

STATE OF
COLORADO

Gagnon - DNR, Nikie <nikie.gagnon@state.co.us>

Inspection Report, February 15 2024 Cresson Project M-1980-244

1 message

Gagnon - DNR, Nikie <nikie.gagnon@state.co.us>

Wed, Mar 6, 2024 at 4:23 PM

To: Katie Blake <Katie.Blake@newmont.com>, Johnna Gonzalez <Johnna.Gonzalez@newmont.com>

Cc: "Russell - DNR, Elliott" <elliott.russell@state.co.us>, "Lennberg - DNR, Patrick"

<patrick.lennberg@state.co.us>, Amy Eschberger - DNR <amy.eschberger@state.co.us>, Hunter Ridley - DNR <hunter.ridley@state.co.us>, "West - DNR, Lucas" <lucas.west@state.co.us>

Katie,

Please find attached to this email a copy of the Division's report for the priority inspection conducted on February 15, 2024.

A hard copy will not be mailed unless specifically requested.

Please reach out to us if you have any questions about the report.

Kind regards,

Nikie Gagnon
Environmental Protection Specialist



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

P 303.866.3567 x8126 | C 720.527.1640 | F 303.832.8106

Physical: 1313 Sherman Street, Room 215, Denver, CO 80203

Mailing: DRMS Room 215, 1001 E 62nd Ave, Denver, CO 80216

nikie.gagnon@state.co.us | <https://www.drms.colorado.gov>


INSP-REPORT_M1980244_20240217_Priority Ore Stacking_Final.pdf

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MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has 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.

MINE NAME: Cresson Project	MINE/PROSPECTING ID#: M-1980-244	MINERAL: Gold and silver	COUNTY: Teller
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: February 15, 2024	INSP. TIME: 10:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Katie Blake	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Priority – reported ore stacking issue In VLF 2 Phase III.	BOND CALCULATION TYPE: None	BOND AMOUNT: \$291,100,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Nikie Gagnon	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 6, 2024	

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>N</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>N</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

On February 15, 2024, Nikie Gagnon with the Division of Reclamation, Mining and Safety (Division) conducted a priority inspection of Cells 5 & 6 in the VLF2 Phase 3A area. Katie Blake, Kathy Steele, and Brian Crawford representing the Operator, and Jay Janney-Moore representing Newfields, accompanied the Division for this inspection.

On February 6, 2024, the Division of Reclamation, Mining and Safety (Division) received a courtesy call from Katie Blake, representing Cripple Creek & Victor Gold Mining Company (Operator), stating that on Sunday, February 4, 2024, while stacking ore in Cell 6 of Valley Leach Facility 2 (VLF2) Phase 3A, ore spilled downhill into Cell 5. On February 8, the Division followed-up with a conference call with the Operator to gather more information. According to exhibits presented to the Division, approximately 5,232 tons of Run of Mine (ROM) ore was placed downhill from Cell 6 into Cell 5, filling approximately 5,144 ft² of the total area of Cell 5 (see Attachment 1). As TR103 requires ore to be placed uphill whenever loading onto drain cover fill (DCF), the Division sent a Reason to Believe a Violation Exists and Notice of Formal Board Hearing to the Operator on February 15, 2024.

Inspection of VLF2 Phase 3A Area - South Side of the PSSA

The Division observed the base and slope of a 50-foot lift in Cell 5 where the ROM ore was placed in a downhill direction (See Photos 1-4). Kathy Steele explained that ROM material was pushed with a dozer from the top and the ore flowed downhill into Cell 5. The Phase 3A area was covered in several inches of snow and therefore the Division was unable to inspect the base of the slope to determine if there was any movement of the DCF underlying the stacked ROM material. Cells 5 & 6 are adjacent and to the south of the PSSA in the Phase 3A area and the cells are underlain by 80 MIL geomembrane. The ROM material observed was primarily <3 feet in diameter. The largest rock observed by the Division at the bottom of the slope is shown in Photo 4.

The Division observed Cells 5 and 6 from the top where the downhill ore stacking occurred on the 10,050 lift. (See Photos 5-8). The Operator stated that they were not stacking in the Phase 3A area on the day of this inspection and have not stacked additional material in Cells 5 or 6 since February 6. No evidence of further stacking or moving ore in Cell 6 was noted during this inspection. The area was blanketed in snow and no tracks were observed. The Division noted the entrance to Cells 5 & 6 have been blocked by a berm to ensure no additional stacking occurs in this area.

During a conference call on February 26, 2024, the Operator presented a VLF2 Phase 3A Work Plan to the Division which included a project schedule for exposing and repairing or replacing the liner in Cell 5, a figure displaying new controls for stacking order guidance, and a map showing a 2-acre exclusion zone above/adjacent to the VLF2 PSSA where no leaching would be allowed until the liner is recertified. During the call, the Division and Operator discussed a few minor changes to the plan and on February 27, 2024, the Division accepted the revised VLF2 Phase 3A Work Plan/Corrective Action to address the ore stacking violation (see Attachment 2.)

This concludes the Division's report. A subset of photographs taken during the time of the inspection are included below. 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 x8126, or by email at nikie.gagnon@state.co.us.

PHOTOGRAPHS



Photo 1: Looking at the slope of downhill loaded ROM material from the base of Cell 5.



Photo 2: Looking at Cell 5 from the access road on the south side of the PSSA. Arrow points to the material placed downhill in Cell 5



Photo 3: Closeup of the ROM material pushed down into Cell 5.

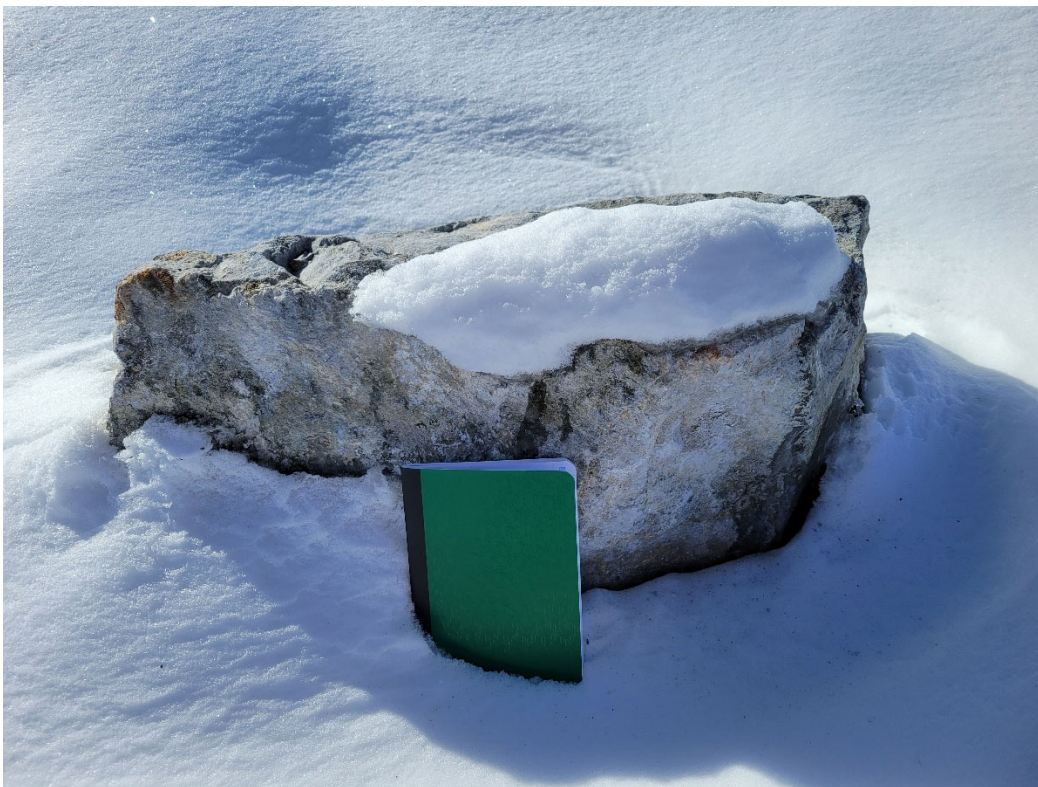


Photo 4: Rock observed at the bottom of the slope in Cell 5. Notebook is 8.5x11".



Photo 5: Looking down the slope from the top of Cell 5. Material was pushed downhill by a dozer.



Photo 6: Looking across Cell 6 at the 10,050 level. Ore was stacked in this area on Sunday, February 4.



Photo 7: Standing on Cell 6 looking at area where ROM ore was pushed downhill in Cell 5.



Photo 8: Close-up of ROM material in the 10,505 level.



Photo 9: Overview photo showing the ore stacking within the Phase 3A area. Red arrow points to the location of the downhill stacking in Cell 5 at the 10,050 level. Blue arrow indicates ore stacking at the 10,100 ft. level.

Inspection Contact Address

Katie Blake
Cripple Creek & Victor Gold Mining Company
P. O. Box 191
Victor, CO 80860

Attachments: February 8, 2024, CC&V Presentation – VLFP3A Cell 5
CC&V VLF2 Phase 3A Work Plan

ec: Amy Eschberger, DRMS
Elliott Russell, DRMS
Lucas West, DRMS
Patrick Lennberg, DRMS
Hunter Ridley, DRMS
Johanna Gonzalez, CC&V



2/5/24 stacked topo

Section line

A

08

07

03

05

01

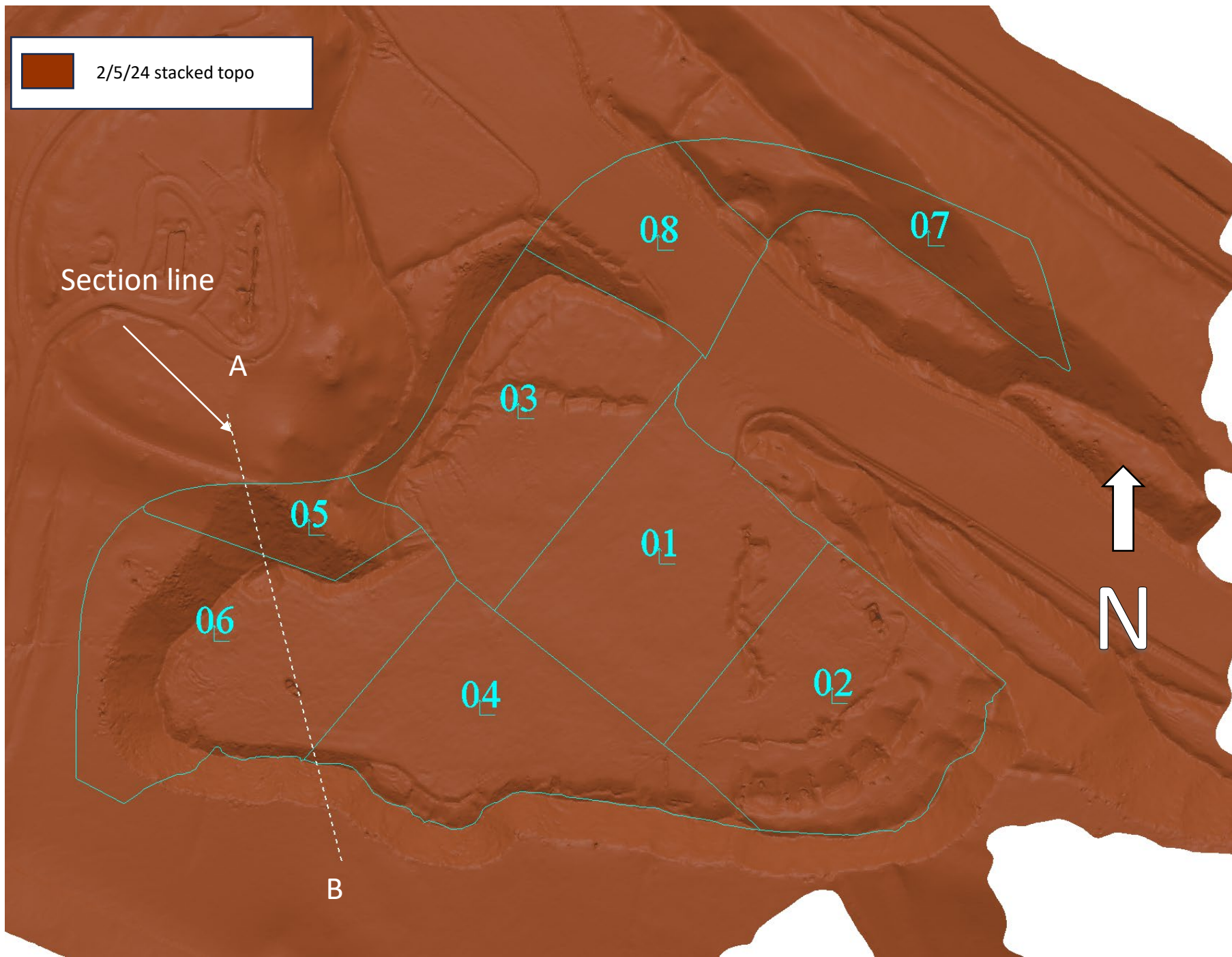
06

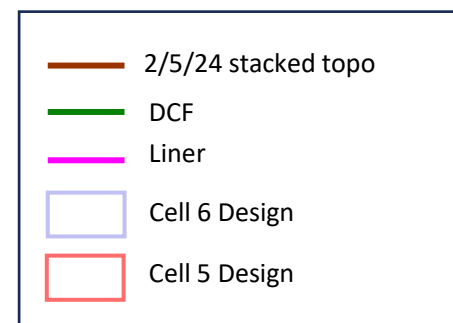
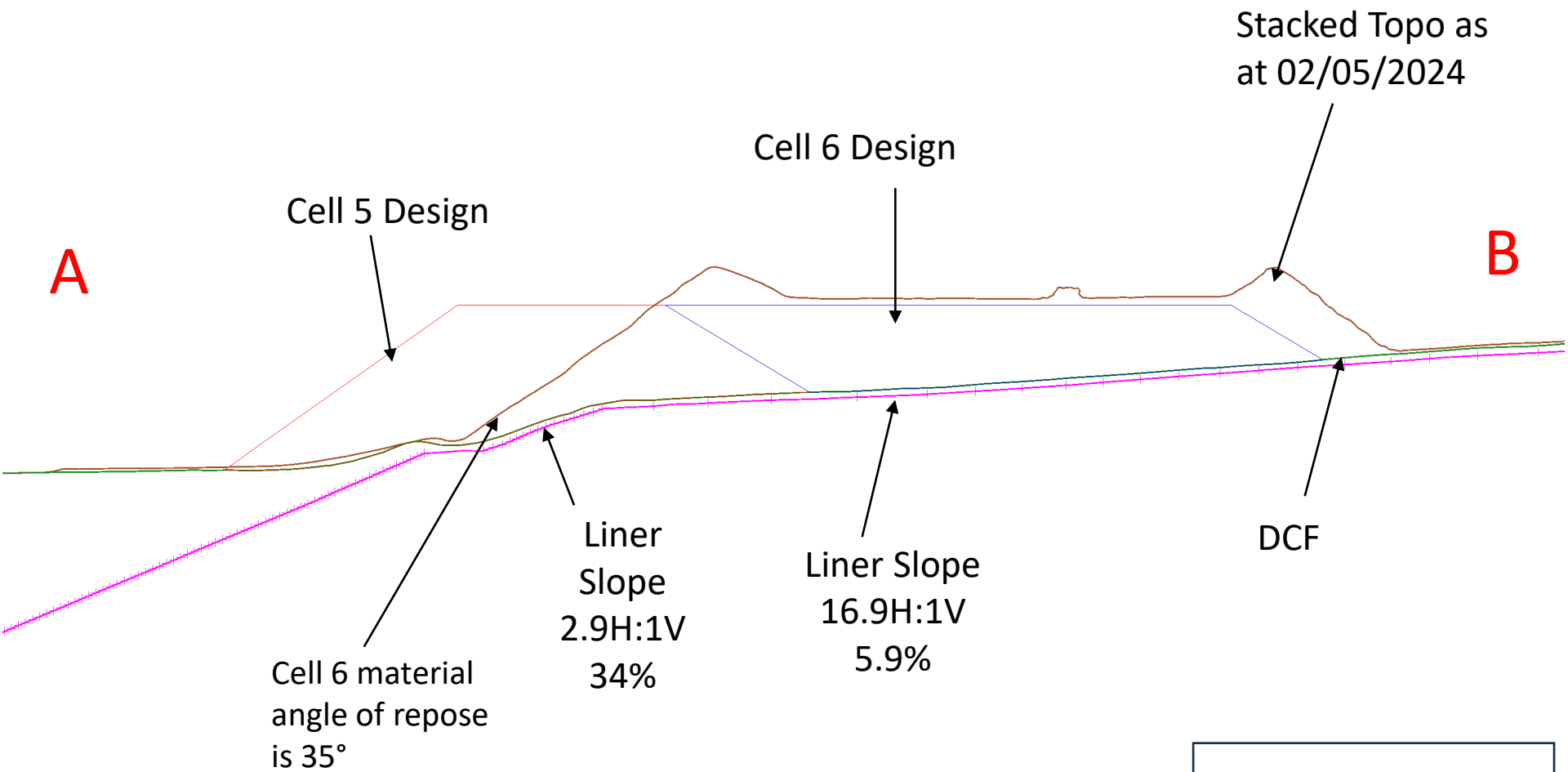
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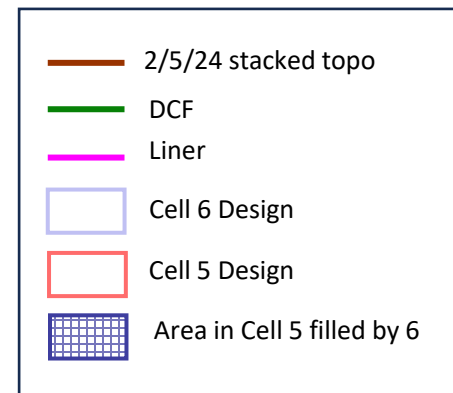
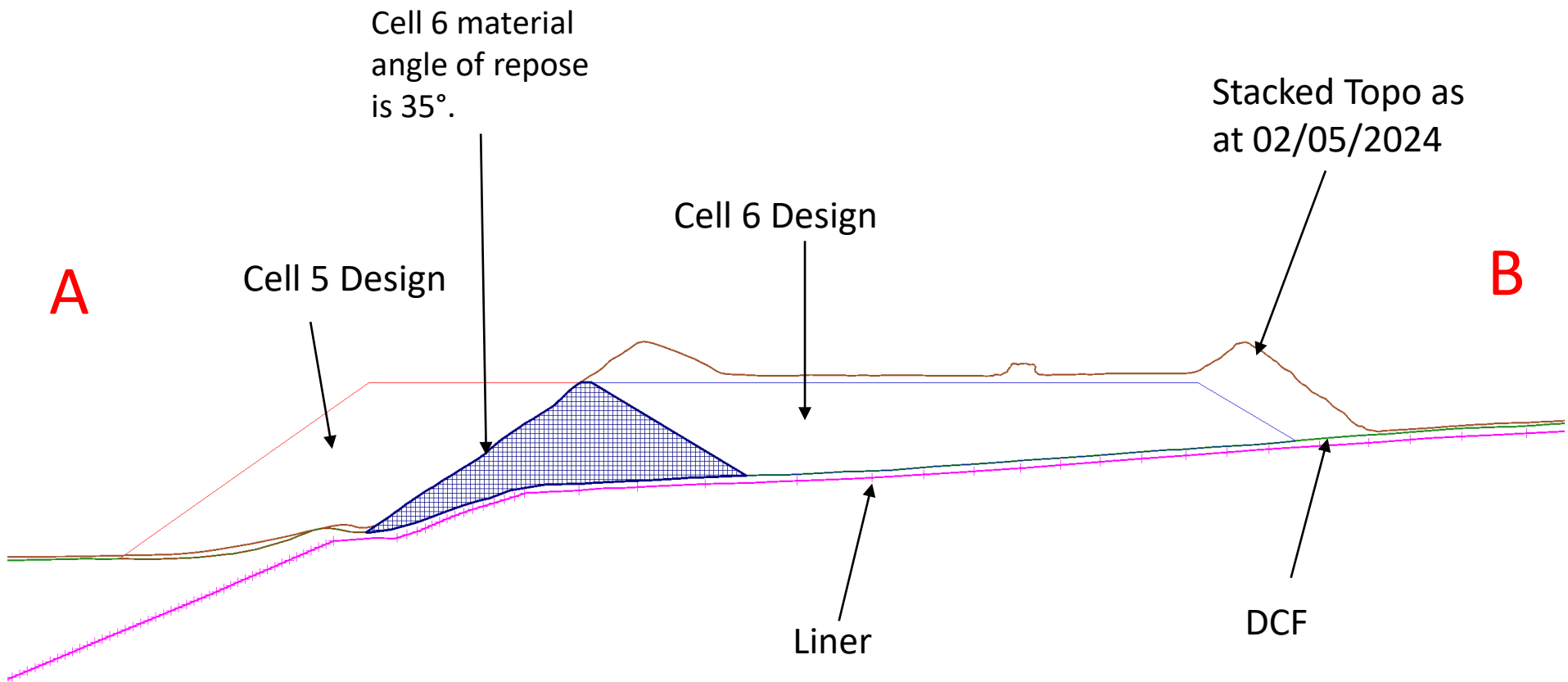
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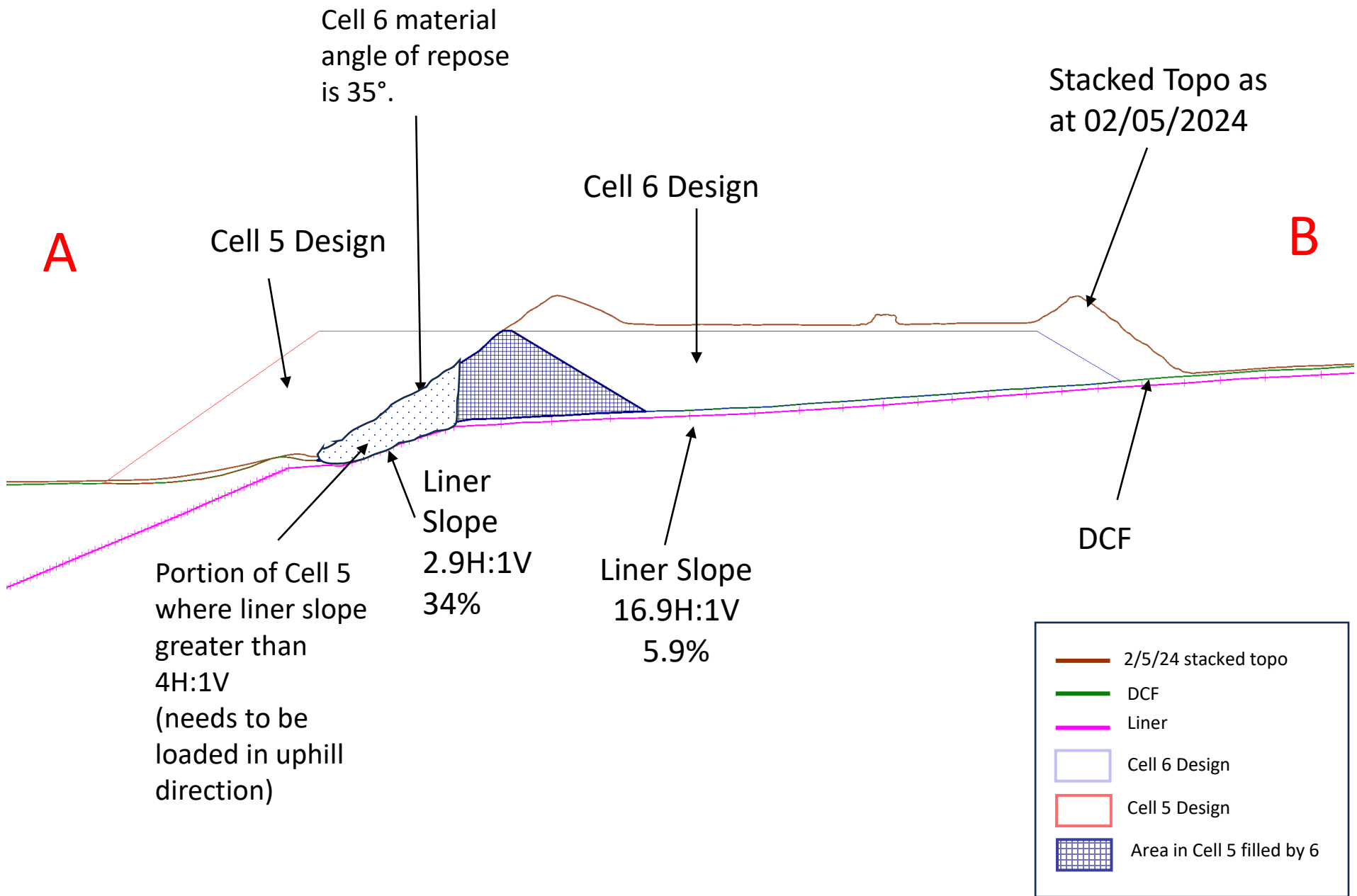
↑
N

B

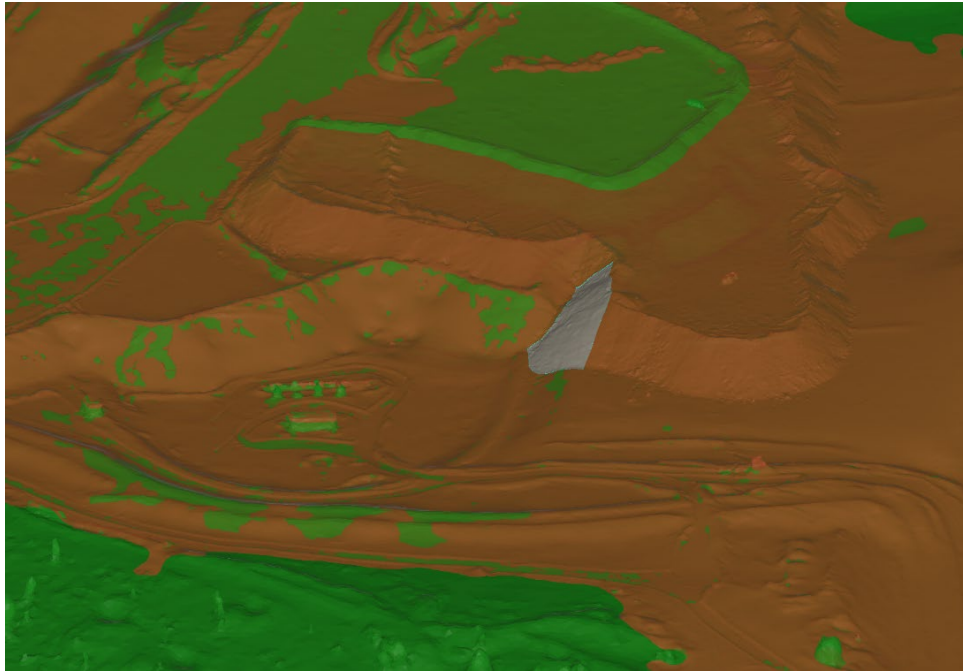




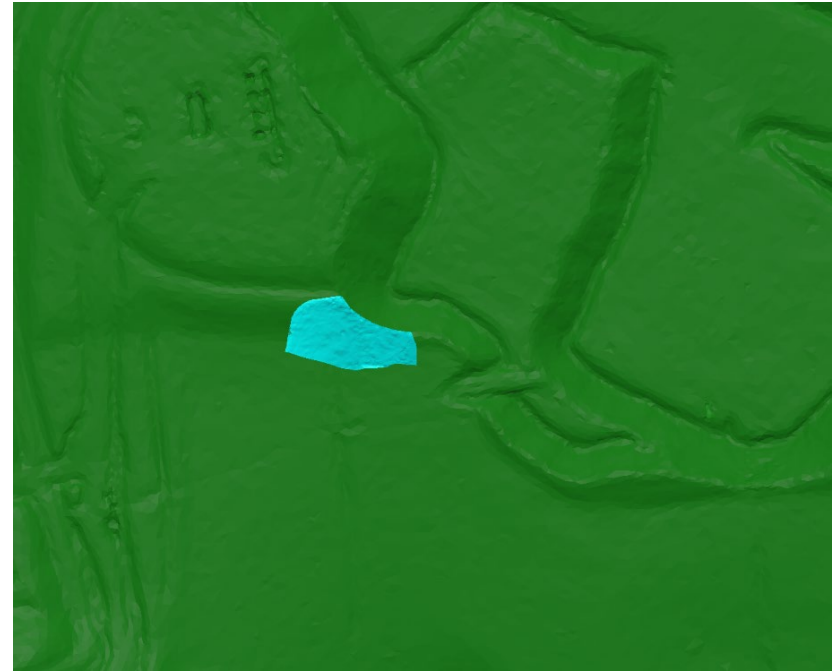




Cell 5 Overdump Tonnage: 5,232 tons

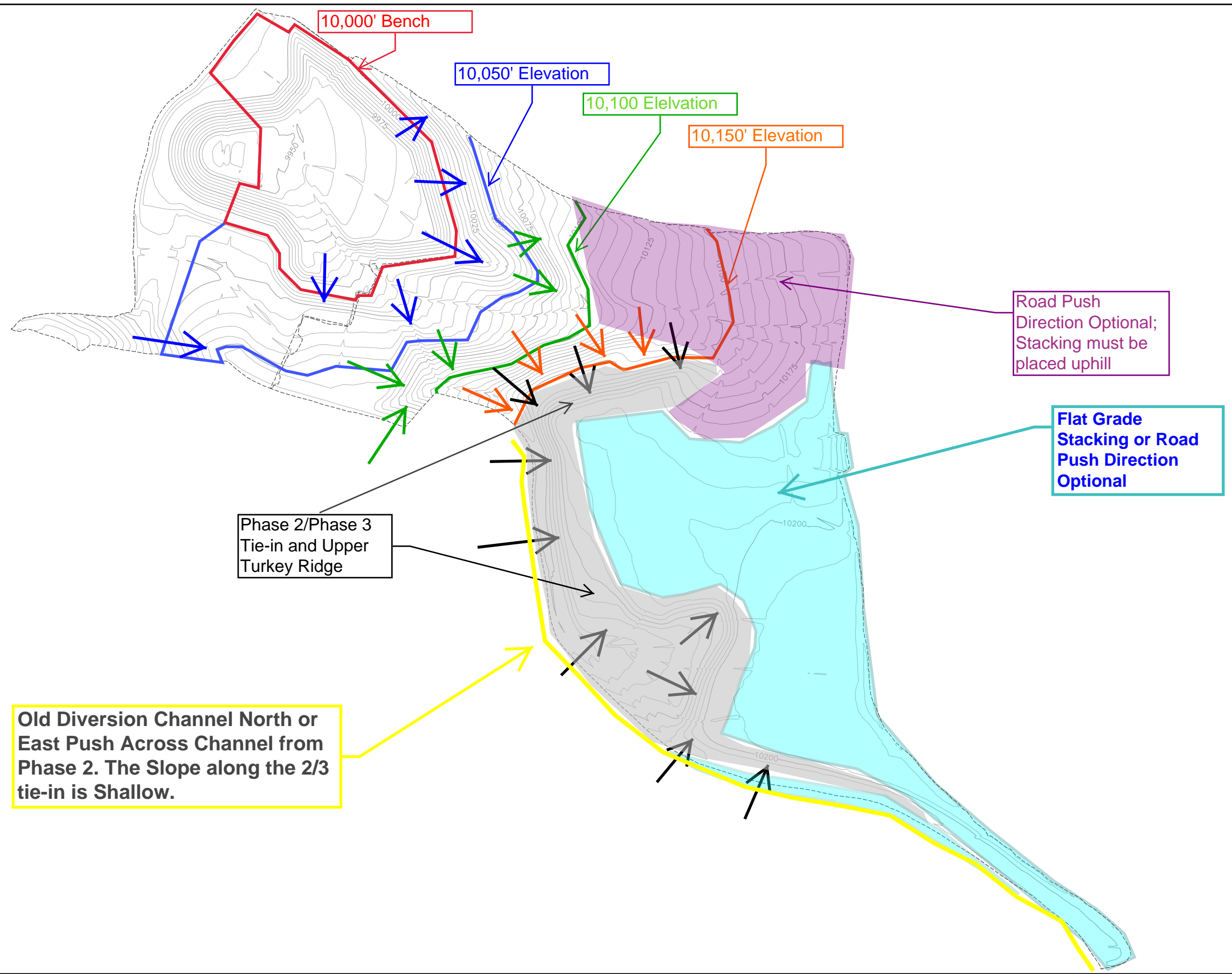


Cell 5 Overdump Surface Area: 5,144 ft²



Portion of Cell 5 dumped incorrectly on liner steeper than 25%

“Areas considered relatively flat, highlighted blue on the figure, are open to have access roads placed in any direction. These slopes are 9H:1V (11.5%) or less. The project specifications for the placement of DCF, including road construction, specify that material cannot be placed in a downhill direction on slopes steeper than a 25% slope (4:1).” – Email December 13, 2023, from Tyler Wendlandt, New Fields. VLF2 P3 Stage A Ore Material Placement Recommendations/Guidelines.

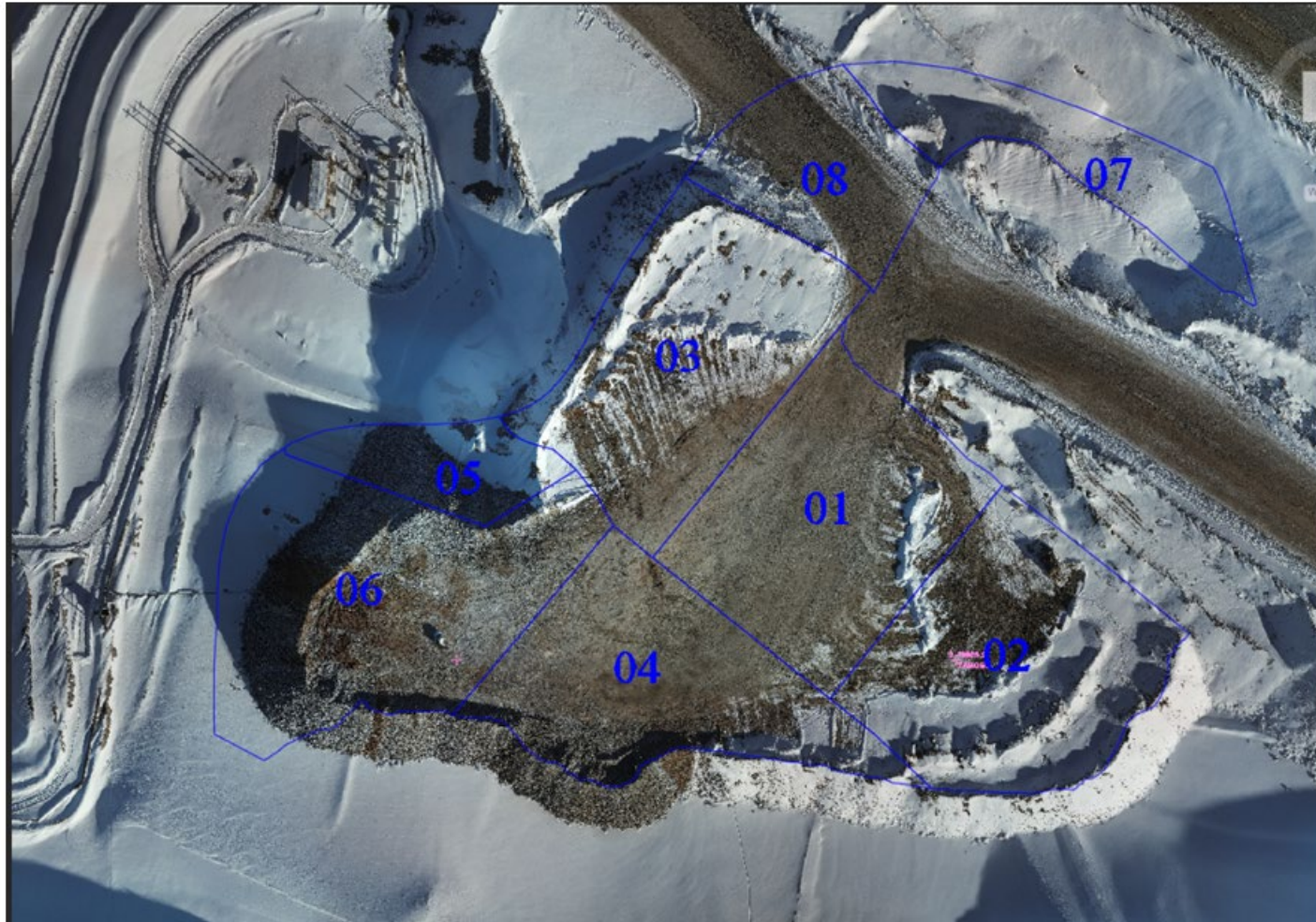




Cripple Creek and Victor Mine VLF 2 Phase 3A Work Plan

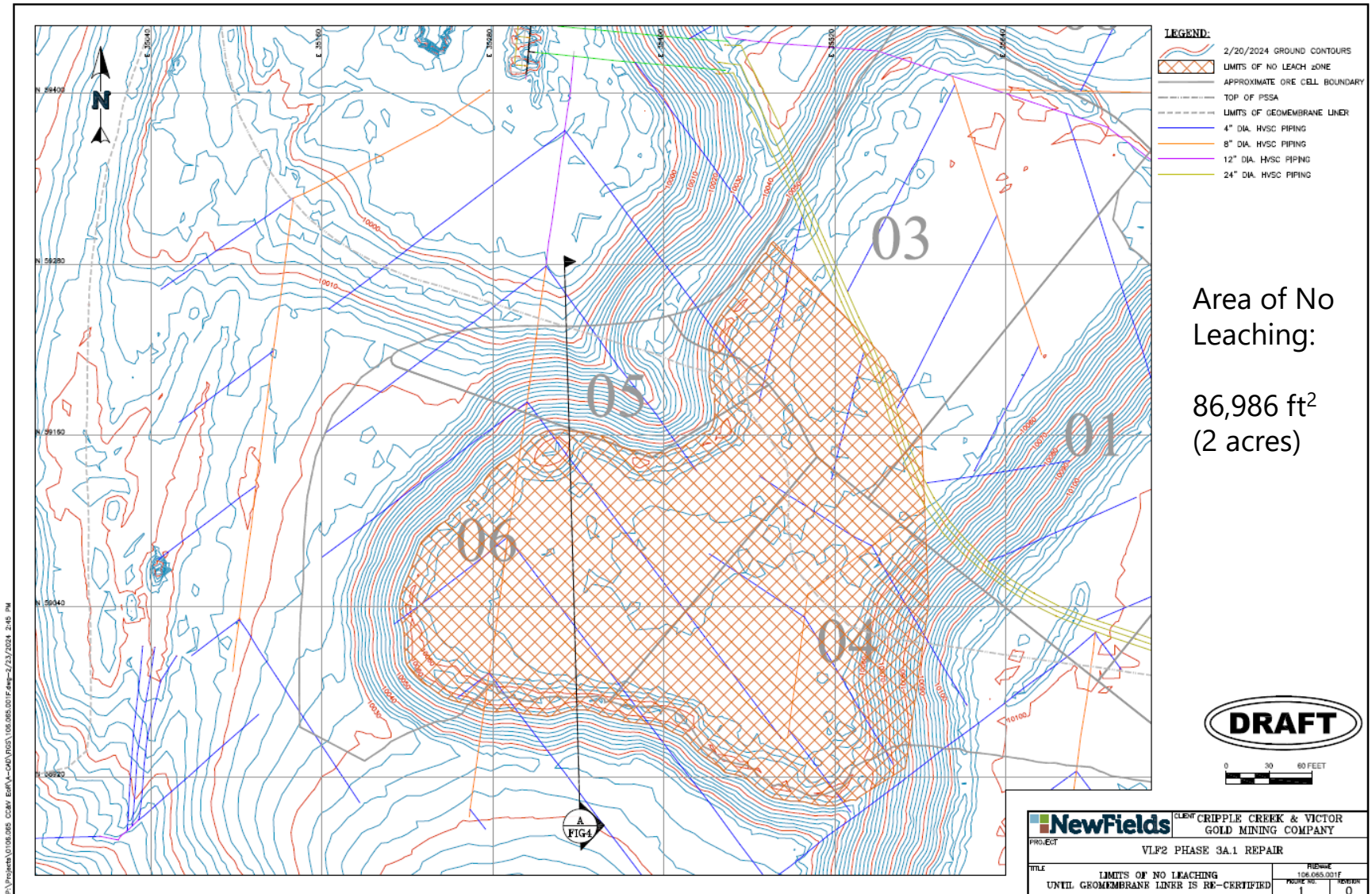
26TH FEBRUARY 2024

VLF 2 Phase 3A 10050 Lift – February 5, 2024 Status

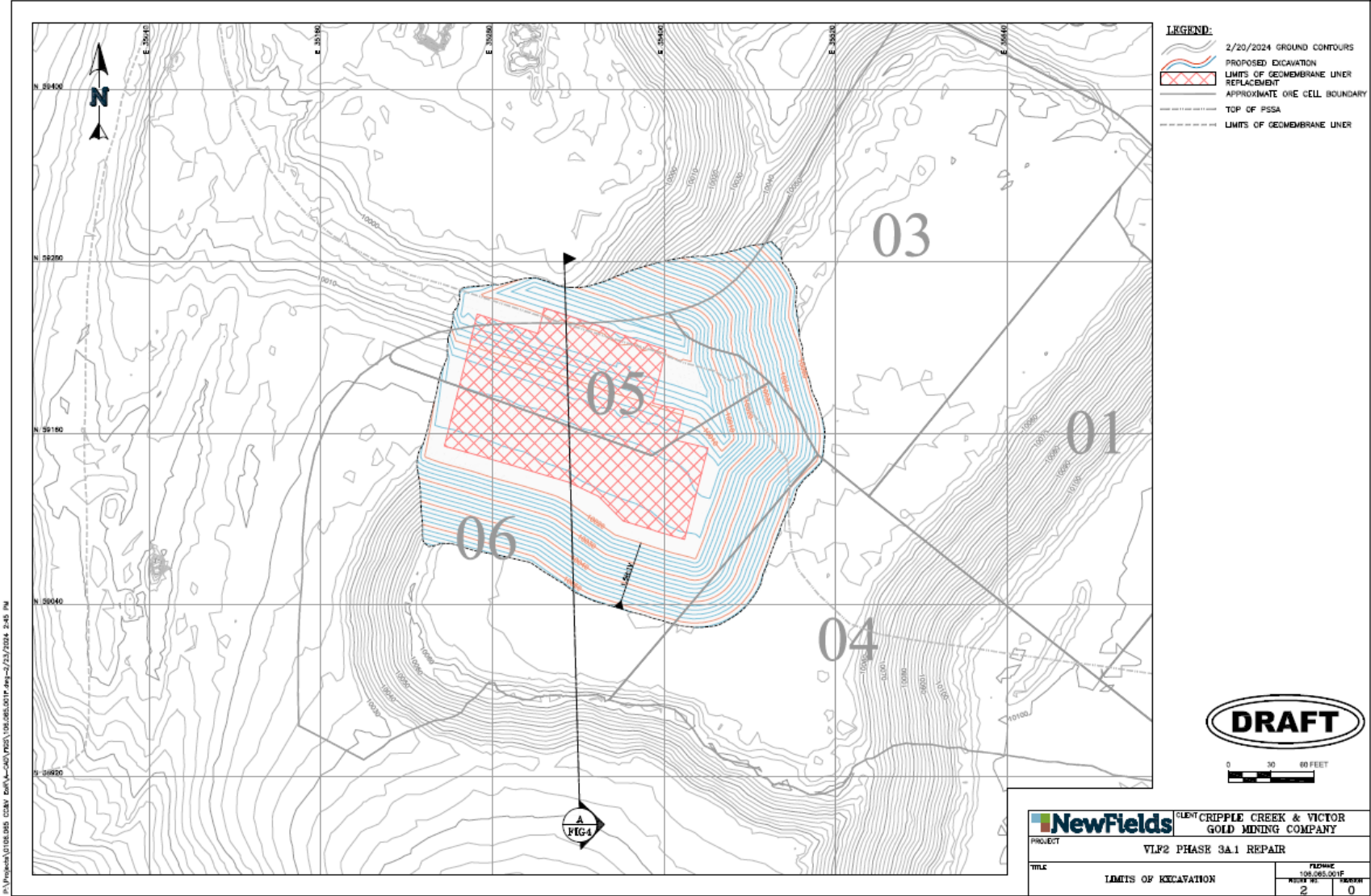


Drone photo
and scan of
10050 lift,
Cell 5 and
Cell 6

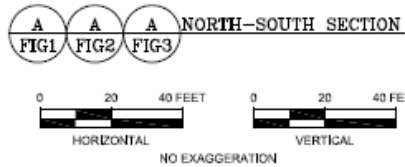
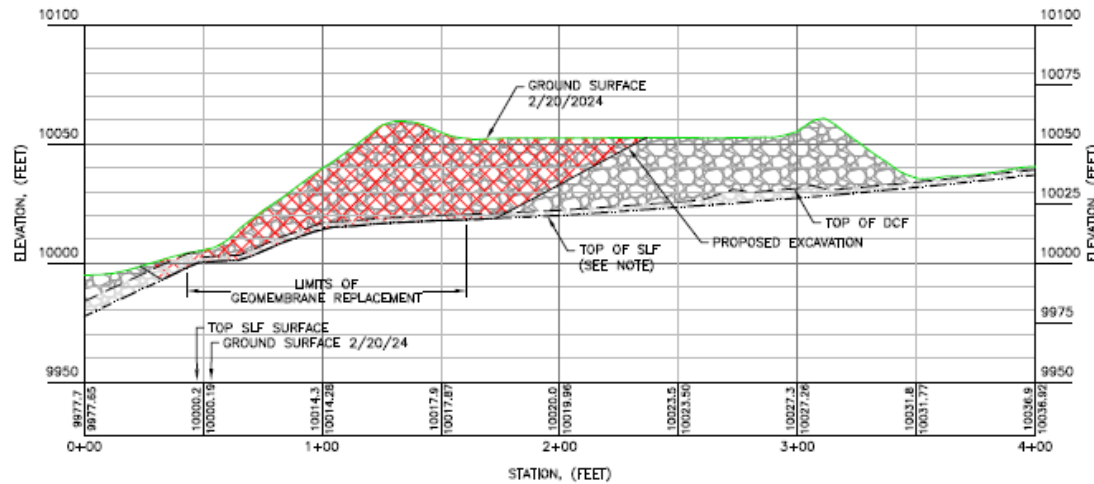
Limits of No Leaching – Piping Detail



Limits of Excavation



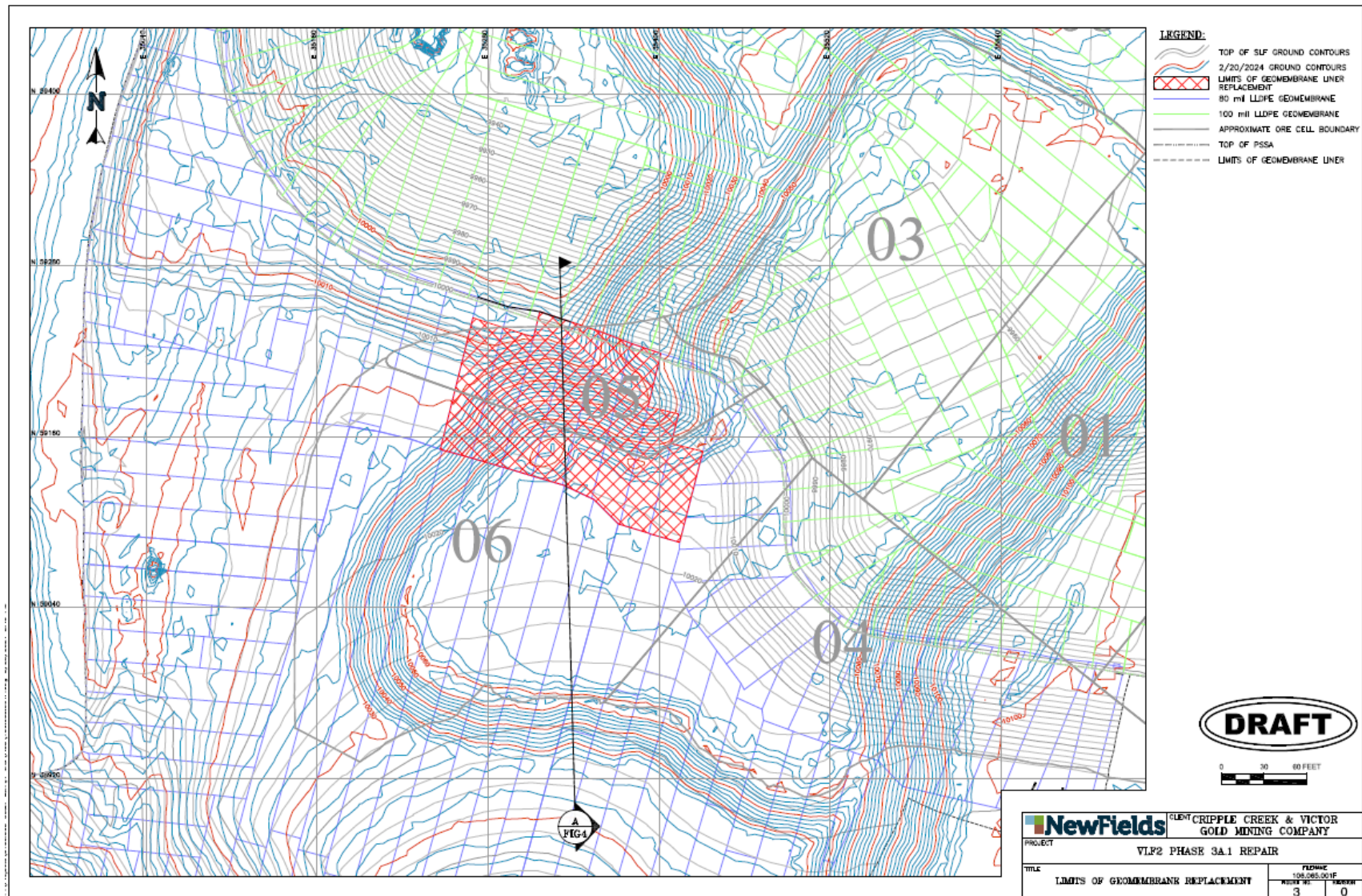
Cross Section



DRAFT

NewFields		CLIENT CRIPPLE CREEK & VICTOR GOLD MINING COMPANY	
PROJECT		VLP2 PHASE 3A.1 REPAIR	
TITLE		SECTION	
PROJECT NO.		106-000-0011F	
PAGE NO.		4	
REVISION		0	

Limits of Geomembrane Replacement, Liner Type



Project Schedule



Task	Duration	Who	February				March				April				
			5	12	19	26	4	11	18	25	1	8	15	22	29
VLF2 Phase 3 Repair															
Define Excavation Area		NewFields													
Develop Plan		All													
DRMS Review		S&ER													
Survey Layout		MTS													
Bulk Material Move (5 ft above liner)	1 week	Mine Ops													
Mobilization	1 week	JHL													
Dozer push to Mine Ops (2 ft above liner)	0.5 week	JHL													
Expose Liner with Mini Excavator	2-3 weeks	JHL													
Repair Liner	?	TBD													
Replace DCF	0.5 week	JHL													
North Road	0.5 week	JHL - Conley													
Survey for RoC		FSW													
Record of Construction Documentation		NewFields													
DRMS Review		S&ER													
Manage Repair		Mine Ops													

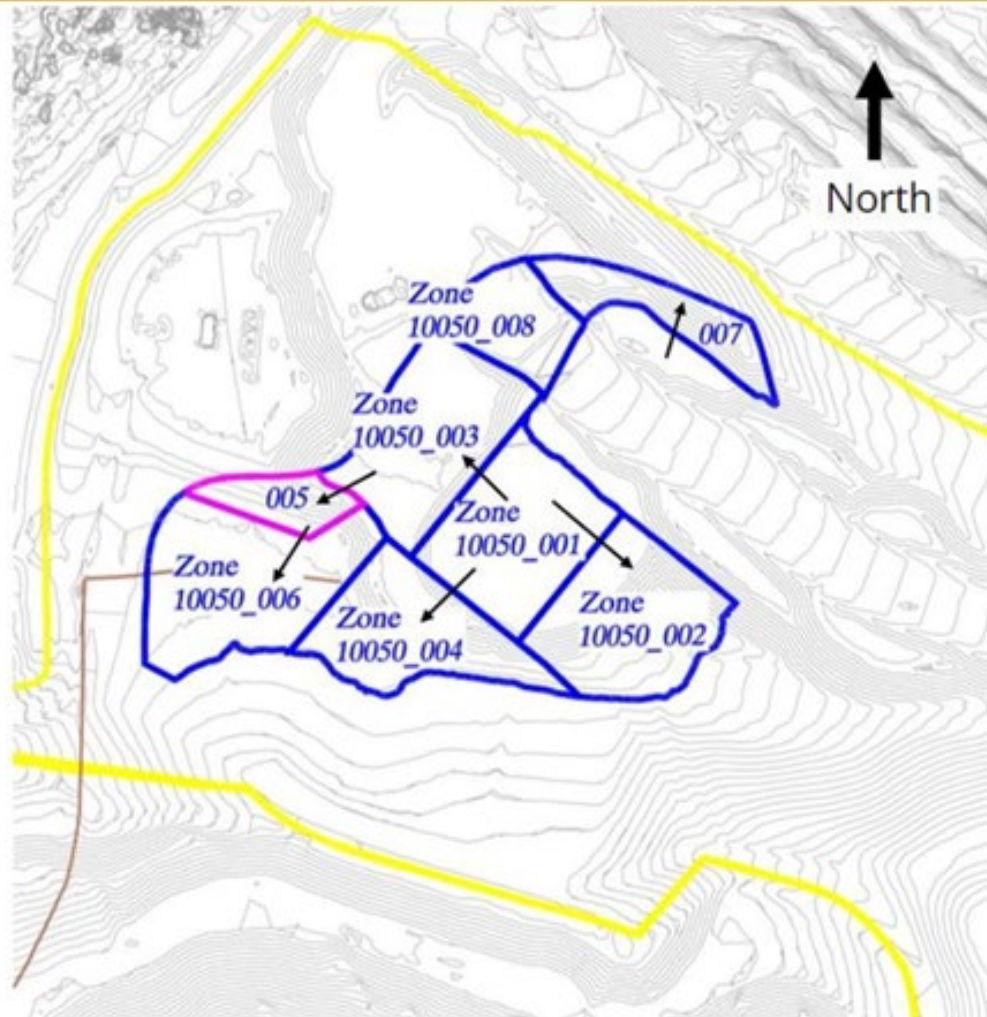
Old Controls: Stacking Order Guidance 10050 Lift



VLF 2 Stacking Plan – Phase 3A

Stack Order

10050_002 ->
10050_003 ->
10050_004 ->
10050_005 (crushed only) ->
10050_006 ->
10050_007 ->



Blue boundary is an all material types zone.

Magenta is crushed only

Arrows show stacking direction.

Dumping Order and Cell information given in planning packet.

- Electronic and paper copies available
- Foreperson uses this information to line out the crews during the shift

New Controls: Stacking Order Guidance 10100 Lift

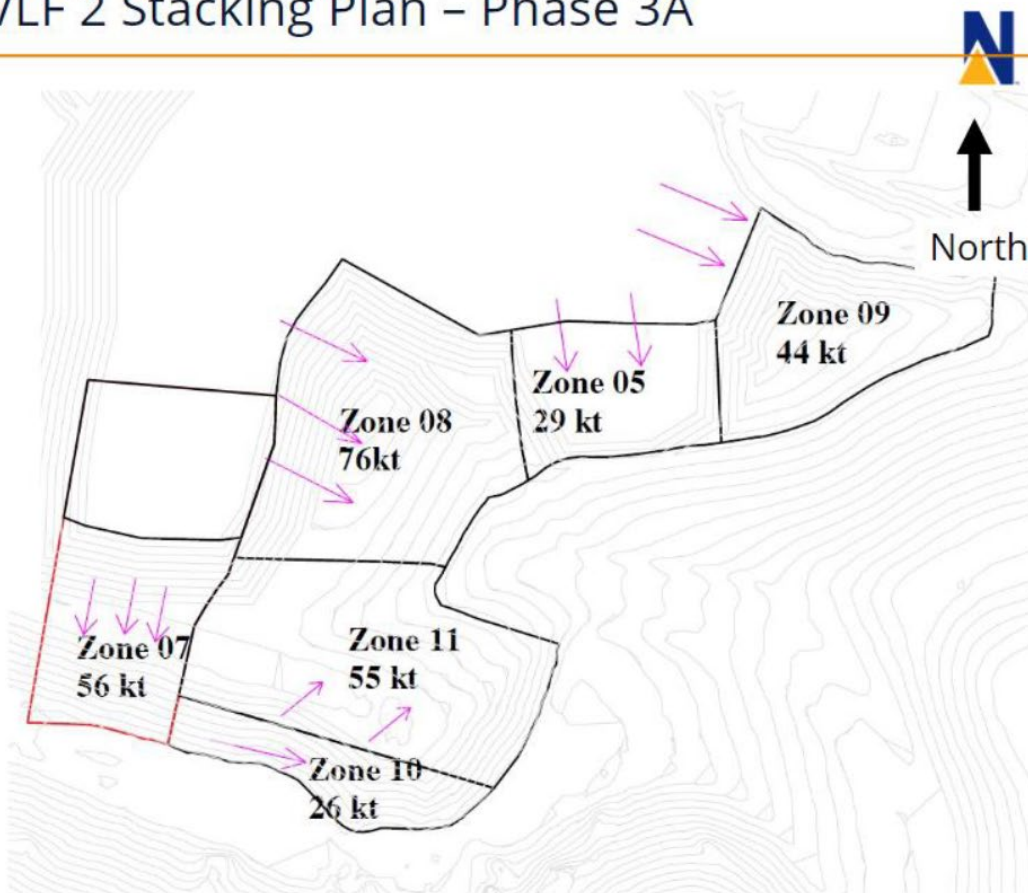


VLF 2 Stacking Plan – Phase 3A

Stack Order

10100_007->
10100_008->
10100_009->
10100_010->
10100_011->

- Stacking order must be strictly followed.
- Overflows goes to VLF 2 10300
- Contact STP if you face any stacking challenges



More details added:

- Instructions
- Directions
- Communication with operators

New Controls for Stacking Guidance: Minestar Files

