC Response: As described above, the Wynona Mine shaft and the Times Mine drill hole will not be reclaimed or sealed in order to use these two features for emergency water sources for forest fire protection. Map E-5 has been amended to include the reclamation information for the Times Mine Portal, and to clearly show that the Wynona Mine drill hole is located inside a Concrete Well Enclosure. It also shows the location of the Times Mine Well Head, and that the Mill Pond will be reclaimed to a natural ground surface following reclamation. This map has been renamed E-5 Millsite – Colorado Milling Co. - Gold Hill Mill Reclamation. The scale on this map has been increased to 1-inch equals 150-feet to provide a closer view of these features.

Exhibit L – Permanent Man-Made Structures (Rule 6.3.12):

15) The operator's response to item no. 30 included proof of hand-delivery of structure agreements to Xcel Energy (for the power poles and lines) and to Boulder County (for Lefthand Canyon Dr., Lickskillet Rd., and Sunshine Canyon Dr.). Please submit copies of the executed structure agreements, or per Rule 6.3.12(b), provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

CMC Response: CMC is awaiting the signed Structure Agreements that were hand delivered to Xcel Energy and to Boulder County. CMC has been in communication with these two entities and believes that these Structure Agreements will be accepted and executed by the respective parties. These will be forwarded to the DRMS as soon as they are received from these two adjacent property owners.

___

For the structures owned by Gene L. Sapp and Dene F. Sapp, the operator states they are covered by the Easement for Water Line with Access (submitted with the response) which grants the operator legal right of entry to their property, the Eureka Millsite, MS 601B to access the water

line easement. The Division could not find any language in the agreement regarding structures owned by the landowners. Therefore, the easement agreement does not satisfy the requirements of Rule 6.3.12(a), as it does not include language that the operator will provide compensation for any damage to structures. Please provide demonstration that structure agreements have been attempted for these structures (proof of hand-delivery or Certified Mailing). If a structure agreement cannot be reached for these structures, per Rule 6.3.12(b), please provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

CMC Response: CMC mailed a Structure Agreement to Gene L. Sapp and Dene F. Sapp on January 25, 2019. This Structure Agreement was sent via Certified Mail Numbered 7018 1130 0000 4221 7577. The Structure Agreement was not signed or returned to CMC. Attached to this Response Letter is a letter dated May 10, 2019 from Cynthia T. Kennedy, Attorney-at-Law. She has reviewed the Easement for Water Line With Access dated September 24, 2015 between the Sapp Brothers and CMC with regard to addressing the question of the extent of the indemnity afforded the owners of the Eureka Millsite , MS No. 601B, and agrees that CMC is required to indemnify and restore any structures and raw land damaged by the construction, operation, maintenance, repair, or replacement of the Gold Hill Mill Waterline.

___

For the structures owned by James K. McCumber and Amy Fortunato, the operator provides discussion as to why the proposed infrastructure at the Left Hand Creek pump station should pose no potential for adverse damage to these structures. The Division understands the proposed activities in this area are minimal with no excavations. However, the operator's information does not fully demonstrate the stability of these structures will not be adversely affected by the operation. Therefore, please provide demonstration that structure agreements have been attempted for these structures (proof of hand-delivery or Certified Mailing). If a structure agreement cannot be reached for these structures, per Rule 6.3.12(b), please provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

CMC Response: CMC mailed a Structure Agreement to James K. McCumber and Amy Fortunato on January 25, 2019. This Structure Agreement was sent via Certified Mail Numbered 7018 1130 0000 4221 7591. The Structure Agreement was not signed or returned to CMC. Therefore, CMC retained James M. Beck, PE to provide an engineering evaluation that demonstrates that the three wooden frame structures located on the Mammoth Millsite, MS No. 17576 within two-hundred (200) feet of the Gold Hill Mill Waterline shall not be damaged by any activities occurring on the Gold Gulch No.3 unpatented lode mining claim. Irrespective of this engineering evaluation, CMC commits to ensuring appropriate compensation for any damage determined in a court of law to be directly attributable to CMC's activities or operations at this site. A copy of the Memorandum prepared by James M. Beck; P.E. dated May 15, 2019 Evaluating the Risk Potential for the Mammoth Millsite is attached to this Response Letter.

Additional Item(s):

16) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date that this was done.

CMC Response: CMC will provide the DRMS with a file stamped receipt or an affidavit from the Boulder County Clerk and Recorder's Office.

___

Please contact me at (303) 651-2985 in Longmont if you have any questions regarding this Response Letter. Thank you and Michael Cunningham for your assistance with this Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

Sincerely,

Mark A. Steen
For: Colorado Milling Company, LLC

cc: Michael Cunningham