

CRG Mining LLC  
510 S. Wisconsin St.  
Gunnison, CO 81230  
March 4, 2020

Dustin Czapla  
Division of Reclamation, Mining and Safety  
1313 Sherman St., Room 215  
Denver, CO 80203

Re: Carter Mine, File M-2020-014, 110(2) Permit Application, Adequacy Responses

Dear Mr. Czapla,

We are responding to your adequacy review letter, dated February 24, 2020, for the above-named permit application. The numbered items below refer to the respective items contained in your letter.

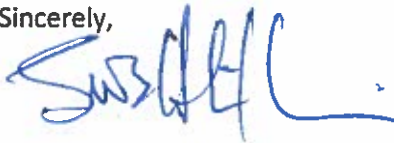
1. The latitude and longitude coordinates for each mining area are shown on the attached "Site Locations" list.
2. CRG has seven quarters of WQ analysis reports. We will send the required water sample analyses separately in electronic form, due to the volume of data.
3. During the life of the mine, water quality monitoring will be carried out quarterly, as it has been done by us for the last seven quarters. The analytes are listed on the "WQ Analytes" attachment. We also commit to continue to carry out the sampling as required, and submit the results with our annual reports. When sufficient baseline has been established to determine trends, we will discuss with DRMS possible reduction in required analytical testing and/or testing frequency.
4. We do not have analysis of the rock yet. Though the site is currently under snow, it is accessible and we will take representative samples in the next few days and send them to be analyzed. Tests will consist of SPLP (synthetic precipitation leaching procedure) and ABA (acid-base accounting). Upon receiving results, they will be forwarded to you promptly. Since the country rock in this area is extensive and uniform, only one sample will be collected. Please see the attached "Gold Brick Mining District Geology Map" file showing the area's lithology. (The area subject to this application is north of Ohio City on Gold Creek, and eastward up Jones Gulch.) The rock types in the zone of our proposed operation are identified as "biotite granite, common types" and "mainly gneisses and schists with a small quantity of quartzite." These descriptions support our statement that the rock is benign and uniform.
5. Constructed dimensions of the underground openings (in feet) are as follows:  
Carter Portal 7x7; Volunteer Shaft 10x10; Golden Islet Portal 7x6; and Farley Portal 7x6.  
These openings are currently all caved shut (unless we have temporarily reopened any of them under our approved NOI P-2019-011). Our mining plan is to install steel and timber sets at all openings. MSHA requires us to securely construct the openings one steel/timber set at a time as we go in, e.g., every few feet. Therefore, at any point prior to fully constructing and installing the sets and establishing a secure entryway, re-closure of an uncompleted opening can be carried out by simply backfilling the adit or shaft with the mucked-out material, and recontouring the surface. Once the structures and openings are completed, any remaining

mucked material will be spread on the sites. The new openings will be durably constructed in order to be permanent features that can be secured.

6. The reclamation task details and associated costs are shown on the attached Reclamation Costs page. Please note that due to the step-wise method of excavating and constructing secure, permanent openings, and their permanency on the sites, the adit or shaft dimensions given in another attachment are not relevant to closure costs. CRG has generously estimated 8 hours of dozer time for each site, whether it is for backfilling an uncompleted opening or final grading around a completed opening. We recognize however, that all sites with completed mine openings which require no further closure earthwork should still remain bonded until all other final reclamation earthwork at that site is completed, and a bond reduction request is approved.

We hope that this information is sufficient to address the adequacy concerns. If there is more information that is needed please contact us.

Sincerely,



Jake Wilkinson  
Manager, CRG Mining LLC

Attachments: Site Locations, WQ Analytes, Reclamation Costs, Gold Brick Mining District Geology Map

Cc: Stephen Baghdadi, CRG Mining LLC

**Carter Mine – File M-2020-014**

**Site Locations: Coordinates of Each Site Included in the Permit**

<b>Site name</b>	<b>Latitude (North)</b>	<b>Longitude (West)</b>
Carter Portal	38 deg 36' 42.67"	106 deg 35' 44.26"
Farley Portal	38 deg 36' 14.73"	106 deg 34' 35.70"
Golden Islet Portal	38 deg 36' 29.44"	106 deg 34' 49.01"
Volunteer Shaft	38 deg 36' 16.40"	106 deg 34' 24.66"

**Note: Coordinates given pertain to the locations of the planned underground openings.**

Carter Mine – File M-2020-014  
WQ Analytes

The following lists the analytes included in 2018 and 2019 water quality analyses. Testing was performed following appropriate EPA procedures.

Aluminum, dissolved  
Antimony, dissolved  
Arsenic, dissolved  
Barium, dissolved  
Beryllium, dissolved  
Cadmium, dissolved  
Calcium, dissolved  
Chromium, dissolved  
Cobalt, dissolved  
Copper, dissolved  
Iron, dissolved  
Lead, dissolved  
Magnesium, dissolved  
Manganese, dissolved  
Mercury, total  
Nickel, dissolved  
Potassium, dissolved  
Sodium, dissolved  
Vanadium, dissolved  
Zinc, dissolved

Alkalinity as CaCO<sub>3</sub>  
Bicarbonate as CaCO<sub>3</sub>  
Carbonate as CaCO<sub>3</sub>  
Hydroxide as CaCO<sub>3</sub>  
Total alkalinity  
Cation-anion balance  
Sum of anions  
Sum of cations  
Chloride  
Conductivity @25C  
Cyanide, total  
Hardness as CaCO<sub>3</sub> (dissolved)  
Lab filtration (45um filter)  
Nitrate as N, dissolved  
Nitrate/nitrite as N, dissolved  
pH (lab)  
Residue, filterable  
(TDS) @180C  
Sulfate

(end)

Carter Mine – File M-2020-014

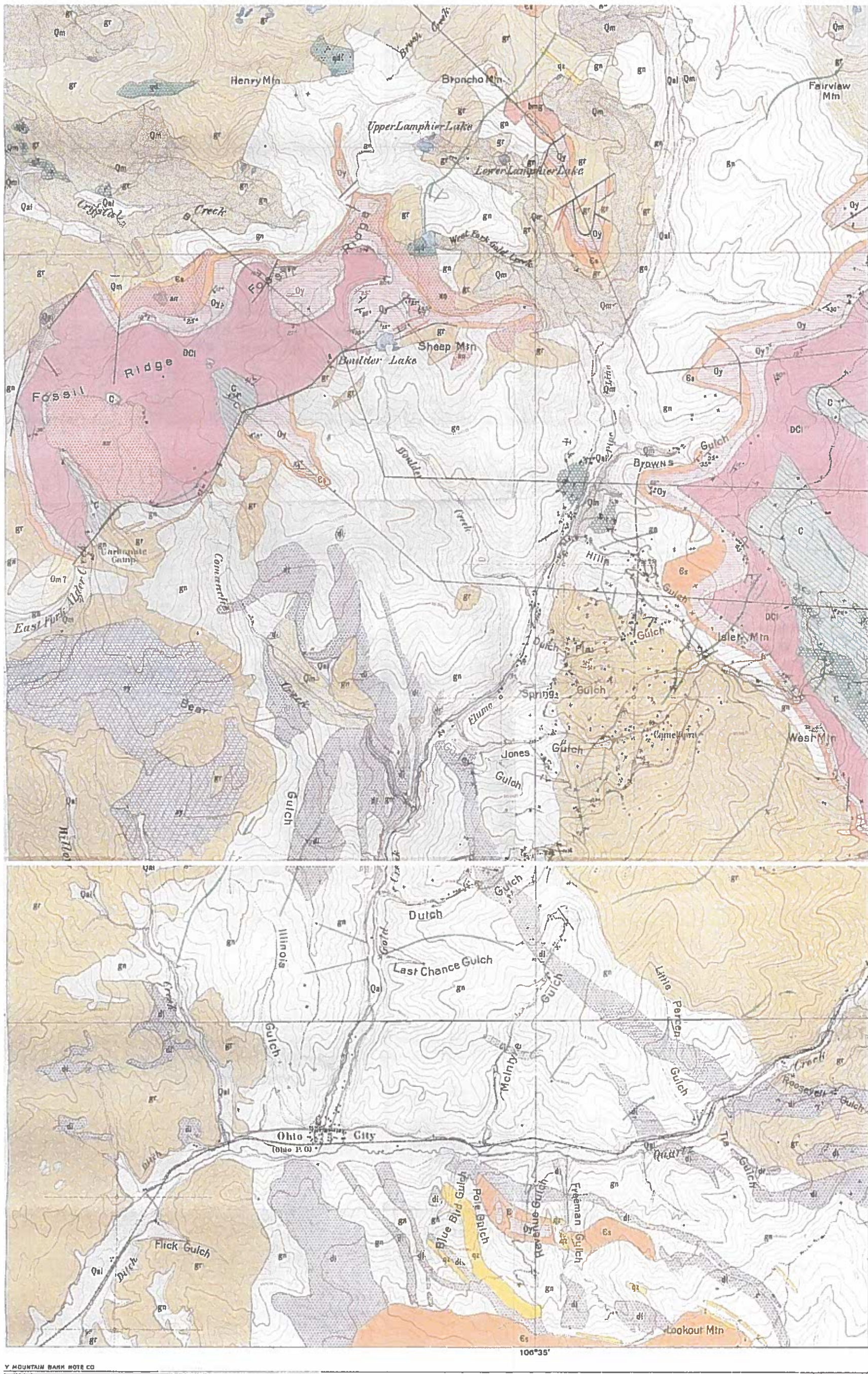
Reclamation Costs (Direct costs: see note a, below)

Task #	Description	Equipment/crew	Units	Unit Cost	Total
1	Backfill “uncompleted” mine openings or final reclamation grading of sites. Assume 8 hrs per site, x4 sites (See notes b and c, below)	D6M-type dozer	hrs	180.	5,760.
2	Crew transportation, per diem 1 day each site, x4 sites	4-person crew 4x4 pickup	day	1000.	4,000.
3	Seeding disturbed areas Includes seeder, seed, x8 ac	ATV w/seeder	acre	250.	2,000.
4	Mob/demob equipment from Gunnison	D6M-type dozer ATV-mounted seeder			2,000. 500.
Total of Direct Costs.....					<u>\$14,260.</u>
=====					=====

Notes:

- a. The figures above do not include indirect costs of DRMS contract administration, contractor profit, etc.
- b. Since each “completed” structure at an underground opening will remain as a permanent feature, only “uncompleted” work at an opening will require bonding to “close.” Due to the step-wise method of constructing secure, permanent openings, and their permanency on the site, the adit or shaft dimensions given in another attachment are not relevant to closure costs.
- c. All sites with “completed” mine openings that require no further closure earthwork should remain bonded until all other final reclamation earthwork is completed, and bond reduction is approved.





Y MOUNTAIN BARR NOTE CO

**GEOLOGIC MAP OF THE GOLD BRICK MINING DISTRICT, COLORADO**

Geology by R. D. Crawford, P. G. Worcester, R. C. Coffin, R. G. Coffin, R. M. Butters Surveyed in 1911-12.

Topography by Coffin, R. G. Coffin, Varner, A. W. Lauer, syed in 1911-12.

Horizontal and vertical scale 1 approximately 1 1/2 inches to 1 mile 42000.

3 Miles

3 Kilometers

Contour interval 100 foot Datum (1 mean sea level)