



## COLORADO


Division of Reclamation,  
Mining and Safety

Department of Natural Resources

### MINERALS PROGRAM INSPECTION REPORT PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

<b>MINE NAME:</b> Cresson Project	<b>MINE/PROSPECTING ID#:</b> M-1980-244	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Aerial Inspection	<b>INSPECTOR(S):</b> Timothy Cazier	<b>INSP. DATE:</b> March 16, 2020	<b>INSP. TIME:</b> 11:39
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Company	<b>OPERATOR REPRESENTATIVE:</b> None	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$209,491,188.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> DRMS
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> March 23, 2020

**The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.**

**INSPECTION TOPIC:** Fish & Wildlife

**PROBLEM/POSSIBLE VIOLATION:** Problem: Water ponding on VLF2 and Process solution ponding were observed in areas greater than the 3 ft x 3 ft on VLF1 as limited by the approved wildlife protection plan.

**CORRECTIVE ACTIONS:** Provide photographic documentation of eliminating the areas of ponded water and solution by the Corrective Action Due Date.

**CORRECTIVE ACTION DUE DATE:** 3/27/20

## **OBSERVATIONS**

This was an aerial photo inspection of the Cresson Project directed by Tim Cazier of the Colorado Division of Reclamation, Mining and Safety (Division) based on aerial photographs taken by Brock Bowles of the Division on March 16, 2020. No operator was present during the inspection. The site is a 112d-3 gold mine located between Cripple Creek and Victor in Teller County. In addition to the original purpose of these aerial inspections to provide the Division a broad perspective that cannot be obtained from the ground and to document changes in areas of the mine experiencing rapid change; additional close-up photos were taken of areas typically observed from the ground during monthly inspections. This approach was taken due to the State's current policy limiting travel in response to the Covid-19 outbreak.

The inspection included the following facilities and areas:

- High Grade Mill (HGM);
- Squaw Gulch Valley Leach Facility (SGVLF, a.k.a. VLF 2);
- Arequa Gulch Valley Leach Facility (AGVLF, a.k.a. VLF 1);
- East Cresson Overburden Storage Area (ECOSA) Reclamation.
- Carlton Tunnel.
- Main Cresson, South Cresson, Schist Island, and Globe Hill Pits;

High Grade Mill: The purpose was to perform a visual inspection for leaks, spills and secondary containment problems. Both the east (see **Photo 1**) and west (see **Photo 2**) sides of the mill exterior were inspected with no observable impact on the secondary containment.

Squaw Gulch Valley Leach Facility (VLF 2): No ponded process solution was observed in the active leach areas on VLF 2. However, a pond area greater than the allowed 3 ft x 3 ft was observed on the old VLF2 haul road on the north side (see **Photo 3**). This may be meltwater and not process solution, but as it is a potential wildlife attractant and on the lined area of VLF2, therefore subject to the wildlife protection plan. **The VLF2 ponding is included in the cited Problem on Page 1 of this report.** The progression of ore stacking on the north side of VLF2 was observed to be in compliance with the stacking plan approved in TR-103 (see **Photo 4**). An overview of VLF2 is presented in **Photo 5**) for comparison with previous aerial inspection reports.

Arequa Gulch Valley Leach Facility (VLF1): Solution ponding was observed along the Leach Test Cell between the 10,200 and 10,400 levels (see **Photo 6**). Solution ponding was also observed on the northeast end of the 10,300 level (see **Photo 7**). Solution ponding was also observed on the 10,400 level (see **Photos 8 and 9**). Finally water ponding was observed in between the PSES tanks and the rinsed tanks at the base of the access road to the Phase 1 pumps (see **Photo 10**) which is over the liner and similar to the aforementioned haul road ponding in the north side of VLF2, is subject to the wildlife protection plan. *[Note: the Division received an email on the morning of March 23, 2020 from Mr. Justin Bills showing the pond near the PSES had about 75 percent coverage with bird balls. The Division's position is that full coverage is required].* **The VLF1 solution and water ponding is included in the cited Problem on Page 1 of this report.** An overview of VLF1 is presented in **Photo 11** for comparison with previous aerial inspection reports.

East Cresson Overburden Storage Area (ECOSA) Reclamation: Reclamation grading was observed on the south end of the ECOSA (see **Photos 12 and 13**).

Carlton Tunnel: On March 10, 2020, the Division received notice from CC&V of a minor structural failure in the Carlton Tunnel. As such the Division included the area in this aerial inspection. The failure was too small to be

clearly observed in the aerial images taken (see **Photo 14**). A disturbed area was observed south of the tunnel opening. A telephone conversation with Mr. Justin Bills (CC&V) on March 19<sup>th</sup> confirmed the material in this disturbed area is what is removed from the five passive treatment ponds (see **Photo 15**) through which the discharge from the Carlton Tunnel flows, during regular maintenance. Records reviewed at this time are unclear as to whether or not this area is in the permit and affected area boundary. Mr. Bills agreed to research their records for clarification. The Division will follow up with this and visit the area as part of a future on-site inspection.

Aerial Pit views: Images of the Main Cresson (see **Photo 16**), South Cresson (see **Photo 17**), Schist Island (see **Photo 18**) and Globe Hill (see **Photo 19**) Pits are presented for comparison with previous aerial inspection reports.

## **PHOTOGRAPHS**



Photo 1. East side of High Grade Mill (looking NW).



**PHOTOGRAPHS (cont.)**



Photo 2. West side of High Grade Mill (looking east).



Photo 3. VLF2 – ponded water on old haul road (looking SE).



**PHOTOGRAPHS (cont.)**



Photo 4. Ore stacking towards DCF protected liner on the north end of VLF2.



Photo 5. VLF2 Overview (looking SE).



**PHOTOGRAPHS (cont.)**



Photo 6. VLF1 Leach Test Cell ponded process solution observed.



Photo 7. VLF 1 (NE end of 10,300 level) – ponded process solution observed (looking north).



**PHOTOGRAPHS (cont.)**



Photo 8. VLF 1 (west end of 10,400 level) – ponded process solution observed (looking NW).



Photo 9. VLF 1 (east end of 10,400 level) – ponded process solution observed (looking NW).



**PHOTOGRAPHS (cont.)**



Photo 10. VLF 1 – ponded water NW of PSES tanks (looking NE).



Photo 11. VLF 1 Overview (looking ENE).



**PHOTOGRAPHS (cont.)**



Photo 12. South ECOSA reclamation (looking south).



Photo 13. South ECOSA reclamation (looking SW).



**PHOTOGRAPHS (cont.)**

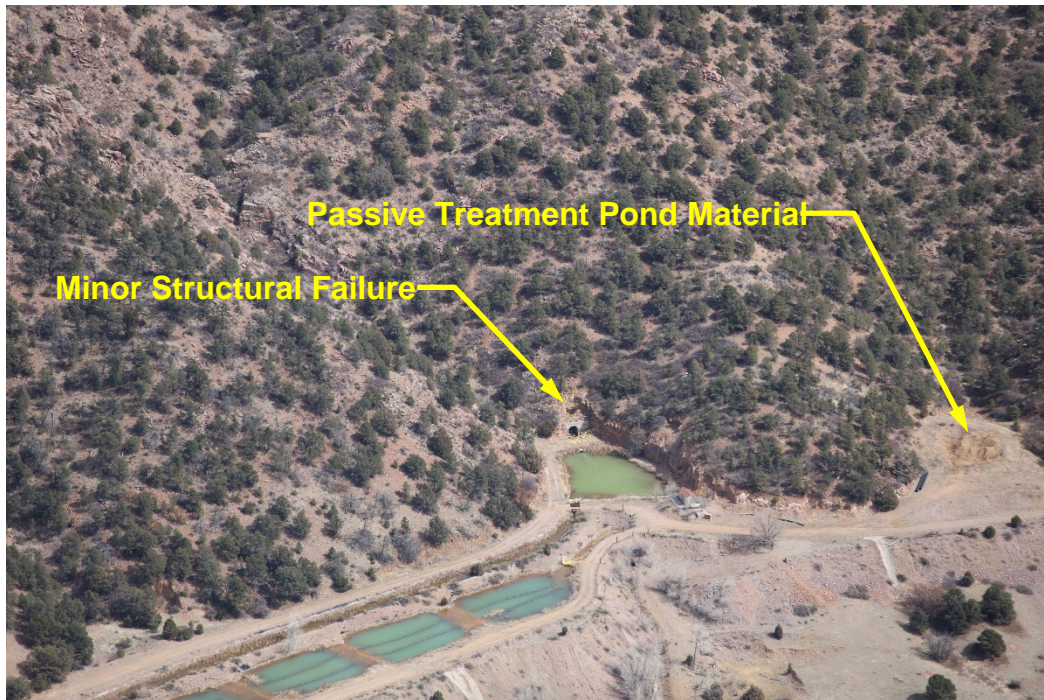


Photo 14. Carlton Tunnel outlet and Disturbed area to the south (looking east).



Photo 15. Carlton Tunnel Passive Treatment ponds (looking ESE).



**PHOTOGRAPHS (cont.)**



Photo 16. Main Cresson Pit (looking NW).



Photo 17. South Cresson Pit (looking NW).



**PHOTOGRAPHS (cont.)**



Photo 18. Schist Island Pit (looking SE).

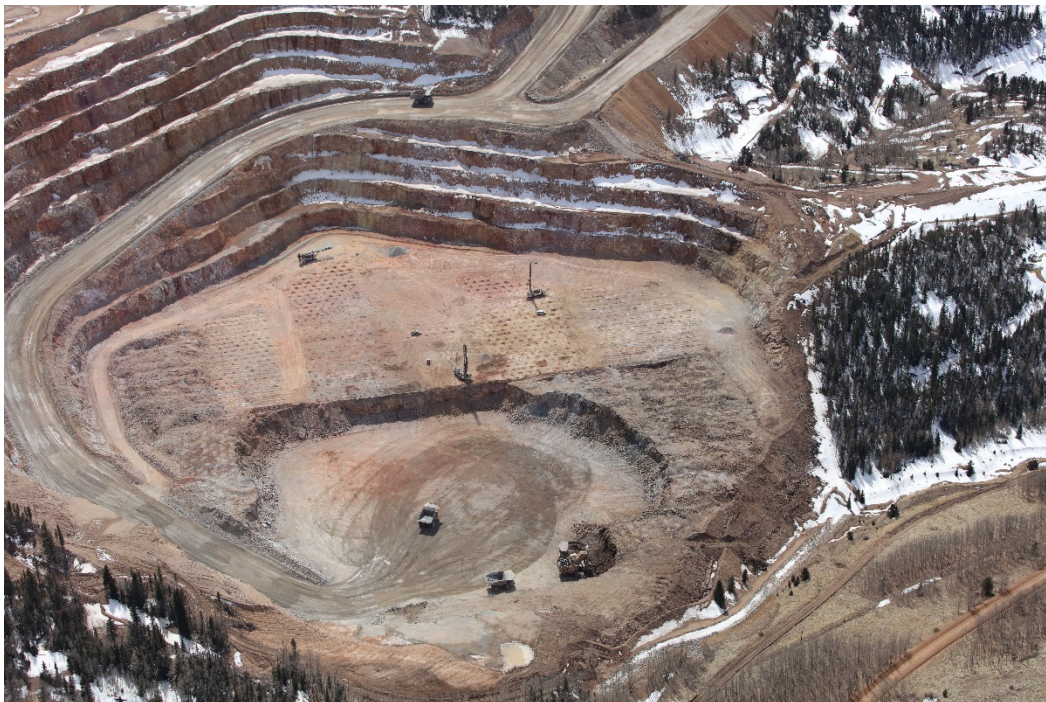


Photo 19. Globe Hill Pit (looking south).

### GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <b><u>PB</u></b>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / **PB = Problem cited** / PV = Possible violation cited

#### Inspection Contact Address

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