



COLORADO
**Division of Reclamation,
Mining and Safety**
Department of Natural Resources

1313 Sherman St. Room 215
Denver, CO 80203

May 27, 2020

**Re: Memo to Site file:
Derr Pit, Permit M2008-017 Status of Baseline Groundwater Monitoring Requirements**

On April 24, 2020, DRMS received a complaint alleging that the Derr Pit has not conducted the required baseline water level monitoring for the dewatering activity currently underway in the original permit area. The basic groundwater monitoring requirements state that 5 quarters of groundwater level data shall be collected prior to the commencement of dewatering activity.

The Reclamation Permit for the Derr Pit was approved and issued in late 2008. Dewatering in the original permitted area was approved under Technical Revision No. 2 on June 23, 2011. The Operator has provided groundwater level measurements dating back to October 2017 for monitoring wells MW1-MW12 in the original permitted area. In our communications with the site Operator, they have clarified that dewatering did not commence until the spring/summer of 2019 and only in the original Derr Pit permit area, therefore 5 quarters of water level monitoring data had been obtained prior to initiating dewatering in the original permit area. Data collection from additional monitoring wells MW13-MW15 commenced in January of 2018.

No actions which have the potential to impact groundwater (exposing groundwater surface or pumping to dewater) have been initiated in the 105 acre area amended to the north and east of the original permit area. In fact, there is a permit stipulation in place since the approval of Amendment No. 1 (July 2018) that requires that slurry wall/s around the proposed mining cells in the amended area must be in place prior to exposing groundwater, or initiating dewatering activities in the amended area. Even so, groundwater monitoring data from the most recent wells installed on the outer north and east perimeter of the amended area (MW16-MW18) commenced in August of 2019, and that data is included in the public file. The five quarters of baseline data required prior to impacting groundwater in the amended area of the permit should be completed in October 2020.

With respect to groundwater quality data, MW1 and MW3 were sampled in September 2018 and the data from that sampling event was placed into the public file for the site on April 20, 2020. Additional water quality sampling was conducted by the operator in May of 2020, and the operator's consultant is still awaiting the results of those analyses. They will be reported to DRMS upon receipt, and placed into the public file.

In addition, a report from McGrane Water Engineering consisting of a Hydrologic Assessment and Computer Modeling Analysis for the Derr Pit was provided to DRMS and entered into the public file on April 30, 2020.

At this time DRMS has determined the baseline groundwater monitoring requirements for the activity in the "original" Derr Pit have been satisfied, and no activities that may impact groundwater have been initiated in the area amended into the permit in 2018. Required baseline water level monitoring for the amended area should be completed in October of 2020.

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