




## MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety 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> Henderson Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-342	<b>MINERAL:</b> Molybdenum	<b>COUNTY:</b> Clear Creek, Grand
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter Hays	<b>INSP. DATE:</b> June 22, 2021	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Climax Molybdenum Company	<b>OPERATOR REPRESENTATIVE:</b> Geoff Niggeler	<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> \$134,155,028.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> July 21, 2021	

### GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</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>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

## OBSERVATIONS

The Henderson Mill was inspected by Peter Hays and Jared Ebert with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. Mr. Geoff Niggeler with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

The current Environmental Protection Plan (EPP) for the Mill was approved by the Division under technical revision no. 18 (TR-18) on November 2, 2012. Henderson submitted a revised EPP on March 5, 2021 as technical revision no. 34 (TR-34). The focus of the 2021 inspections of the Henderson Mine and Mill facilities will be to verify the accuracy of the revised EPP. The Division issued an adequacy letter for TR-34 on July 7, 2021.

The purpose of this inspection was to observe and inspect the Environmental Protection Facilities (EPF) at the Mill, other aspects of the EPP and the approved permit including the following;

- Table 4-1 - Other Permits and Licenses in the revised EPP for the Mill
- The approved and proposed point of compliance (POC) groundwater wells
- The surface water sampling locations on the Williams Fork River
- The corrected and posted sign for the pine oil tank
- Mill EPF 3.1 - Upper Bypass Pipeline
- 3-Dam Seep Water Collection overflow

A records check was conducted for the other permits and licenses listed in Table 4-1 of the revised EPP. All permits and licenses listed in the table were current and available for review by the Division.

The current point of compliance (POC) wells, MLGW-7 and MLGW-ARC (Aspen Canyon Ranch), and the proposed POC wells, MLGW-15 and MLGW-17 and MLGW-20, were observed. The Operator stated the MLGW-ARC was scheduled for additional rehabilitation work soon.

The two surface water sampling points on the Williams Fork River, WFR-20 and WFR-40, were observed and the procedure was discussed for the sampling events.

As noted during the April 6, 2021 inspection, the pine oil tank (Mill EPF 2.4) has a capacity of 16,121 gallons as listed in the EPP, however the tank was labeled as 32,000 gallons on the tank sign. An updated sign was installed by Henderson and observed during the inspection.

The Upper Bypass Pipeline which is part of Mill EPF 3.1 - Stormwater Diversion System was observed during the inspection. The pipeline diverts water from the southwest portion of the Mill property through an underground pipeline. The pipeline was as described in the revised EPP.

On June 8, 2021, Henderson provided a written follow-up letter for an overflow event of the 3-Dam seepage collection system. Henderson staff noticed surface water draining from the engineered overflow pipe on June 3, 2021. The cause of the incident was determined to be a clogged in the pipeline between the upper dosing vault and the lower pump station. On June 4, 2021, a sump pump and water truck were used to pump water from the dosing vault ending the flow from the discharge pipe. The pipeline was cleaned and working as designed at the time of the inspection. Henderson stated the maintenance schedule for the pipeline would be

evaluated to prevent discharges from the system in the future.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at 303.866.3567 x 8124, or by email at peter.hays@state.co.us.

#### Inspection Contact Address

Geoff Niggeler  
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Parshall, CO 80468

Ec: Jared Ebert, DRMS

### PHOTOGRAPHS



View of corrected Pine Oil tank capacity sign





View of Mill EPF 3.1 - Upper Bypass Pipeline looking upstream



View of the MLGW-ACR wellhead





View of WFR-40



View of WFR-20





View of MLGW-7



View of MLGW-15





View of MLGW-17



View of MLGW-20





View of the 3-Dam Seep Water Collection overflow area