



September 3, 2021

Ms. Melissa Harmon  
Cripple Creek & Victor Gold Mining Company ("CC&V")  
P.O. Box 191  
Victor, CO 80860

**Re: Notice of Pre-enforcement Procedure  
Cresson Project, Permit No. M-1980-244 ("Permit")**

Dear Ms. Harmon,

Pursuant to Rule 3.1.7(3)(b)(ii)(A), when the Division has reason to believe, based on evidence, that there is or may be a reasonable potential for degradation of groundwater quality that adversely affects uses, the Division shall notify the Operator of the evidence and the possible need to modify the permit to include permit conditions that comply with Rule 3.1.7(2). This letter serves as a formal notification to CC&V that the Division has determined that there is or may be a reasonable potential for degradation of groundwater quality that affects existing or reasonable potential future uses of such groundwater at the Permit.

Evidence of Groundwater Quality Degradation

CC&V collects quarterly samples from 27 monitoring wells for the Permit. The water quality samples are analyzed by an accredited laboratory and the results are compared to Numeric Protection Levels (NPL) established by the Division and the Interim Narrative Standards of the Water Quality Control Commission's Regulation No. 41 – The Basic Standards of Groundwater. The results of the water quality sampling are provided to the Division by CC&V in a quarterly groundwater monitoring report. Pursuant to Rule 3.1.7(9), CC&V must provide the Division a written report within 5 working days when there is evidence of groundwater discharges exceeding applicable groundwater standards or permit conditions imposed to protect groundwater quality. CC&V routinely reports exceedances of both NPLs and of the Interim Narrative Standards. The reported exceedances occur at monitoring wells within all the drainages that are monitored by CC&V for the Permit, except for Vindicator Valley. Some of the monitoring wells which have exceedances of water quality standards meet the criteria for Points of Compliance outlined under Rule 3.1.7(6)(b)(i)(A).

The Division considers CC&V's notifications of exceedance of applicable water quality standards at the Permit to be evidence there may be a reasonable potential for degradation of groundwater quality that affects existing or reasonable potential future uses of such groundwater.



Permit Modification

In the 4<sup>th</sup> Quarter 2020 GW/SW Report – Review Memo, dated February 17, 2021, the Division informed CC&V that formal Points of Compliance had not been previously established for the Permit as required by Rule 3.1.7(6). On May 12, 2021, the Division met with CC&V to discuss Permit deficiencies in the 4<sup>th</sup> Quarter 2020 GW/SW report. During the May 12<sup>th</sup> meeting, CC&V committed to providing a technical revision to the Division by July 31, 2021, in order to establish Points of Compliance. CC&V's commitment to establish Points of Compliance for the Permit was subsequently acknowledged in writing in a letter from CC&V to the Division dated June 3, 2021. Instead, on July 30, 2021, the Division received an email communication from CC&V which stated that "it is not feasible for CC&V to determine whether and where to locate points of compliance through a technical revision or other permit modification at this time."

Pursuant to Rule 3.1.7(6) Points of Compliance, in order to evaluate protection afforded groundwater quality, comply with groundwater standards, and to demonstrate compliance with Permit conditions established by the Division to protect groundwater quality, Points of Compliance shall be established for the Permit. The Act and Rules require CC&V to establish Points of Compliance for the Permit and the Division is requiring CC&V to submit a technical revision to the Permit within 90 days of the date of this letter. CC&V's technical revision shall designate Points of Compliance within Grassy Valley, Poverty Gulch, Squaw Gulch, Vindicator Valley, Wilson Creek, and Arequa Gulch. CC&V may select existing monitoring wells as the Points of Compliance or may propose new wells to the Division to serve as the required Points of Compliance. The Points of Compliance shall be established in accordance with the criteria outlined under Rule 3.1.7(6)(b)(i)(A).

As required by Rule 3.1.7(3)(b)(ii), the Division is providing CC&V 90 days (December 2, 2021) to respond to this letter. Pursuant to Rule 3.1.7(3)(B), the Division may pursue an enforcement action if the Operator fails to respond to this letter within the time specified.

If you have any questions, you may contact me at (303) 866-3567 ext. 8116.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike C.", is positioned above the printed name of the sender.

Michael A. Cunningham  
Senior Environmental Protection Specialist

Ec: Russ Means, DRMS  
Elliott Russell, DRMS  
Scott Schultz, AGO  
Justin Raglin, CC&V