



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

June 1, 2017

Mr. Jack Henris
Cripple Creek & Victor Gold Mining Company
100 N. Third Street
P.O. Box 191
Victor, CO 80860

Re: Cresson Project, Permit No. M-1980-244, Technical Revision Approval, Revision No. TR-90

Dear Mr. Henris:

On June 1, 2017 the Division of Reclamation, Mining and Safety approved the Technical Revision application submitted to the Division on April 13, 2017, addressing the following:

Installation of a 6 cu. ft. Mercury Retort in the AGADR.

The terms of the Technical Revision No. 90 approved by the Division are hereby incorporated into Permit No. M-1980-244. All other conditions and requirements of Permit No. M-1980-244 remain in full force and effect.

Stipulation: *Due to the proposed open container method of transfer of mercury from the mercury retort collector to the storage flask, the DRMS requires sampling of each type of material in the retort area room for potential mercury contamination prior to building demolition to ensure demolition debris does not require hazardous waste disposal. If mercury contamination is found during pre-demolition sampling, hazardous waste disposal will be required.*

Additional costs for collecting 10 material samples has been added to the financial warranty to address this stipulation. A copy of the revised bond estimate is attached.

Please be aware the Cresson Project is currently under bonded as described in the March 28, 2017 inspection report (mailed May 24, 2017). As such, no activity proposed under TR-90 may begin until additional bond is received and approved by the Division.

The revised liability amount exceeds the performance bond currently held (see below). Please submit additional bond. The revision will not be final until the bond is approved by the Division.

| | |
|----------------------------------|------------------------|
| Prior Liability: | \$207,437,344.00 |
| Change in Liability: | \$77,980.00 |
| Revised Liability: | \$207,515,324.00 |
| Bond Held: | \$173,934,420.00 |
| Additional Bond Required: | \$33,580,904.00 |



Mr. Jack Henris
June 1, 2017
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If you have any questions or need further information, please contact me at (303) 866-3567 x8169.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim A. Cazier".

Timothy A. Cazier, P.E.
Environmental Protection Specialist

ec: Wally Erickson, DRMS
Barbara Coria, DRMS
Elliott Russell, DRMS
Amy Eschberger, DRMS
DRMS file
Meg Burt, CC&V

COST SUMMARY WORK

Task description: Cost Summary

Site: Cresson Project

Permit Action: TR90

Permit/Job#: M1980244

PROJECT IDENTIFICATION

Task #: 900

State: Colorado

Abbreviation: None

Date: 6/1/2017

County: Teller

Filename: M244-900

User: TC1

Agency or organization name: DRMS (estimates for Tasks 901 to 906 provided by CC&V)

TASK LIST (DIRECT COSTS)

| Task | Description | Form Used | Fleet Size | Task Hours | Cost |
|--------------------------|--|-----------|------------|------------|-----------------|
| 901 | Demolish concrete for concentrate storage building including; slab, concrete walls, and truck load out | NA | 1 | 0.00 | \$128.52 |
| 902 | Demolish, Decommission, microencapsulate and dispose of Retort System | NA | 1 | 0.00 | \$20,836.20 |
| 903 | Demolish supports for the retort, chiller, and stack | NA | 1 | 0.00 | \$100.00 |
| 904 | Transport one ton flask to refining facility, refine, and ship to long term storage | NA | 1 | 0.00 | \$8,560.00 |
| 905 | Ten Years of Long term Storage one ton flask | NA | 1 | 0.00 | \$12,000.00 |
| 906 | Disposal with DOE (estimate) | NA | 1 | 0.00 | \$22,000.00 |
| 907 | Mercury Sampling prior to Demolition | DEMOLISH | 1 | 0.00 | \$2,054.90 |
| <u>SUBTOTALS:</u> | | | | 0 | \$65,680 |

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$1,326.74

Performance bond: 1.05

Total = \$689.64

Job superintendent: 0.00

Total = \$0.00

Profit: 10.00

Total = \$6,568.00

TOTAL O & P = \$8,584.38

CONTRACT AMOUNT (direct + O & P) = \$74,264.38

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 0.00

Total = 0.00

Engineering work and/or contract/bid preparation: 0.00

Total = \$0.00

Reclamation management and/or administration: 5.00

\$3,713.22

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$12,297.60

TOTAL BOND AMOUNT (direct + indirect) = \$77,977.60

TOTAL BOND AMOUNT ROUNDED (direct + indirect) = \$77,980.00

DEMOLITION WORK

Task description: Mercury Sampling prior to Demolition

Site: Cresson Project

Permit Action: TR90

Permit/Job#: M1980244

PROJECT IDENTIFICATION

Task #: 907

State: Colorado

Abbreviation: None

Date: 6/1/2017

County: Teller

Filename: M244-907

User: TC1

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 93.10 %

| Structure or Item Description | Dimensions | Demolition Menu Selection | Quantity | Unit | Unit Cost | Total Cost |
|---|------------|---|----------|------|-----------|------------|
| Sample Retort Area for Hg from open transfer activity | NA | Hazardous waste sampling and analysis, per sample | 10.00 | EA | \$220.72 | \$2,207.20 |

Job Hours: 0.00

Subtotal
(unadjusted): \$2,207.20

Total Cost
(adjusted for location): \$2,054.90