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

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: Henderson Mine	**MINE/PROSPECTING ID#:** M-1977-342	**MINERAL:** Molybdenum	**COUNTY:** Clear Creek, Grand
INSPECTION TYPE: Monitoring	**WEATHER:** Sunny and Clear, Windy	**INSP. DATE:** July 30, 2024	**INSP. TIME:** 09:00
OPERATOR: Climax Molybdenum Company	**OPERATOR REPRESENTATIVE:** Miguel Hamarat and Ben Bates	**TYPE OF OPERATION:** 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $143,264,468.00	
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None	
INSPECTOR(S): Nikie Gagnon	**INSPECTOR'S SIGNATURE:** Nikie Gagnon	**SIGNATURE DATE:** August 21, 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---------- Y	(FN) FINANCIAL WARRANTY-------- N	(RD) ROADS---------- N
(HB) HYDROLOGIC BALANCE---------- Y	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES------- N	(TS) TOPSOIL---------- N
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE---------- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- N	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS------- N
(AT) ACID OR TOXIC MATERIALS------- N	(OD) OFF-SITE DAMAGE----------N	

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 Nikie Gagnon, representing the Division of Reclamation, Mining and Safety (Division) as part of the Division's normal monitoring inspection program. Miguel Hamarat and Ben Bates were present during the inspection and represented the Operator (Climax Molybdenum- Henderson Operations (Henderson).

The primary focus of this inspection was groundwater and surface water collection, monitoring, and compliance facilities at the Mill.

Records Check

A records check was conducted to review the water monitoring field data sheets. The monitoring data sheets are stored electronically. The operator pulled up the data sheets associated with the 2023 Annual Water Monitoring Report submitted to the Division. During this inspection, the field sheets were compared to the report and found to be consistent. The approved Groundwater Management Plan (TR34) states that records will be maintained for a minimum of three years and made available upon request of the Division. During this inspection, Mr. Hamarat showed the Division more than three years of electronic records in the filing system.

Groundwater Extraction System, EPF 1.6:

Five extraction wells were observed during this inspection. MLEX 1-4 which combine into a single underground header that discharges into the 1-Dam seepage collection area, and MLEX 5 which is piped separately to the Ute Park pump station. The operator stated the wells are routinely visually and remotely monitored and inspected. There is a light on top of the unit that will light up if there is a problem with the well controls. The control panels are backed up by telemetry batteries and the telemetry system stores the data and transmits it later in a power outage situation. The extraction well system is addressed in technical revisions TR-23, TR-25 and TR-28. The Division is currently reviewing the Ute Park Extraction Wellfield Phase IV - Technical Revision 36 received on August 20, 2024. TR-36 proposes two additional extraction wells, MLEX-6 and MLEX-7 to further mitigate seepage-impacted groundwater that could migrate downgradient. During this inspection, Mr. Haramat showed the Division the location of the two proposed additional extraction wells. MLEX-6 will be installed on the east side of Ute Park and MLEX-7 will be installed on the south end of the gravel pit area.

Seep Water Collection and Return System, EPF 1.5:

The Division observed water flowing to the Ute Park Pump Station via the seep water collection canals. The horizontal drains installed at the base of the Tailings Storage Facility (TSF) embankment were also observed and water was flowing out of them into the collection area during the inspection.

Ute Park Pumphouse - Mill EPF 1.7: The Ute Park Pumphouse collects seep water from the tailings storage facility and water from the extraction wellfield and returns the water to the tailings storage facility. The Division observed the exterior and interior of the Pumphouse. Mr. Hamarat showed the Division automatic gates on the north and south canals that will close to prevent water from flowing into the pumphouse during a power outage. The Division also observed an emergency generator in the seep collection area that is used to pump water from the canals directly to the TSF. Henderson routinely powers up the generator and conducts regular maintenance.

Groundwater Compliance Facilities

The groundwater compliance facilities were inspected by the Division. Four groundwater wells MLGW-7, MLGW-15, MLGW-17, and MLGW 20 were observed and discussed during the inspection. MLGW-7 is the point of compliance (POC) well. MLGW 15 and MLGW 17 are proposed as a point of compliance wells. Mr. Hamarat stated that MLGW 20 is shallower and very little water has been observed in this well. POC well MLGW-ACR was not accessible during this inspection due to a locked gate and no trespassing sign at the entrance of the ranch property. On July 17, 20924, the Division received a letter from Henderson stating that they attempted to reach the new ownership to gain access to sample the well, however, as of this inspection, little progress has been made. Henderson drilled a new monitoring well on property owned by Henderson, MLGW-37. This well was sampled during the spring sampling period and reported the data to the Division as an alternative to satisfy the POC requirement. Henderson plans to submit a Technical Revision later this year to add the three POC wells to the approved monitoring plan.

Mr. Bates informed the Division that low flow bladder pumps were recently installed in monitoring wells MLGW 7, 15, and 17. This is discussed in the 2023 Annual Water Monitoring Report.

Surface Water Compliance

Long-term surface water monitoring locations WFR-20 and WFR-40 were observed and discussed during the inspection. WFR-20 is the upgradient location in the southeast corner of the permit area. WFR-40 is downgradient, northeast of the tailings dam.

This concludes the Division's report. A subset of the photographs taken during inspection are attached. Any questions or comments regarding this inspection report should be forwarded to Nikie Gagnon at the Colorado Division of Reclamation, Mining and Safety at 720-527-1640, or email at nikie.gagnon@state.co.us.

PHOTOGRAPHS

Photo 1: Extraction well MLEX-2 in the Ute Park Extraction Wellfield.

Photo 2: Control panel on extraction well MELX-4 displaying 80.9 gal/Min.

Photo 3: Seepage collection area at the base of 1-Dam.

Photo 4: Looking at north and south canals in the seep water collection area moving water to the Ute Park Pump Station.

Photo 5: Ute Park Pump Station inlet on the west side of the building.

Photo 6: Exterior of the Ute Park Pump Station.

Photo 7: Interior of the Ute Park Pump Station

Photo 8: Turbine pumps in the Ute Park Pump Station

Photo 9: Gate on the north canal controlling seep water feed channels to the pump house.

Photo 10: Seep water storage area in Ute Park. Red arrow points to flowing underground drain.

Photo 11: Groundwater monitoring well MLGW-20.

Photo 12: Groundwater monitoring well MLGW-17.

Photo 13: Groundwater monitoring well MLGW-15.

Photo 14: POC groundwater monitoring well MLGW-7.

Photo 13: View of the new monitoring well on property owned by Henderson, MLGW-37.

Photo 14: Inside view of MLGW-37.

Photo 15: Locked entrance to Aspen Canyon where MLGW-ACR is located.

Photo 16: Looking at surface water monitoring location WFR-20 on the Williams Fork River in the southeast corner of the permit area.

Photo 17: Looking at surface water monitoring location WFR-40 on the Williams Fork River in the southeast corner of the permit area.

Photo 18: Looking at proposed location for extraction well MLEX-7 on the south end of the gravel pit area

Photo 19: Looking at proposed location for extraction well MLEX-6 on the east side of Ute Park

Inspection Contact Address

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