



**COLORADO**  
Division of Water Resources  
Department of Natural Resources

August 27, 2021

Timothy A. Cazier, Environmental Protection Specialist  
Division of Reclamation, Mining and Safety ("DRMS")  
Sent via email to: tim.cazier@state.co.us

Re: Dawson Gold Mine (Permit No. M-2021-046)  
Consideration of 112d-2 Hard Rock Reclamation Permit Application

Dear Mr. Cazier,

The Division of Water Resources ("DWR") has the following comments regarding the above-referenced Permit Application for new hard rock mining near Canyon City. The Dawson Mine is an underground gold mining operation located approximately 6 miles southwest of Canyon City, CO on 312 acres of land owned by Zephyr Gold USA, Fremont County.

The applicant proposes a new underground mine and surface mill facility which includes a dry stack tailings site and related ancillary buildings to support equipment maintenance and drill core logging and storage. The underground mine will process approximately 105,000 tons of GMR annually. The referral materials describe mine dewatering and other water use activities that will take place at the site:

1. Water that accumulates at the active face will be pumped away using a small pneumatic diaphragm pump or small electric pump, using 2-inch steel or PVC pipe from the face to the sump.
2. A permanent pumping station will be constructed at the bottom of the mine that will pump water to the surface settling pond. The pumping arrangement will be set up as a redundant parallel system, with either side capable of providing mine dewatering without the other.
3. Fresh water for the mill process water and mine operations will be supplied from groundwater wells and pumped to a fresh water holding tank at the plant. The fresh water source will also be used for showers and washroom facilities.

The proposed mining operation will consume groundwater through mining operations and require new non-exempt water well permits for the freshwater uses. These uses are expected to be out-of-priority and injurious to other water rights holders without a plan for augmentation. The referral materials suggest that the applicant's consultant has estimated the possible depletions from the mining activities and understands that these depletions require augmentation. The applicant may find information concerning augmentation plans and substitute water supply plans is available on our website at: <https://dwr.colorado.gov/services/water-administration/augmentation-plans> and <https://dwr.colorado.gov/services/water-administration/water-supply-plans-and-administrative-approvals>, respectively.

Therefore, based on the above, this office strongly recommends the denial of the permit application until such a time that the Applicant can demonstrate that the out of priority



depletions resulting from the out of priority groundwater uses proposed in the mining operation will be augmented in time, place, and amount through a Water Court approved plan for augmentation or State Engineer approved substitute water supply plan.

Thank you for the opportunity to comment on this application. If you have any further questions regarding this matter, please feel free to contact me directly at this office or contact the local Water Commissioner. The Water Commissioner for District 12 is Dan Henrichs, who may be contacted at (719) 269-2800 or via email at [Dan.henrichs@state.co.us](mailto:Dan.henrichs@state.co.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Ivan Franco". The signature is fluid and cursive, with the first name "Ivan" and last name "Franco" clearly distinguishable.

Ivan Franco, P.E.  
Water Resource Engineer

cc: Dan Henrichs - District 12 Water Commissioner