



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.

MINE NAME: Cresson Project	MINE/PROSPECTING ID#: M-1980-244	MINERAL: Gold	COUNTY: Teller
INSPECTION TYPE: Aerial Inspection	INSPECTOR(S): Timothy Cazier	INSP. DATE: May 18, 2020	INSP. TIME: 08:06
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$209,491,188.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: DRMS
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 21, 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: Process solution ponding was observed in areas greater than the 3 ft x 3 ft on both VLF1 and VLF2 in multiple areas. The 3 ft x 3 ft ponding limitation is a condition of the approved wildlife protection plan.

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

CORRECTIVE ACTION DUE DATE: 5/27/20

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 May 18, 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 challenges related 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) / Altman Backfill Reclamation.
- 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 (**Photo 2**) sides of the mill exterior were inspected with no observable impact on the secondary containment.

Squaw Gulch Valley Leach Facility (VLF 2): Ponded process solution was observed in the active leach areas (estimated 9,900 level, **Photo 3**) and ponded water was observed on the 9,650 level (**Photo 4**) above ADR2. Both are a potential wildlife attractants 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 (**Photo 5**). VLF2, Phase 3 construction – placing soil liner fill (SLF) was also observed (**Photo 6**).

Arequa Gulch Valley Leach Facility (VLF1): Solution ponding was observed on the 10,300 level (**Photo 7**) and on the 10,400 level (**Photos 8 and 8A**). High capacity pivoting sprinklers were observed applying process solution on the south side of VLF1 (**Photo 9**). The majority of these sprinklers appear to be causing significant ponding on the bench immediately below each one (**Photo 9A**). **The VLF1 solution ponding is included in the cited Problem on Page 1 of this report.** Finally, a large area with a white substance (**Photo 10**) was observed northwest of the Process Solution Enhancement System (PSES) which was previously believed to be snow during our March 2020 aerial inspection (reference Photo 10 in the inspection report dated March 23, 2020). The Division plans to follow-up on this observation as part of the next on site visit. An overview of VLF1 is presented in **Photo 11** for comparison with previous aerial inspection reports.

East Cresson Overburden Storage Area (ECOSA) / Altman Backfill Reclamation: Reclamation grading was observed on the south end of the ECOSA (**Photo 12**). Large rills and gullies were observed in the Altman Backfill reclamation area (**Photos 13 and 13A**). The largest gully has a significant fan of deposited sediment on the bench below it. Based on Rules 1.1(59), 3.1.5(3), 3.1.6(3), the Division would not be able to release reclamation in this condition. [We recommend repair and cite this as an example for limiting the distance between reclaimed stormwater catch benches and cross channels to something closer to 200 to 250 horizontal feet \(~100 vertical feet\).](#)

Aerial Pit views: Images of the Main Cresson (**Photo 14**), South Cresson (**Photo 15**), Schist Island (**Photo 16**), Globe Hill (**Photo 17**) and WHEX Pits (**Photo 18**) are presented for comparison with previous aerial inspection reports.

PHOTOGRAPHS



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

PHOTOGRAPHS (cont.)



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



Photo 3. VLF2 – ponded water (circled) on estimated 9900 level (looking east).

PHOTOGRAPHS (cont.)



Photo 4. VLF2 – ponded water (circled) on estimated 9650 bench (looking east)



Photo 5. Ore stacking towards DCF protected liner on the north end of VLF2 (looking east).

PHOTOGRAPHS (cont.)



Photo 6. VLF2 Phase 3 construction – SLF placement.



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

PHOTOGRAPHS (cont.)



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



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

PHOTOGRAPHS (cont.)



Photo 9. VLF 1 – High capacity pivoting sprinklers (looking east).



Photo 9A. VLF 1 ponded solution below pivoting sprinklers (looking east).

PHOTOGRAPHS (cont.)



Photo 10. Large area with white substance between PSES and VLF1 (looking north).



Photo 11. VLF1 overview (looking west).

PHOTOGRAPHS (cont.)



Photo 12. South ECOSA reclamation - grading (looking west).

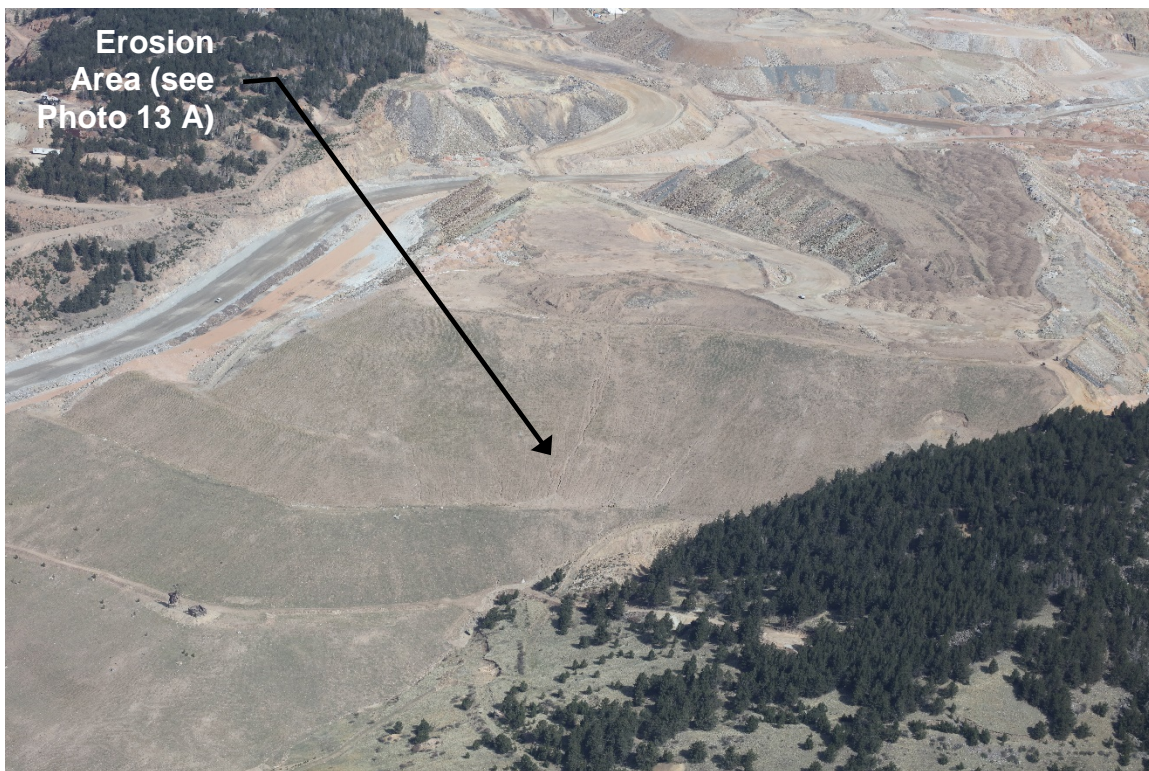


Photo 13. Altman backfill reclamation area (looking NW).

PHOTOGRAPHS (cont.)

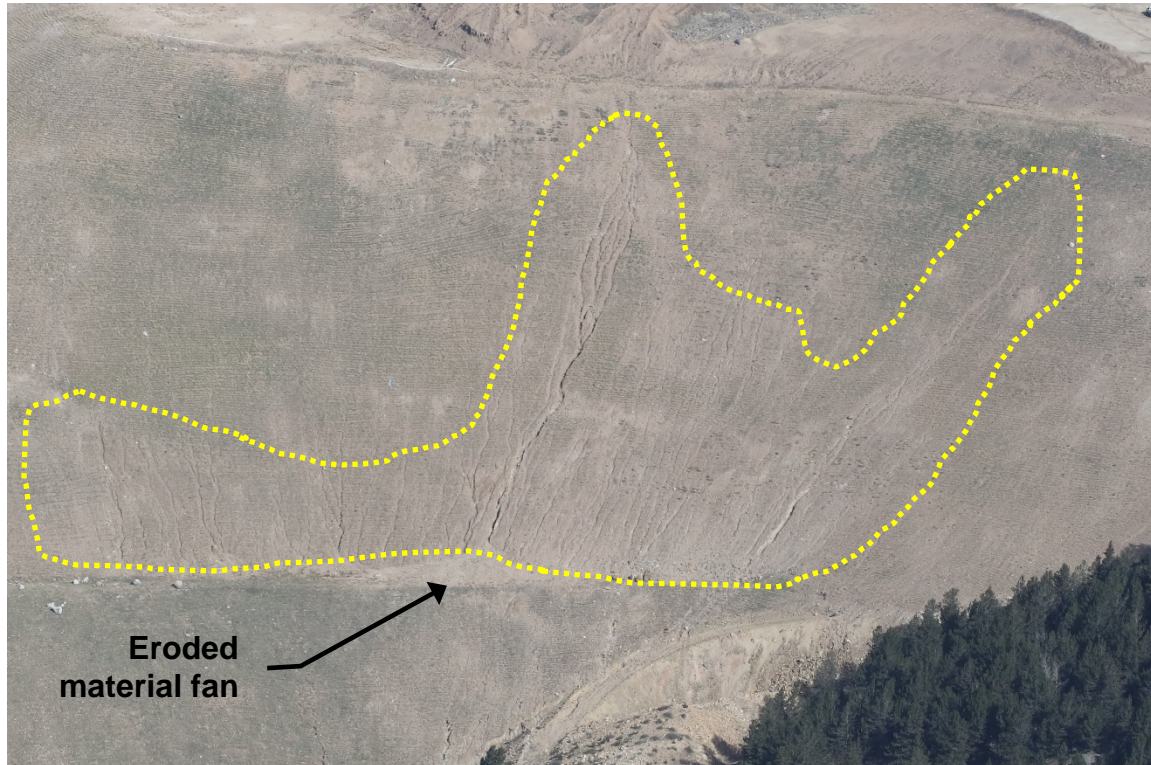


Photo 13A. Altman backfill erosion features (looking NW).



Photo 14. Main Cresson Pit (looking NW, Altman backfill on right).

PHOTOGRAPHS (cont.)



Photo 15. South Cresson Pit (looking north, Main Cresson beyond).



Photo 16. Schist Island Pit (looking east, VLF2 on left).

PHOTOGRAPHS (cont.)



Photo 17. Globe Hill Pit (looking east, WHEX pit beyond).

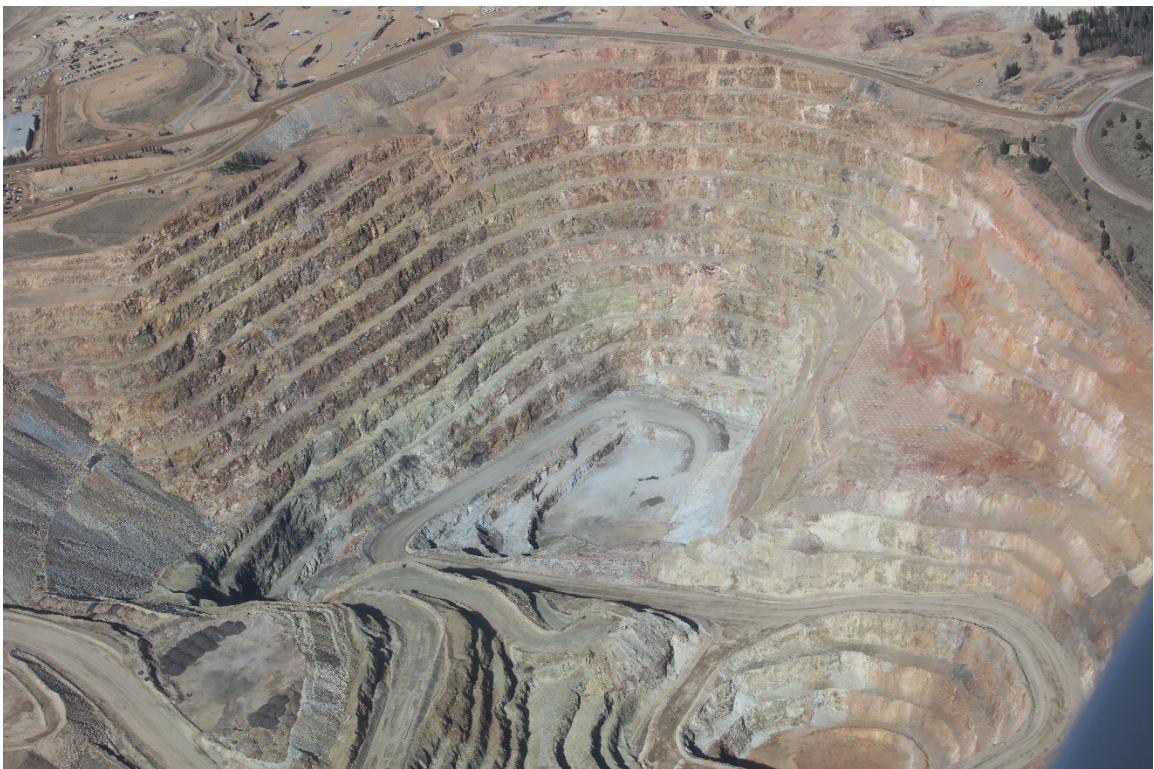


Photo 18. WHEX Pit (looking west).

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----- <u>PB</u>	(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>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</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

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