STATE OF COLORADO

Lennberg - DNR, Patrick <patrick.lennberg@state.co.us>

COLORADO MILLING COMPANY RESPONSE LETTER

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STATE OF COLORADO

Lennberg - DNR, Patrick <patrick.lennberg@state.co.us>

Colorado Milling Response Letter - Acknowledgement

1 message

Lennberg - DNR, Patrick <patrick.lennberg@state.co.us> Wed, Jan 8, 2025 at 10:12 AM
To: Mark Steen <goldtontine@gmail.com>

Good Morning,

The Division has received your letter and associated attachments.

Thank you,
Patrick

--
Patrick Lennberg
Environmental Protection Specialist

P 720.665.0836 | F 303.832.8106
Physical Address: 1313 Sherman Street, Room 215, Denver, CO 80203
Address for FedEx, UPS, or hand delivery:
1001 E 62nd Ave, Denver, CO 80216
Patrick.Lennberg@state.co.us | https://drms.colorado.gov

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Colorado Division of Reclamation, Mining and Safety
Patrick Lennberg
Environmental Protection Specialist
1313 Sherman Street – Room 215
Denver, Colorado 80203

January 7, 2025

RE: Gold Hill Mill, Permit No. M-1994-117, Response to Inspection Report Dated October 8, 2024, Documents Submitted by the Colorado Milling Company, LLC, Supporting Activity at this Site Since September 2008.

Attention: Patrick Lennberg:

Attached to this letter are PDFs of documents that the Colorado Milling Company, LLC, (CMC) wants to be entered into Permit No. M-1994-117's file. These documents support the position that all of the activities conducted on this site were authorized by the Mined Land Reclamation Board during the period when CMC was obtaining Amendments to the Gold Hill Mill's Mining and Reclamation Permit. The State of Colorado, the U.S. Bureau of Land Management, and the United States Forest Service recognize that permitting and the restoration and rehabilitation of the Gold Hill Mill are all activities that are necessary prior to commencing mining or processing operations at this site.

Sincerely,

Mark A. Steen
Colorado Milling Company. LLC

Colorado Milling Company, LLC

Mark A. Steen

P.O. Box 1523

Longmont, Colorado 80502

Clare Levy, Commissioner

Martha Loachamin, Commissioner

Ashley Stolzmann, Commissioner

Boulder County – Board of County Commissioners

Post Office Box 471

Boulder, Colorado 80306

August 29, 2024

Dear Boulder County Commissioners,

Docket No. AP-23-001 - Colorado Milling Company, LLC - Appeal of Termination of Nonconforming Use 4-1003H.

The Colorado Milling Company, LLC is herewith responding to the Boulder County Community Planning and Permitting Department's Notice of Termination of Nonconforming Status dated March 30, 2023. The Gold Hill Mill is a permitted gravity and flotation mineral processing facility, constructed to process ores from certain mines authorized by the Colorado Division of Minerals and Geology and the Boulder County Commissioners. The Gold Hill Mill (MLRD Permit No. M-1994-117) is currently permitted to process gold and silver ores from the Cash and Who Do Mines (MLRD Permit No. M-1983-141). The Cash Mine was permitted by the Colorado Division of Reclamation, Mining and Safety (the DRMS) on July 26, 1995, as Reclamation Permit Number M-1983-141, with a proposed surface disturbance of 2.261 acres of land. The Gold Hill Mill was permitted by the Gold Hill Ventures Limited Partnership as an Amendment to the Cash Mine Permit on September 26, 1985, with an increase of the surface disturbance to 7.638 acres of surface disturbance. It operated under this permit from September 7,1983 through July 26,1995, when it was permitted under Permit No. M-1994-117, which it has been operated under to this date. Neither one of these permits currently exceeds 9.99 permitted acres. The Cash and Who Do Mines are Limited Impact 110 Permits, denoting a mining operation limited in size to less than 10 acres and

extracting less than 70,000 tons of mineral, overburden, or combination thereof on a yearly basis. As of February 7, 2024, Gold Hill Mill is now permitted as a 112 (d) Designated Mining Operation. Reclamation Permits are issued for the life of the operation.

The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina, the third was a company named ITEC Environmental; and the fourth was Mount Royal Ventures. The Colorado Milling Company has been the permitted operator of the Gold Hill Mill since August 25, 2015, but has not yet begun processing ore in the facility. The company has, however, spent considerable effort and funds cleaning up after the previous operator of the Gold Hill Mill, Mount Royal Ventures.

The lack of successful, long-term mining and mineral processing operations by the second and fourth of these previous operators can be attributed to incompetence, inexperience, and the lack of professionally trained operators and honest managers by Colina Oro Molina and Mount Royal Ventures. The falling price of precious metals caused ITEC Environmental to cease mineral processing at the Gold Hill Mill before they had barely started milling operations.

The Colorado Milling Company has expended more than $750,000 directly restoring the Gold Hill Mill to its original condition. Some of the larger items involved in this restoration and rehabilitation included repairing the damaged steel in the Coarse Ore Bins, rebuilding the bank of ten Flotation Cells, rebuilding the Jaw Crusher and the Cone Crusher, replacing all of the damaged conveyor belts, repairing the two Steady Head Water and Pressure Tanks, cleaning out the large Thickener Tank which had been improperly used to dispose of tailings, mounting the Conditioner Tank in its proper location, extending the conveyor belt into the Fine Ore Bin, and setting the tailings Discharge Pump in its proper location. A new, safe, covered entryway into the Mill was erected and the Mill office was cleaned up, with an area for visitors constructed to ensure that only trained employees can enter the Mill building. Thousands of pounds of scrap metal and worthless, junk equipment was hauled away during this time. All of this work was conducted between 2013 and 2020. During some of this work, the Gold Hill Mill was under a Temporary Cession issued by the Colorado Division of Reclamation, Mining and Safety. On August 8, 2018, the Gold Hill Mill returned to Active Status.

During this same time period, the Colorado Milling Company was engaged in designing a new, larger tailings storage facility on existing property near the Gold Hill Mill, surveying the Waterline Easement from the Times Mine to Left Hand Creek, and restoring the portal to the

Times Mine Bulkhead, where process water will be stored underground for use in the Gold Hill Mill.

At the same time that this activity was taking place, the Cash and Who Do Mine waste dumps were being sampled to determine the value of the more than 100,000 tons of material that will be used as initial Mill feed. At least two dozen other mine dumps were sampled during this time to establish how many tons of material will be available once the Gold Hill Mill is fully operational. While most of this dump sampling work was conducted by people associated with the Colorado Milling Company, some of this activity was performed by individuals representing potential partners in this mining venture. Several well respected geologists and mining engineers have concluded that the values in these waste dumps will support a properly managed dump screening and processing operation.

Several Environmental Consulting Firms have been employed by the Colorado Milling company during this same period between August 25,2015 and the present date. Altogether, more than $500,000 has been spent on consultants who worked to design a new, larger tailings pond, inspecting the present bulkhead in the Times Mine and designing a new bulkhead that meets present standards, and examining and recommending possible additions inside the Gold Hill Mill for processing the various ores found in the Gold Hill Mining District. In addition to these tasks, various metallurgical bench tests were performed to determine the best flotation reagents for obtaining the highest recovery of the precious metals found in the veins of the Boulder County Telluride Belt. A metallurgist was employed to find out if the tellurium could be profitably separated from the gravity and flotation concentrate that will be produced once milling operations resume. James M. Beck and Associates were retained to assist the Colorado Milling Company obtain its Amended 110 Permit, and Lewicki and Associates have been the lead Environmental Consultants on both the Amended 110 Permit Application and the recently approved 112 Designated Mining Operation Permit. Altogether, the Colorado Milling Company has spent more than $2,500,000 on the Gold Hill Project.

All of the properties owned by the Colorado Milling Company are subject to the conditions of certain Conservation and Recreation Easements and Restrictive Covenants entered into with Boulder County by the previous Property Owners. On December 18, 2012, the Property Owners entered into the following Agreements with Boulder County: Memorandum of Agreement; Recreation Easement and Agreement Regarding Trails, Parking Areas and Access; Restrictive Covenant Concerning Prospecting, Mining and Milling Operations Running With The Land As To Patented Claims And Operating Agreement Not Running With The Land As To Unpatented Claims; Deed Of Conservation Easement In Gross And Amendment And Restatement Of Deed Of Conservation Easement; And Amendment To

Restrictive Covenant. Additionally, three of the Property Owners entered into a Restrictive Covenant Running With The Land on May 3, 2001. These documents have been entered into the record by Ed Byrne, Attorney for the Colorado Milling Company.

On December 19, 2017, the Colorado Milling Company filed an Application for an Amendment to the Gold Hill Mill's Limited Impact 110(2) Permit No. M-1994-117. As required by the Mined Land Rules and Regulations, the Colorado Milling Company filed a copy of the Amended Permit Application with the Boulder County Land Use Department. This notice included specific language that "in order to preserve your right to a hearing before the Board on this Application, you must submit your written comments on the Application within ten (10) days after the date of the Applicant's newspaper publication."

On January 23,2018, Denise Grimm, Senior Planner with the Boulder County Land Use Department wrote Michael Cunningham, at the DRMS the following, "In response to the request for comments on this project, please keep Boulder County Land Use informed of any changes or progress with this application. We have not fully evaluated this application to determine a complete list of the necessary permits and review processes that may be required by Boulder County."

" Please be aware that there may be building permits and/or Land Use or County reviews for this project. It crosses land with a Boulder County Conservation Easement and may need specific approval from the County for that as well."

On January 19, 2018, Tony Vrba wrote a letter on behalf on the Gold Hill Town Meeting expressing concerns about the Gold Hill Mill Amendment. Eric Lane with Boulder County was copied on this letter as well as Boulder County Parks and Open Space.

On January 23,2018, Dick Cole wrote a letter to Michael Cunningham at the DRMS expressing his opinions about the Amended Permit Application. Dale Case, with the Boulder County Land Use Department was copied on this letter along with five other individuals with Boulder County Government email addresses.

ON January 24, Robert de Haas, the Manager of the Pine Brook Water District wrote to Michael Cunningham with the DRMS with comments about the Amended Permit Application. He also copied Dale Case along with five other individuals with Boulder County Government email addresses.

Aside from Denise Grimm's aforementioned and quoted comments, none of the individuals associated with Boulder County Government or the Land Use Department wrote any comments to the DRMS about the Colorado Milling Company's Application for an Amendment to the Gold Hill Mill Permit No. M-1994-117. No one from the Boulder County Land Use Department attended any of the Public Hearings in Denver that the DRMS

conducted regarding this Application to Amend the Gold Hill Mill's Mining and Reclamation Permit. The Boulder County Parks and Open Space Department was furnished with copies of everything filed with the DRMS on a timely basis.

On September 18, 2019, the Division of Reclamation, Mining and Safety approved the Amendment Application for the Gold Hill Mill. The size of the Permit was increased from 8.4 acres to 9.2 acres to account for the installation of the water pipeline from Left Hand Creek to the Times Mine portal.

On September 13, 2022, the Colorado Milling Company filed an Application to convert the Gold Hill Mill's 110(2) Limited Impact Permit into a 110(d) Mining Permit, which is necessary because the Flotation Circuit requires the use of chemical reagents to collect the minerals that are liberated from the ore in the Grinding Circuit. Designated Mining Operations (DMO) deal with DRMS Permits that are considered to require a higher level of environmental protection and control. They have an Emergency Response Plan to manage any spills or material that could be harmful if it were not properly contained or dealt with if it left the Mill building or the tailings retention structure.

On February 23, 2023, Andrea Vaughn, Long Range Planner with the Community Planning and Permitting Department wrote to the DRMS stating that, "we are currently investigating whether the Colorado Milling Company's use of the Property is in compliance with the requirements of the Boulder County Land Use Code. Specifically, we are investigating whether the Colorado Milling company's operation continues to be a legal nonconforming use or whether this use has been abandoned. We expect to make a determination in the following weeks and will provide DRMS with an update at this time."

On March 30, 2023, Andrea Vaughn, on behalf of Dale Case, the Director of the Community Planning and Permitting Department sent the Colorado Milling Company a NOTICE OF TERMINATION OF NONCONFORMING STATUS. According to this NOTICE, "Boulder County amended the Land Use Code in 1997 to require Development Plan Review for subsurface mining activities in the Forestry District The current version of the Land Use Code requires Development Plan Review, Limited Impact Special Review, or Special Review for subsurface mining in the Forestry District, depending on the activity." This letter further states that, "Because the County has not a development permit under the current provisions of the Land Use Code for mining activities on the Property, the mining and milling activities on the property were a nonconforming use."

While the language cited in Andrea Vaughn's March 30, 2023 letter accurately recites the language of the 1997 Land Use Code regarding Subsurface Mining in Boulder County , it intentionally fails to include what is clearly stated in Article 4-508(E)(5)(b) **"Any existing**

subsurface mining operation may continue at its current level, or the mining activity may expand up to the levels approved in its existing state mining permit issued on or before June 10,1997 or must have lawfully established prior to state mining permit requirements and have operated since January 1, 1987." The Cash Mine was granted Reclamation Permit No. M-1983-141 by the Division of Reclamation, Mining and Safety on September 7, 1983, and the Gold Hill Mill was added to this Permit on September 26, 1985.

Under the Boulder County Land Use Code, neither the Cash and Who Do Mines nor the Gold Hill Mill are currently subject to the requirements of the Land Use Code to apply for any type of Development Plan Review to conduct mining or milling operations at their Gold Hill properties. This is actually the second time that Dale Case has attempted to impose Development Plan Review on the Gold Hill mining operations. On June 7, 2005, acting as Chief of Planning, Dale Case determined that when Mount Royale Ventures proposed increasing the Cash and Who Do Mines permitted acreage by 6.14 acres in order to access the lower levels of the Cash and Freiburg veins, that "Boulder County views the inclusion of these previously un-permitted areas, under the state permit, as an increase in the level of use and as such requires review under Article 4-508(E)(5)(b) of the Boulder County Land Use Code,." Nothing came of this demand because the Land Use Director agreed with Mount Royale Ventures' attorney's obviously correct interpretation of this particular language in the Land Use Code.

As for the claim by the Community Planning and Permitting Department that the Gold Hill Mill DRMS Permit No. M-1991-117 has been abandoned through the discontinuance of the use for an "uninterrupted period of six months or more, as a result of causes within the control of the property owner or their agent" this assertion ignores the fact that the Colorado Milling Company was required by an Order of the Mined Land Reclamation Board to cease operations at Gold Hill until it had obtained both an Amendment to the Gold Hill Mill Permit and a Conversion to a Designated Mining Operation. It also deliberately obscures the fact that the Colorado Milling Company could not start mineral processing operations without restoring the Gold Hill Mill and securing the only legal source of process water in Left Hand Creek by installing a new pipeline on its Deeded Waterline Easement and a new pump on the property it owns in Left Hand Canyon. None of these tasks could be completed without first obtaining the two Limited Impact Permits from the Mined Land Reclamation Board.

I was personally involved in every aspect of all of the transactions with the Boulder County Parks and Open Space Department, the Land Use Department and nine or ten previous Boulder County Commissioners creating the Conservation Easements, the Restrictive Covenant Concerning Prospecting, Mining, and Milling Operations, and the Trail Easements that preserved one of the most historic mining districts in Colorado. The idea that the Land

Use Department was not involved in these real estate transactions is ludicrous. Just ask Dale Case and Andrea Vaughn which Boulder County Department determines what is a legal building site in Boulder County? The main basis for all of these deals with Boulder County was based on the number of legal building sites that were associated with each separate parcel of patented mining claims. Some of these were single mining claims and others consisted of thirty-five acre parcels with numerous patented mining claims under a single deed. These legal building sites were all identified and confirmed by the Land Use Department before the Parks and Open Space Department was willing to discuss the price of each building site.

I sincerely hope that the Boulder County Commissioners will reject the Planning and Permitting Director's determination that the Colorado Milling Company's right to proceed with the mining and milling activities that it has honestly pursued for the last eleven years has been terminated. Furthermore, I cannot believe that Boulder County Commissioners want to jeopardize the preservation of this historic Boulder County Mining District under the Conservation Easements that protect this property.

Very truly yours,

Mark A. Steen

Mark A. Steen

STATE OF COLORADO

Lennberg - DNR, Patrick <patrick.lennberg@state.co.us>

goldtontine sent you Colorado Milling Company Response Documents via WeTransfer

WeTransfer <noreply@wetransfer.com> Tue, Jan 7, 2025 at 5:54 PM
Reply-To: goldtontine@gmail.com
To: patrick.lennberg@state.co.us

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Colorado Milling Company Response Documents

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GZkZTcwNmYwNGI0ZjM2&t_s=download_link&t_ts=1736297327

20 items

BoCo Planning Department Letter to DRMS Regarding DMO.pdf
213 KB

CMC Langenfeld Letter to DRMS Regarding BLM and Forest Service November 29, 2022.pdf
12.5 MB

CMC Left Hand Creek Waterline September 15, 2019.pdf
4.04 MB

CMC Letter Authorizing Ben Langenfeld to Represent CMC.pdf
444 KB

CMC REsponse to DRMS by Ben Langenfeld BLM and Forest Service November 29, 2022.pdf
12.5 MB

CMC Request for Conversion to DMO September 13 ,2022.pdf
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District Court, Boulder County
State of Colorado
1777 6th Street, Boulder, CO 80306
(303) 441-3744

COLORADO MILLING COMPANY, LLC, a Colorado limited liability company, **RENE MURPHY** and **ASHLEY V. STEEN**,

Plaintiffs:

v.

THE COUNTY OF BOULDER, STATE OF COLORADO; THE BOARD OF COUNTY COMMISSIONERS FOR THE COUNTY OF BOULDER; COLORADO; and **ASHLEY STOLZMANN, MARTA LOACHAMIN**, and **CLAIRE LEVY**, in their capacities as members of the Board of County Commissioners of Boulder County, Colorado; **DALE CASE**, in his capacity as Director of Community Planning & Permitting for Boulder County, Colorado,

Defendants

▲ COURT USE ONLY ▲

Case Number: 2024 CV 030813

Div.: Ctrm:

Attorneys for Plaintiffs:
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**AMENDED COMPLAINT PURSUANT TO RULE 106(a) (4)
FOR DECLARATORY JUDGMENT (Rule 57) and
OTHER CLAIMS**

Plaintiffs, COLORADO MILLING COMPANY, LLC, a Colorado Limited Liability Company, RENE MURPHY and ASHLEY STEEN, by and through Counsel, Kennedy Law Firm, Law Offices of **J**ohn R. Henderson, P.C., and Ed Byrne, P.C., hereby submit this Complaint against Defendants the BOULDER COUNTY BOARD OF COMMISSIONERS (the "County Board"), ASHLEY STOLZMANN, MARTA LOACHAMIN, and CLAIRE LEVY (the "Commissioners"), DALE A. CASE (the "Director") (collectively, the "County"), and in support thereof allege and state as follows: (

I. Introduction

A. Parties and Interested Parties

1. Plaintiff, Colorado Milling Company, LLC, is a Colorado limited liability company (hereinafter Colorado Milling" or "CMC") with its main business address in Colorado of 308 E. Simpson Street, Lafayette, CO 80026.

2. Colorado Milling is the title owner of certain real property located in the County of Boulder, Colorado, known as Parcel #145912000123 located at 9523 Sunshine Canyon Drive, in Boulder, Colorado. (hereinafter the "Property under Review").

3. Mark A. Steen, an individual, is a Colorado resident and is the current managing member and registered agent of Colorado Milling. He has been involved with the Property for decades and was the authorized signatory for the property owners involved in the contractual negotiations with Boulder County (with the exception of small parcels owned by his daughter, Ashley Steen, and his companion, Rene Murphy) which are at the core of this action.

4. Ashley V. Steen, an individual, is a resident of California and title owner of certain property located in Boulder, County, Colorado affected by this case.

5. Renee Murphy, an individual, is a resident of Colorado, and title owner of certain property located in Boulder, County, Colorado affected by this case.

6. The Board of County Commissioners of Boulder County (hereinafter the "County Board"), in their capacity as the statutory representatives of the County of Boulder, Colorado ("Boulder County"). C.R.S §30-11-105.

7. The presiding commissioners were Ashley Stolzmann (hereinafter "Commissioner Stolzmann"), Marta Loachamin (hereinafter "Commissioner Loachamin"), and Claire Levy (hereinafter "Commissioner Levy").

8. Dale Case, in his official capacity as the Director of Community Planning & Permitting for Boulder County, Colorado (hereinafter the "Director" or "Director Case").

9. Andrea Vaughn in her official capacity as Long Range Planner acting on behalf of the Director of Community Planning & Permitting (hereinafter "Vaughn").

10. The Bureau of Land Management is an entity whose property rights may be affected by this lawsuit.

B. Jurisdiction and Venue

11. This case involves review of a decision of the County Board, affirming the action of the Director terminating the authorized use of certain property for mining and milling and is subject to Colorado Rule Civil Procedure 106(a)(4)1.

12. This case involves a request for declaratory relief and this Court has jurisdiction pursuant to C.R.S. §13-51-106 :

> **Who may obtain declaration** :Any person interested under a deed, will, written contract, or other writings constituting a contract or whose rights, status, or other legal relations are affected by a statute, municipal ordinance, contract, or franchise may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract, or franchise and obtain a declaration of rights, status, or other legal relations thereunder.

13. .C.R.C.P. 57 also grants this Court authority to hear this case:

> (b) Who May Obtain Declaration of Rights. Any person interested under a deed, will, written contract, or other writings constituting a contract, or whose rights, status, or other legal relations are affected by a statute, municipal ordinance, contract, or franchise, may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract, or franchise and obtain a declaration of rights, status, or other legal relations thereunder.

14. This case involves property situated in the County of Boulder, State of Colorado. Venue is proper pursuant to C.R.C.P. 98 (a) which provides, "All actions affecting real property …shall be tried in the county in which the subject of the action, or a substantial part thereof, is situated.

15. Plaintiffs have complied with C.R.C.P. 16.1 by filing a District Court Civil Cover Sheet for Initial Pleading of Complaint and Notice to Elect Exclusion from C.R.C.P.16.1 Simplified

[1] Usually, a complaint would not include legal citations and analyses; however, since a 106(a)(4) review is in the nature of an appeal, this Complaint cites to case law as well as statutes and rules.

Procedure. Plaintiff further states that this case is not subject to the simplified procedures for court actions under C.R.C.P. 16.1 because their claims against Boulder County exceed $100,000.

II. Overview of the Case

A. Appeal of Determination

16. On March 30, 2023, Vaughn, acting on behalf of Dale Case as Director of Planning & Permitting for the County of Boulder, State of Colorado, issued a Notice of Termination of Nonconforming Use ("Notice of Termination") (Hearing Exhibit 1) based upon the Director's legal interpretation claiming that the Property was in a state of non-conforming use based on a 1997 amendment to the Land Use Code; because Colorado Milling had abandoned that use (mining and milling activities) pursuant to Article 4-1003 (H) of the Boulder County Land Use Code (the "Land Use Code").

17. In support of his action, the Director created and filed with the County Commissioners a "Staff Recommendation Packet" consisting of 331 pages of documents. To aid the Court, reference to documents contained therein will hereinafter contain a PDF page number (i.e. PDF, p. __). Where a separate copy of the Exhibit was filed by other parties, reference will be made to it by Exhibit number or the title of the document.

18. Although mining and milling under a State permit issued prior to 1997 was "grandfathered in" pursuant to Article 4-508 (D) (5) (b), "Any existing subsurface mining operation may continue at its current level, or the mining activity may expand up to the levels approved in its existing state mining permit issued on or before June 10, 1997…", and despite the fact that Colorado Milling continues to maintain its pre-1997 permit(Permit M-1994-117) as an active mining permit, the Director takes the position that (1) mining and milling under this section became a "non-conforming" use under the Land Use Code, making it subject to being "abandoned" pursuant to Article 4-1003(H), "through the discontinuance of the use for an uninterrupted period of six months or more…". *See* Staff Recommendation.

19. Colorado Milling properly appealed the Notice of Termination to the Boulder County Board of Commissioners as Docket No. AP-23-0001.

20. The matter came on for hearing before the County Board on August 29, 2024.

21. Commissioner Levy engaged in an analysis similar to that undertaken in this action and voted not to affirm the Director's act. The other two Commissioners voted to affirm the Director's position, and this appeal requests review of the legal interpretation supporting the Notice of Termination.

B. Interpretation of the Land Use Code.

22. One way to resolve this matter is as a 106(a)(4) appeal based on the hearing record and the explicit language of Boulder's Land Use Code, Article 4-508 (D) (5):

(b), "Any existing subsurface mining operation may continue at its current level, or the mining activity may expand up to the levels approved in its existing state mining permit issued on or before June 10, 1997…".

23. It is undisputed that Colorado Milling continues to maintain its pre-1997 permit (Permit M-1994-117) as an active mining permit.

24. The Land Use Code does not say that "Any existing subsurface mining operation may continue as a *non-conforming use*…", making grandfathered mines subject to the Land Use Code's non-conforming use provisions. The language is explicit and states the activity "may continue." To sustain the Director's position, this Court must re-write the regulation. There is no basis for doing so where the statutory language is clear and unequivocal. Land Use Code, Article 1-1000(A)(1).

25. Section 4-1003 of the Land Use Code governing Nonconforming Uses defines nonconforming use as follows:

> A nonconforming use is any existing use which does not conform to the use regulations of this Code for the zoning district in which such nonconforming use is located, as a result of either:
>
> 1. the adoption or amendment of this Code, or
>
> 2. a final administrative or judicial decision precluding the County from enforcing this Code specific to a use on the basis of estoppel, laches, or waiver.

26. There is no administrative or judicial decision pursuant to 4-1003(A)(2), so we must interpret whether (A)(1) applies.

27. The "use regulation" does not prohibit, but explicitly provides that: "any existing subsurface mining operation may continue" for the life of its existing state mining permit issued on or before June 10, 1997. Such an operation is therefore a conforming use under Article 4-508 (D) (5) (b). Retroactive application to a mine that was deemed "conforming" because it was approved prior to June 10, 1997, of a newly enacted code requirement for Special Review of Subsurface Mining does not convert the grandfathered mining use to "non-conforming" status.

28. Consistently with this interpretation, Land Use Code § 4-1003(C)(1) provides that:

> "[T]he right to continue a nonconforming use terminates immediately when the nonconforming use is enlarged, expanded, etc."

This immediate termination is in direct contradiction to the "rights of use" under an existing state mining permit under Article 4-508 (D) (5) (b) which "may expand up to the levels of the permit."

29. The record clearly shows that no enlargement or expansion of the Colorado Milling mines has occurred or has been proposed.

30. The Land Use Code does not grant the Director discretion to question the "existing state mining permit issued on or before June 10, 1997." Continued activity under this section of the Code is a use by right, not a non-conforming use.2

31. . It is not within the discretion of the Director to deny a use by right. "…Courts are not to be impotent, stand idly by, and allow unrestricted exercise of authority by Boards, not granted by statute or permit the arbitrary and unjustified exercise of discretion.'..." Western Paving Const. Co. v. Board of County Com'rs of Boulder County, 506 P.2d 1230, 181 Colo. 77 (Colo. 1973)

32. This interpretation of Article 4-508(D)(5)(b) of the Land Use Code is the only interpretation which is consistent with the course of conduct of the parties relating to the negotiation and execution of various agreements discussed below between Boulder County and Colorado Milling's predecessors in interest, and with State and Federal law.

C. Declaratory Judgment- The Contracts—Conservation Easement and Restrictive Covenants

33. Plaintiff also challenges the decision of two members of the County Board to affirmthe Director's legal interpretation based on the prior existence and interpretation of contractual documents approved and executed by the Boulder County Commissioners on December 19, 2012 including a "Deed of Conservation Easement in Gross and Restatement of Deed of Conservation Easement" (the "Conservation Easement") (Hearing Exhibit 3, attached hereto as Exhibit A) and a document entitled "Restrictive Covenant Concerning Mining and Milling Operations Running with the Land As to Patented Claims and Operating Agreement not Running with the Land Re Unpatented Claims" (the "Restrictive Covenant3") (Hearing Exhibit 2, attached hereto as Exhibit B) (The Conservation Easement and Restrictive Covenant are hereinafter referred to as the "Land Documents), which created vested property interests allowing use of the Property for mining and milling for 99 years (within the boundaries and subject to the conditions of the Agreement only), covenants which, by explicit language in the contracts, run with the land.

34. In what Boulder County described as a "non-traditional transaction" in a 2012 Acquisition Memo (Hearing Exhibit 5, attached hereto as Exhibit C), Boulder County agreed that the uses for prospecting, mining and milling, as described in the Land Documents, would be "allowed" for a period of 99 years, subject only to compliance with Federal and State regulations, and the very defined terms incorporated in the Land Documents.

35. Remarkably, the Director issued the Notice of Termination claiming that the use of the Property for mining and milling terminated in 2008 (Staff Recommendation, PDF, pp. 3, attached hereto as Exhibit D), prior to the execution of the 2012 Land Documents, and that the Land Documents "***do not grant any rights to Property Owner***" *Id.* at 4. *(emphasis added),* even

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[2]This reading of the Code was relied on, *inter alia,* by Commissioner Levy in her analysis of why the Director's action in Termination the use should be overruled.

[3] The title of this Document alone should make it clear it is a binding agreement running with the land conveying rights to mine and mill.

though the potential for termination as a non-conforming use was not mentioned during negotiations and was not raised as an issue for more than a decade.

36. Should the Court find the Land Documents ambiguous so as to afford access to extrinsic evidence on the issue, the course of conduct of the parties will show that for going on twelve years, the Land Documents were interpreted differently by both Boulder County and the owners/operators of the Property—acknowledging the right to mining and milling activities on the Property as an ongoing, vested use.

D. Preemption by State Statute

37. Additionally, Plaintiff challenges the decision of the County Board based on Colorado Statutes governing (and preempting) Boulder's application of its six month "termination by abandonment" rule, 4-1003(G), as applied to hard rock mining. Colorado's heavily regulated mining industry is subject to specific regulations governing periods of cessation, which are monitored and must be reported to the State of Colorado's regulatory authorities.

E. There Was No Abandonment by Cessation of Activity.

38. Plaintiff challenges the Director's interpretation of what constitutes abandonment in the mining context, and the application of the language of the regulation to the facts presented to the County Board. In this regard, Federal and State definitions occupy the field and preempt more narrow interpretations by Boulder County. Boulder County Land Use Code Article 4-1003(G)(1) provides:

> " [t]he right to continue a nonconforming use terminates as soon as the use is abandoned through the discontinuance of the use for an uninterrupted period of six months or more, as a result of causes within the control of the property owner or their agent . (Emphasis added).

39. The record will show that periodic discontinuances of on-site mining activities during relevant time periods were the result of state and federal regulatory requirements, market fluctuations, weather conditions, labor shortages, capital needs, *inter alia* – causes that were not within the control of the owner or its agents.

F. Additional Claims.

40. Additionally, the following potential claims are alleged: Declaratory Judgment; Breach of Contract (including breach of covenant of good faith and fair dealing); Promissory Estoppel/Equitable Estoppel & Waiver; Rescission by Mutual Mistake; Due Process Violation, Impairment of Contract; and, Regulatory Taking pursuant to United States and Colorado Constitutions.[4]

[4] It is Plaintiffs intent to file a Federal Action given Federal Court Jurisdiction over the Federal Preemption, Takings and Recission claims since the Bureau of Land Management is a indispensable party to these claims and Federal Law provides for Federal Jurisdiction of such matters . *See* Quiet Title Act, 28 U.S. Code § 2409a.

III. Standards of Review

A. Final Interpretation of the Contract is a Matter of Law For the Court

41. C.R.C.P. 106(a)(4) allows the court to review an administrative agency's decision to determine whether the agency acted outside its jurisdiction or abused its discretion.

42. The Colorado Court of Appeals has stated:

> With respect to a land use decision, the county's jurisdiction extends only to the construction and application of its own ordinances, regulations, and procedures and such matters as may be specifically delegated to it by the state or federal governments. The county's jurisdiction does not extend to, inter alia, the construction and applicability of other statutes, regulations, procedures, covenants, reservations, or conditions that may impact the use of the land. Thus, the trial court's review of the county's rezoning decision would not resolve easement issues or preclude a later declaratory judgment with respect thereto.

43. Thus, Boulder County's land use jurisdiction does not presume that it has any specialized expertise in contract interpretation. In fact, because it is a party it has a one-sided view of the proper interpretation of the Documents. No deference need be accorded to Boulder County's interpretation of mutually agreed upon conservation easements and restrictive covenants.

44. Furthermore, as the contracts were executed by the ultimate legal authority for Boulder County, the Board of County Commissioners. Any interpretation by the Director which contradicts, replaces or eviscerates stated and specific terms of the contracts is not within his discretion, and therefore, *ipso facto*, is an abuse of discretion and per se unreasonable.

B. Preemption.

45. "The purpose of the preemption doctrine is to establish a priority between potentially conflicting laws enacted by various levels of government." *County Comm'rs v. Bowen/Edwards Assocs.,* 830 P.2d 1045, 1055 (Colo.1992). Express and implied preemption are "primarily matters of statutory interpretation." *Town of Carbondale v. GSS Props., LLC,* 169 P.3d 675, 682 (Colo.2007).

46. The question of preemption is not within the jurisdiction of Boulder County, but lies with the reviewing court. *Friends of Black Forest v County Commr's of El Paso County*, 80 P.3d 871,876, (Colo. App. 2003)).

C. Abuse of Discretion

47. When a public officer fails to exercise duty-bound discretion, "[c]ourts . . . will direct an officer to proceed and exercise the discretion vested in him by law." *City of Golden v. Parker,* 138 P.3d 285, 292 (Colo. 2006).

48. [P]roperty rights are subject to a kind of tipping point. Before a right vests, property receives one level of protection. But as soon as an owner has done enough to establish a particular use, the property becomes entitled to much greater protection.") *Id*.

49. Therefore, interpretation and application of the Documents is a question of law for the Court.

50. Similarly, whether regulations are preempted by State Statute is a question of law for the Court.

51. Any action by the Director, a subsidiary official, to contradict, replace, modify or eviscerate the specific language of the contracts executed by the County Commissioners is not within his discretion.

IV. Brief Description of the Function and History of the Property

Based on evidence presented to the Commission through testimony, written reports and letters; specifically, letter dated August 14, 2024 from Jim Beck of J.M. Beck & Associates, mining consultants (Hearing Exhibit 10) and Letter dated August 29, 2024 by Mark A. Steen

A. Ownership History

52. At all times relevant to this proceeding, prior to 2013, the Property was owned by Ashley V. Steen, Rene Murphy, Mark A. Steen, or his associates, or companies in his control including, Southern Cross Prospecting Company, a Colorado corporation, Mi Vida Enterprises, a Utah corporation, Gold Reef Mining Company, a Colorado corporation and Gold Hill Mines, Inc., a Colorado corporation. (collectively referred to as the "Grantors")

53. On or about April 30, 2013, the entities conveyed their interests in the Property to Colorado Milling Company, LLC. Ashley V. Steen and Rene Murphy retained their ownership interests in small parcels.

B. The Property

54. In January of 1859, prospectors found gold in a small stream called Gold Run, a tributary of Fourmile Creek. The stream was said to have yielded $100,000 in gold during its first year.

55. Consequently, the town of Gold Hill, Colorado, was established that same year (1859) as the first permanent mining camp in the Colorado mountains.

56. .The Property involved in this case is in the Gold Hill Mining District of Boulder County, Colorado—an area consisting of approximately 210.72 acres under the Conservation Easement, and an additional 43.86 acres of patented claims and 171.86 acres of unpatented mining claims under the Restrictive Covenant and operating agreement, located in the Sections 2,11, 12 and 13,, Township 1 North, Range 72 West, and Section 7, Township 1 North, Range 71 West, 6th P.M., Boulder County, Colorado. (Hearing Exhibit 5/Boulder County Acquisition Memo, Exhibit C, attached), as more specifically described in the various exhibits to the Conservation Easement (Hearing Exhibit 3, Exhibit A, attached) and the Restrictive Covenant (Hearing Exhibit 2,

Exhibit B, attached) (hereinafter, collectively, the "Property"). The Property Under Review is contained within the larger description of the Property5.

57. Patented claims are owned by the property owner including the surface rights and mineral rights. These include building rights. The primary motivation for Boulder County engaging in the agreements was to acquire the development rights for residential homes associated with many of the mining claims included in the Property. That acquisition, by agreement of the parties, caused the only viable economic use of the remaining Property to be mining, milling, exploration and the activities stated in the Land Documents *for a period of 99 years*.

58. Unpatented claims are owned by the locator, subject to the paramount title of the United States until a patent is issued. Such claims are an interest in property. The Bureau of Land Management ("BLM") or the U.S. Forest Service, as the case may be, continue to manage the lands. Unless the lands are withdrawn, prospecting, mining development and processing may occur on those lands subject to regulations published by both agencies, usually requiring an approved Plan of Operation in addition to State permits. The right to continue to own unpatented mining claims is maintained by payment of annual maintenance fees to the U.S. Government, which the owners of the Property have continued to pay annually.

59. In the Gold Hill Mining District, there are three mines with ore reserves that remain in place. The Cash, Rex and Slide mines have ore reserves worth $241 million at precious metal prices of $2,450 oz./gold and $28 oz./ silver. Exploration, development and initial mining costs are estimated to be $26.5 million. (Hearing Exhibit 9, Letter of Mark A. Steen to Jamie Hyland, potential investor).

60. The Cash Mine consists of 24 patented and 6 unpatented mining claims including the Cash, Frieburg, Who Do, Bellevue, White Cloud, Time and Wynona Lodes. It is located eight miles west of Boulder in the Gold Hill Mining District. It has an inclined shaft 761 feet deep with nine levels.

61. Facilities, including a mine, modern mill and ancillary facilities, and the potential for further exploration and development of the mines, represent a multi-million-dollar investment by the Grantors and their partners over several decades.

C. Actions Taken in Furtherance of Mining

62. The Cash Mine, for which the modern-day Gold Hill Mill was constructed in the mid-1980s, has been a noted Boulder County mining operation since its inception circa 1872. The record indicates that the Cash Mine, largely under fixed gold prices, produced gold ore intermittently until early 1968, prior to the permitting era. Since gold and silver traded freely, market fluctuations in the prices of both have been both common and typical, often determining

[5] The Notice of Termination refers to the Property Under Review as being approximately 4.65 acres. However, the ruling affects a much larger acreage as described in the Land Documents.

whether active mining was considered feasible. Market fluctuations are not within the control of operators.

63. With a relatively steady increase in gold prices from 1970 ($US 35.00 per ounce) through 1981, peaking at about $US 675.00 per ounce in 1981 (on a constant dollar basis), the Steen entities acquired the Cash Mine in 1982 and thereafter commenced the permitting of the Gold Hill Mill in 1985, with construction and commissioning of the mill occurring in 1987. At that time, approximately $US 1.75 million (or the equivalent of approximately $US 4.8 million in today's dollars) was invested in the new mill (the subject Gold Hill Mill) and appurtenant facilities.

64. Operations carried out by the Gold Hill Ventures Limited Partnership immediately after the commissioning of the mill focused on the recovery and milling of the Cash Mine historic waste dumps which contained economically recoverable gold, with a secondary objective of restoring the proximally located Cash Mine and Who Do Mine, respectively, to production status. Unfortunately, gold prices, after a two-year period of decline and subsequent rebound, peaked at only $US 475.00 per ounce by late 1987. •

65. Following a lengthy period of depressed gold prices from the mid- to late 1980s, which rendered many U.S. gold mines non-economic and resulted in numerous (temporary) precious metal mine closures nationwide, the Gold Hill Mill was once again re-opened and operated, this time by Colina Oro Molina (circa 1990 to 1997). However, gold prices further declined to about $US 300.00 per ounce by late 1997. Coincident with this period, the entity MINCO, Inc. also evaluated acquisition of the property and initiated permit transfer activities in 1995; however, MINCO did not move forward with the project, largely due to an inability to acquire full title to the Gold Hill Mill itself. •

66. Subsequent to the MINCO effort, the entity ITEC Environmental assumed operator status at the site and ITEC carried out limited pilot-scale milling operations (circa 1997 to 1998), before financial conditions and declining gold prices prohibited full-scale development. Gold prices declined even further immediately thereafter, dropping to as low as $US 260.00 per ounce by mid-1999. Once again, a multitude of precious metal mine closures occurred across the U.S., pending an upsurge in gold prices.

67. The most recent commercial-scale production was carried out circa 2005 through 2008, coincident with a rapid upward trend in gold price ($US 430.00 per ounce in 2005, peaking at about $US 930.00 per ounce in mid-2008); however, operations were suspended in 2008 due to internal financial difficulties encountered by the then-operator, Mount Royale Ventures, as well as again-declining gold prices. Nonetheless, Mount Royale Ventures (the U.S. subsidiary of Consolidated Global Minerals, LLC, a Vancouver-listed stock exchange entity), completed significant surface and underground exploration and mine infrastructure development, inclusive of the driving of a main production adit (converting the former shaft-serviced mine to an adit entry), as well as production of gold concentrates (utilizing the Gold Hill Mill). MRV invested in excess of $US 8.0 million (the equivalent of approximately $US 11.7 million in today's dollars) toward development of the property during this period.

68. Shortly after MRV's exit (i.e., circa 2010), and as gold prices were again rising steadily, Aurora Gold Corporation (a Swiss-financed entity) ("Aurora") acquired the right to operate the Cash Mine and Gold Hill Mill. Aurora carried out extensive surface exploration drilling and completed in-depth project re-development evaluations through 2010 and 2011, when gold prices exceeded $US 1,600.00 per ounce. After approximately two years of exploration and evaluation efforts, and in view of permitting obstacles and limited finances, Aurora discontinued its efforts to again establish commercial production at the Gold Hill Mill and withdrew from the project.

69. In 2015, Colorado Milling, as the current permittee acquired the right to operate the Cash Mine and Gold Hill Mill. This was coincident with the point in time gold prices hovered at or around $US 1,200.00 per ounce, but unfortunately (and unforeseeable to CMC), this was right at the cusp or end of the Chinese "super-cycle" for worldwide commodity (metals) values.

70. Nonetheless, over the ensuing period, 2015 to present, CMC has been diligently prosecuting development of the Cash Mine and Gold Hill Mill project. With the financial backing of a diverse group of investors, CMC has since been engaged in addressing myriad permitting obstacles and related issues. During this period, CMC has: (a) invested an estimated additional $US 2.5 million in rehabilitation and upgrading of the Gold Hill Mill in anticipation of (future) production; (b) successfully addressed an Amendment to the Colorado Division of Reclamation, Mining and Safety (DRMS) permit(s) for the operation; and (c) compiled a required U.S. Bureau of Land Management (BLM) Plan of Operations (POO). All of the foregoing permitting-related obligations have been (collectively) addressed in order to legally re-start milling operations.

71. In this regard, it is of note that during this period of activity (2015 to present), CMC has been statutorily prohibited from actively conducting mining and/or milling operations. It should be clearly evident to Boulder County that the ongoing nature of these permitting (and other) obligations demonstrates diligent and consistent effort toward further development of the Gold Hill property. In no traditional legal sense has either the project or the mining and milling facilities been "abandoned".

72. All of the foregoing project advancement activity has been accomplished by Colorado Milling under the purview of a Colorado Division of Reclamation, Mining, and Safety (DRMS) "Temporary Cessation" status. DRMS administers a rigid regulatory program for hard rock mines such as the Cash Mine and/or Gold Hill Mill. Thus, it should be evident that "Temporary Cessation" status under DRMS regulations does not equate to "abandonment" or "discontinuance of use," nor can an interpretation of county regulations supervene state law regarding the regulation of mining and reclamation activity." Regulatory History" and Timeline of Activities was presented as an Exhibit at the Hearing and is in the County file as "GHM Contemporary Permit History 20230804".

D. History of Permits

73. The following facts are based on the Letter of Mark A. Steen dated August 29, 2024 (Hearing Exhibit 9, attached hereto as Exhibit D), and testimony presented at the Hearing to Boulder County.

74. A “permit” acquired through the Colorado Division of Reclamation, Mining and Safety is not a single document, but contains portions of the entire file including applications, exhibits, submittals, Division comments and responses thereto, and further includes correspondence where the operator makes “commitments of record” to the Division, through approval by the governing body, the Mined Land Reclamation Board, as well as similar documents involved in any amendment. References to “permit” or “permitted” contained herein refer to this larger body of documents.

75. The Gold Hill Mill is a permitted gravity and flotation mineral processing facility, constructed to process ores from certain mines authorized by the Colorado Division of Minerals and Geology and the Boulder County Commissioners.

76. The Gold Hill Mill (MLRD Permit No. M-1994-117) is currently permitted to process gold and silver ores from the Cash and Who Do Mines (MLRD Permit No. M-1983-141)

77. The Cash Mine was permitted by the Colorado Division of Reclamation, Mining and Safety (the DRMS) on July 26, 1995, as Reclamation Permit Number M-1983-141, with a proposed surface disturbance of 2.261 acres of land.

78. The Gold Hill Mill was permitted by the Gold Hill Ventures Limited Partnership as an Amendment to the Cash Mine Permit on September 26, 1985, with an increase of the surface disturbance to 7.638 acres of surface disturbance.

79. The Gold Hill Mill operated under this permit from September 7, 1983 through July 26, 1995, when it was permitted under Permit No. M-1994-117, under which it has been operated to this date.

80. Neither of the permits currently exceeds 9.99 permitted acres, the maximum allowed by statute for a “Section 110” Limited Impact operation.

81. The Cash and Who Do Mines are Limited Impact 110 Permits, denoting a mining operation limited in size to less than 10 acres and extracting less than 70,000 tons of mineral, overburden, or combination thereof on a yearly basis.

82. The permit was transferred to Colorado Milling Company, LLC in August of 2015.

83. Pursuant to State Law, the mill was placed in inactive status. It was returned to active status on August 8, 2018, and has remained active to date, while a Designated Mining Operation has been in process.

84. As of February 7, 2024, Gold Hill Mill is now permitted as a 112(d) Designated Mining Operation. The 112(d) designation does not represent an increase in mine capacity or mill throughput, but, instead, is a classification required by reagents used in the mill and possibly present in process water and mine waste. The 112(d) designation does not represent an increase in mine capacity or mill throughput, but, instead, is a classification required by reagents used in the mill and possibly present in process water and mine waste.

85. Reclamation permits are extant and issued for the life of the operation.

86. Being permitted doesn't mean you can extract minerals from a mine. One must have an approved mining plan.

87. The mining plan for the Property is presently undergoing required review by the Bureau of Land Management and Forestry Service and has been so for the last two years. Permitting for mine operations, including amendments, technical amendments and federal and other state approvals does, and has, taken months and years.

88. As a general matter, the purpose of a mill is to process ore from the mine to remove the valuable mineral constituents resulting in a "concentrate" which is a saleable product in national and world markets. The primary waste is quartz sand which has no value. Concentrate is generally sold to or shipped to a smelter for further processing into metals.

E. The Conservation Agreement

89. Commencing in 2001, Boulder County began negotiations with the Property Grantors to acquire their building rights for open space. Several iterations of agreements were executed, culminating in a 2012 negotiation which resulted in execution of the Land Documents, including the78-page Conservation Easement (Exhibit A, attached), the Restrictive Covenants (Exhibit B, attached), an Operating Agreement and a Recreational Easement, all dated December 19, 2012.

90. The Conservation Easement and Restrictive Covenants are attached hereto as Exhibits A and B and were Exhibit 3 and 2 respectively in the hearing before the Commissioners.

91. Although the copy provided to the Commissioners of the Restrictive Covenants did not include the signature of the County, it is not contested that they executed this document.

92. The Land Documents provide, inter alia, that any future Property owner or operator would have to consent to the terms of the Land Documents.

93. On or about January 31, 2014, Colorado Milling consented to bound by the Land Documents, See Exhibit D, pp. 122-123, entitling Defendants to enforce the covenants contained within the Land Documents " *See, e.g., Taylor v. Melton*, 274 P.2d 977, 980 (Colo. 1954) (Subsequent grantees are proper parties and are entitled to bring an action against each other to enforce the restrictive covenants).

94. Analysis of the Land Documents is contained in the Second Claim for Relief, below.

95. Briefly, the Documents clearly supersede County regulations and bind Boulder County to its contractual agreement that the Property may be used for mining and milling purposes for a period of 99 years.

96. Commissioner Levy clearly understood the ramifications of these Documents and found they entitled Colorado Milling to a reversal of the Directors' Notice of Termination of Use.

97. The Director, in his Staff Recommendation, relies on a single legal case, *Lobato v. Taylor,* 71 P.3d 938, 945 for the proposition that, "A conservation easement cannot grant rights to a property owner." This is a misrepresentation of the cited case, a complete misrepresentation of the applicable law, and a unilateral, self-serving attempt to misrepresent the facts of this case.

98. *Lobato v. Taylor* is the famous case involving indigenous peoples claiming rights to "gather firewood, fish, hunt and recreate" on the land now known as the Taylor ranch in Costilla County. In discussing the "rights at issue" the Court described easements as appurtenant or in gross, an easement "in gross" being "one not belonging to the individual by virtue of her ownership of land, but rather a personal right to use another's property". *Id* at 945. An easement appurtenant, on the other hand, runs with the land.

99. It is simple black letter law that you can't have an easement on your own land, because title would merge. What you can do is grant a party an easement on your land and negotiate, not only to retain rights, but to reserve and guarantee future noninterference with articulated rights, which can even expand rights. In an arm's length transaction between parties with equivalent bargaining power, trade-offs are an essential part of the right to enter into a contract affecting property rights. Conservation easements with governmental entities do not abrogate this essential component of contract law.

100. It is not Colorado Milling that is granted an easement in this case. Colorado Milling is the property owner granting Boulder County a conservation easement. In doing so, Colorado Milling negotiated to retain its right to mine and mill already secured by their existing pre-1997 state permit. To avoid having to obtain new permits from Boulder County following the 1997 revisions to the Land Use Code (absent changes to the operation specifically described in the Land Documents) Colorado Milling negotiated for a covenant that runs with the land guaranteeing their right to mine and mill without Boulder County's interference for 99 years.

101. The Director claims, "the CE [Conservation Easement] and RC [Restrictive Covenant], "do not grant any rights to the property owner nor do they authorize any activities on the property." *See* Staff Report, *supra* at 4. This is a gross mischaracterization of the detailed provisions found in the Land Documents.

102. The only paragraph in these contracts that Boulder County relies on is a recital:

> Grantor and County acknowledge that this Easement is a restrictive document by nature and, as such, this Easement does not grant any rights to Grantor that Grantor did not have prior to the granting of this Easement." **The construction, remodel or replacement of any structure allowed in accordance with this Easement shall be subject to all Boulder County land use regulations in effect at the time that the proposed construction, remodel and/or replacement is to take place, and all required permits and approvals must be obtained. This Easement does not grant Boulder County's approval, automatic or otherwise, *for any development within the limits established in this Easement*, if any, or for any activity regulated by Boulder County land use regulations.**

(Exhibit E, paragraph U, Exhibit F, paragraph L) (Emphasis supplied)

103. As set forth in the Second Claim for Relief, the Documents are replete with very specific covenants setting forth the rights and obligations of the parties:

> **Allowed Prospecting, Mining, and Milling Activities and Operations**: so long as such activities are conducted consistently under an existing permit or prospecting notice of intent filed with the State of Colorado and with the terms of this Easement and create only the surface disturbance specifically enumerated herein, Seller retains the right to conduct prospecting, exploring for, developing, transporting and mining minerals and conducting other mining operations on the Property in order to discover, develop and exploit the mineral resources of the Property…ii. Prospecting, mining, and milling activities and operations may continue on the Patented Mining Claims for a period of 99 years from the date of this Agreement.

Conservation Easement, Exhibit A, paragraph (3)(j).

104. Commissioner Levy dismissed the language cited by the Director as clearly being limited to new construction, remodel, *etc*. but there is another reason the language in paragraph U of the Conservation Easement and paragraph F of the Restrictive Covenant (Exhibit 2, attached) do not abrogate all the affirmative rights retained by Colorado Milling in the Land Documents. Paragraph U and F are mere recitals. To the extent they were relied on by the two commissioners approving the action of the Director, this was an abuse of discretion.

105. Interpretation of a covenant is a question of law requiring de novo review. *Buick v. Highland Meadow Estates at Castle Peak Ranch, Inc.,* 21 P.3d 860, 862 (Colo. 2001). Courts must construe covenants based upon their underlying purpose but will enforce a covenant as written if clear on its face. *Id*. Ambiguities will be resolved in favor of the free and unrestricted use of property. *Id.*

106. Recitals, however, "are not strictly any part of the contract" and cannot "extend" contractual stipulations. *Spring Creek Exploration & Prod. Co. v. Hess Bakken Inv., II, LLC*, 887 F.3d 1003, 1018 (10th Cir. 2018) *citing Las Animas Consol. Canal Co. v. Hinderlider*, 100 Colo. 508, 68 P.2d 564, 566 (1937) (citation omitted); *accord Weingarten Realty Inv'rs v. Miller ,* 661 F.3d 904, 911 & n.11 (5th Cir. 2011) (*citing Las Animas , applying Colorado law)(emphasis added).*

V. Mining Laws

A. Federal Land, Laws and Regulations

107. States can obtain authority to own and manage federal lands within their borders only by federal, not state, law.[6]

[6] 1. U.S. Constitution, Article IV, Section 3, Clause 2:2.
The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State.

108. Known as the “Property Clause” Article IV, Section 3, Clause 2, in broad terms, gives Congress the power to determine what are 'needful’ rules ‘respecting’ the public lands. *See e.g., Kleppe v. New Mexico*, 426 U.S. 529, 539 (1976).

109. In 1872, Congress passed the General Mining Law, which provides citizens of the United States the opportunity as a right to explore for, discover, and purchase certain valuable mineral deposits on federal lands that are open for mining location and patent. The act is generally referred to as the “Mining Law of 1872.”

110. The Mining and Mineral Policy Act of 1970 declares that it is the continuing policy of the federal government to foster and encourage private enterprise in the development of a stable domestic minerals industry and the orderly and economic development of domestic mineral resources. This act includes all minerals.

111. The Federal Land Policy & Management Act of 1976 (FLPMA) did not amend the 1872 law but did affect the recordation and maintenance of claims. Persons holding existing claims were required to record their claims with the BLM, and all new claims and sites were required to be recorded with the BLM. The law gave the BLM information on the location and number of unpatented mining claims, mill sites, and tunnel sites; helped determine the names and addresses of current owners; and helped remove any cloud of title on abandoned claims.

112. Unless federal property lies within a specially designated area (such as Wilderness designation), the policies and procedures of the Mining Law of 1872 remain in force, subject to regulations of the Bureau of Land Management (“BLM”) Title 43 , Subpart B, Chapter II, Part 3830 governs Lode and placer mining claims (see part 3832, subpart B of the same chapter), and mill sites (see part 3832, subpart C, of the same chapter). Id. At (b), and provide instruction for location (part 3832), maintenance (parts 3834 through 3836), amendment (part 3833, subpart B); and Transfer (part 3833, subpart C, and part 3835, subpart B of mining claims or sites on the Federal lands under Federal law.

113. Colorado Milling’s Permits and activities are subject to approval by the BLM when located, in part (as in this case), on unpatented mining claims.

114. A recent (2021) GAO Report to the Chairman, Committee on Natural Resources, House of Representatives, entitled *Hardrock Mining Management* dated June 2021, describes the “Primary Stages of Hardrock Mining”:

115. Figure 1: Primary Stages of Hardrock Mining Governments have developed different approaches to manage mineral exploration, mine development, mineral production, and reclamation.



Text of Figure 1: Primary Stages of Hardrock Mining

1. Mineral exploration usually involves prospecting to locate an area with mineral deposits and exploring these deposits through surveying, drilling, and taking samples to locate and determine the value of mineral deposits. Depending on the type of approach used, acquiring legal rights to explore and mine minerals may involve staking a mining claim, applying for a lease, or filing paperwork to obtain a permit or license.

2. Mine development generally involves evaluating the effects of a proposed mine on the environment, determining ways to mitigate risks associated with mineral extraction, and obtaining authorizations from regulatory agencies. The operator may also be required to provide a financial assurance sufficient to cover the cost of reclamation, should the operator fail to reclaim the site. Once these steps are complete, operators begin constructing mine infrastructure, such as tunnels, buildings, and roads.

3. Mineral production involves drilling, blasting, and hauling ore from mine sites to processing sites. During production, operators crush or grind ore and Page 11 GAO-21-298 Hardrock Mining Approaches apply chemical treatments to extract the minerals of value. The material left after the minerals are extracted—waste rock or tailings (a combination of fluid and rock particles)—is then disposed of, often in a nearby pile or tailings pond. Depending on the type of approach used, governments may collect royalties or taxes from operators.

4. Reclamation Practices can vary by type of operation and governmental requirements but usually involve reshaping and revegetating disturbed areas, minimizing erosion, removing or stabilizing structures to reduce safety risks, and isolating, removing, or controlling toxic materials. For example, capping and revegetating tailings and waste rock piles are steps taken to help control erosion and minimize the potential for

contamination of groundwater from acid rock drainage and other potential water pollution problems. Source: GAO Analysis. | GAO-21-298

116. For more detailed information on the stages and BLM requirements, regulation and oversight, *See GAO , Hardrock Mining BLM and Forest Service Have Taken Some Actions to Expedite the Mine Plan Review Process but Could Do More*. GAO-16-165 (Washington, D.C., Jan. 21, 2016):

117. BLM and the Forest Service generally follow similar five-step processes for reviewing hard rock mining plans: (1) reviewing for completeness of the proposed plan; (2) conducting an analysis under NEPA [National Environmental Policy Act]of potential impacts to the environment, human health, and cultural and historic resources; (3) approving of mine plan; (4) establishing a reclamation bond; and (5) authorizing mine operations. *Id.* p. 11

118. The length of time it took to reach the third step of the five-step mine plan review—the step in which the plan is approved—ranged from 1 month to 11 years. *Id.* at p. 13.

119. These stages were discussed in the hearing by witness Ed Raines. Video timing 40:38.

120. Colorado Milling's State Mining Plans have been approved by the MLRB and are currently pending review from the BLM and Forestry Service[7]**.**

B State Regulations

121. The State has enacted statutory regulations articulating a policy of favoring the rational extraction of minerals in **Title 34 Mineral Resources:**

> **PART 3 PRESERVATION OF COMMERCIAL MINERAL DEPOSITS 34-1-**301. Legislative declaration. (1) The general assembly hereby declares that: (a) The state's **commercial mineral deposits are essential to the state's economy**; (b) The populous counties of the state face a critical shortage of such deposits; (c) **Such deposits should be extracted according to a rational plan,** calculated to avoid waste of such deposits and cause the least practicable disruption of the ecology and quality of life of the citizens of the populous counties of the state. (2) The general assembly further declares that, for the reasons stated in subsection (1) of this section, the regulation of commercial mineral deposits, the preservation of access to and extraction of such deposits, and the development of a rational plan for extraction of such deposits are matters of concern in the populous counties of the state. It is the intention of the general assembly that the provisions of this part 3 have full force and effect throughout such populous counties. *(Emphasis added).*

122. C.R.S. §34-1-302 defines: (3) "Populous county or populous counties of the state" means any county or city and county having a population of sixty-five thousand inhabitants or more according to the latest federal decennial census.

123. Boulder is a populous county.

[7] They have been in this state for over 2 years.

124. C.R.S. §34-1-304. Provides each county must have a Master plan for extraction.

> (1) The **county** planning commission for unincorporated areas and for cities and towns having no planning commission or the planning commission for each city and county, city, or town, within each populous county of the state**, shall**, with the aid of the maps from the study conducted pursuant to section 34-1-303, conduct a study of the commercial mineral deposits located within its jurisdiction and **develop a masterplan for the extraction of such deposits**[8], which plan shall consist of text and maps. In developing he master plan, the planning commission shall consider, among others, the following factors:
>
> (f) **Maximization of extraction of commercial mineral deposits**;
>
> (2) **A planning commission shall cooperate with** the planning commissions of contiguous areas and **the mined land reclamation board** created by section 34-32-105 in conducting the study and developing the master plan for extraction.

(emphasis added).

125. C.R.S.§ 34-1-305 provides for Preservation of commercial mineral deposits for extraction.

> (1) After July1, 1973, **no board of county commissioners**, governing body of any city and county, city, or town, or other governmental authority which has control over zoning **shall**, by zoning, rezoning, granting a variance, or other official action or inaction, permit the use of any area known to contain a commercial mineral deposit in a manner which would **interfere with the present or future extraction of such deposit by an extractor.**
>
> (2) After adoption of a master plan for extraction for an area under its jurisdiction, **no board of county commissioners**, governing body of any city and county, city, or town, **or other governmental authority which has control over zoning shall, by zoning, rezoning, granting a variance, or other official action or inaction, permit the use of any area containing a commercial mineral deposit in a manner which would interfere with the present or future extraction of such deposit by an extractor.**

(emphasis added).

C. The Colorado Mined Land Reclamation Act

126. Article 32 of Title 34 is the "Colorado Mined Land Reclamation Act" (hereinafter the MLRA")

[8]Statutory zoning powers also require compliance with this statute. "(c) The master plan of a county or region shall also include a master plan for the extraction of commercial mineral deposits pursuant to section 34-1-304, C.R.S." Colo. Rev. Stat. § 30-28-106

127. This Act once again states it to be the "policy of this state that the extraction of minerals and the reclamation of land affected by the extraction are both necessary and proper activities. Id at §34-32-102:

128. It is the intent of the general assembly by the enactment of this article to foster and encourage the development of an economically sound and stable mining and minerals industry and to encourage the orderly development of the state's natural resources, while requiring those persons involved in mining operations to reclaim land affected by such operations so that the affected land may be put to a use beneficial to the people of this state

129. Consistent with the Federal description of the stages of mining, the MLRA at§34-32-103 (4) defines development:

> "Development" means the work performed in relation to a deposit, following the prospecting required to prove minerals are in existence in commercial quantities but prior to production activities, aimed at, but not limited to, preparing the site for mining, defining further the ore deposit by drilling or other means, conducting pilot plant operations, constructing roads or ancillary facilities, and other related activities.

130. The statute also establishes a permitting program for mining operations. C.R.S. §§ 34-32-109 through 112.

131. Furthermore, and of profound significance to the case at issue, this State law explicitly governs the cessation of mining operations. C.R.S.§34-32-103(4) provides:

> "Life of the mine" means that **a permit granted pursuant to section 34-32-110 or 34-32-115 may continue in effect as long as:** (I) An operator continues to engage in the extraction of minerals and complies with the provisions of this article; (II) **Mineral reserves are shown by the operator to remain in the mining operation and the operator plans to, or does, temporarily cease production for one hundred eighty days or more if he files a notice thereof with the board stating the reasons for nonproduction, a plan for the resumption thereof, and the measures taken to comply with reclamation and other necessary activities as established by the board to maintain the mine in a nonproducing state.** The requirement of a notice of temporary cessation shall not apply to operators who resume operating within one year and have included, in their permit applications, a statement that the affected lands are to be used for less than one hundred eighty days per year. **(III) Production is resumed within five years of the date production ended, or the operator files a report requesting an extension of the period of temporary cessation of production with the board stating the reasons for the continuation of nonproduction and those factors necessary to, and his plans for, resumption of production. In no case shall temporary cessation of production be continued for more than ten years without terminating the operation and fully complying with the reclamation requirements of this article.** (IV) The board does not take action to declare termination of the life of the mine, which action shall require a sixty-day notice to the operator alleging a violation of, or that inadequate reasons are provided in an operator's report under subparagraph (I), (II), or (III) of this

paragraph (a). In such cases, **the board shall provide a reasonable opportunity for the operator to meet with the board to present the full case and further provide reasonable time for the operator to bring violations into compliance. (b) "Life of the mine" includes that period of time after cessation of production necessary to complete reclamation of disturbed lands as required by the board and this article, until such time as the board releases, in writing, the operator from further reclamation obligations regarding the affected land, declares the operation terminated, and releases all applicable performance and financial warranties.** (hereinafter the "Life of the Mine" Statute).

(emphasis added).

132. At §34-32-105, the MLRA creates a board, which has jurisdiction over all persons and property, public and private, necessary to enforce the provisions of the CMLRA. *Id*. at (4).

133. §34-32-106.defines Duties of board:

.(1) The board shall:

(c) Develop and promulgate standards for land reclamation plans and substitution of affected lands as provided in section 34-32-116.

134. Any entity engaging in a mining operation after June 30, 1976, must first obtain a reclamation permit. C.R.S. §34-32-109.

135. Such a permit is effective for the "life of the particular mining operation" *Id*. at 5(a) but may be amended under certain articulated circumstances. (5)(b)(2).

136. The MLRA contains an express preemption clause:

(6) No governmental office of the state, other than the board, **nor any political subdivision of the state shall have the authority** to issue a reclamation permit pursuant to this article, **to require reclamation standards different than those established in this article**, or to require any performance or financial warranty of any kind for mining operations. The operator shall be responsible for assuring that the mining operation and the postmining land use comply with city, town, county, or city and county land use regulations and any master plan for extraction adopted pursuant to section 34-1-304 unless a prior declaration of intent to change or waive the prohibition is obtained by the applicant from the affected political subdivisions.

(emphasis added).

137. C.R.S. § 34-32-112. Regarding Applications for reclamation permit, changes in permits, fees and notice, provides:

.(1) Any operator desiring to obtain a reclamation permit shall make written application to the board or to the office for a permit on forms provided by the board. **The reclamation permit or the renewal of an existing permit, if approved, shall authorize**

the operator to engage in such mining operation upon the affected land described in such application for the life of the mine.

138. C.R.S. §34-32-103(8) defines "mining operation":

> (8) "Mining operation" means the development or extraction of a mineral from its natural occurrences on affected land.

139. These regulations clearly provide for the continued allowance of mining operations pursuant to a permit unless and until the "life of a mine" has ceased pursuant to the Life of the Mine Statute.

140. Thus, in *Colorado Mining Ass'n v. Bd of County Comm'rs*, 199 P.3d 718, 726, the Colorado Supreme Court found that amendments to the MLRB and its broad language could only be interpreted to grant the MLRB preemptive authority over mining operations as well as reclamation issues:

> Although the word "reclamation" may seem to imply only post-mining activity, the General Assembly granted the Board broad authority to permit and regulate mining operations **both during and after mining activities** occur:
>
> > "Reclamation" means the employment during and after a mining operation of procedures reasonably designed to minimize as much as practicable the disruption from the mining operation and to provide for the establishment of plant cover, stabilization of soil, the protection of water resources, or other measures appropriate to the subsequent beneficial use of such affected lands. Reclamation shall be conducted in accordance with the performance standards of this article.

Id. at 726 *citing* C.R.S. §34-32-103(13) *(emphasis added).*

141. [T]he exercise of local land use authority complements the exercise of state authority but cannot negate a more specifically drawn statutory provision the General Assembly has enacted. *Colorado Mining Association v Bd. Of Cty Comm'rs,* 199 P.3d 718, 730 (Colo. 2009)

D. Boulder County Authority and Regulations

142. Boulder County is a statutory county. Such counties only enjoy "those powers that are expressly granted to them by the Colorado Constitution or by the General Assembly," which include "implied powers reasonably necessary to the proper exercise of those powers that are expressly delegated. *Colorado Mining Association v. Bd. Of Cty Comm'rs,* 199 P.3d 718 (Colo. 2009) *citing County Comm'rs v. Bainbridge,* 929 P.2d 691, 699 (Colo. 1996).

143. Where a state statute and a local ordinance cannot be construed harmoniously, the state statute preempts the local ordinance. *Id*. 724. If a conflict exists and the state statute contains a specific provision addressing the matter the state statute controls over the statutory county's general land use authority. *Id*.

144. Local land use ordinances banning an activity that a statute authorizes an agency to permit are subject to heightened scrutiny in preemption analysis. *Id.* at 725.

145. If this Court finds the Property to be properly classified as non-conforming in the first place (*See analysis below* and First Claim for Relief), the question arises if the County Board can apply its general rule regarding non-conforming property use (finding a use abandoned by six months of cessation of activities), to mining activities which are specifically governed by the above State statutes regarding cessation of activities:

146. Boulder's Land Use Code at issue is:

> **4-1003 (G). Abandonment of a Nonconforming Use**[9]
>
> 1. The right to continue a nonconforming use terminates as soon as the use is abandoned through the discontinuance of the use for an uninterrupted period of six months or more, as a result of causes within the control of the property owner or their agent. Discontinuance of the use shall be a complete cessation of all activity on the property related to the use as determined in relationship to the nature and history of the nonconforming use, based upon available public information on the use. If the nonconforming use is a seasonal use, the use shall be terminated if it is discontinued for an entire single season based upon the history and nature of the use.

146. A similar question is whether Boulder County can interpret its general rule of cessation of permitted activities to narrowly define "mining" as the allowed "use" to only include the act of *onsite* mineral extraction when the Federal and State regulations define mining operations to include development as well, which includes the permitting processes[10].

147. Due to its apparent contradiction of state law and regulation in its tortured concept of the alleged "abandonment" of a mining operation, and, further, its non-traditional definition of "abandonment", generally a question of intent, Boulder County's interpretation of its Land Use Code deserves heightened scrutiny.

148. The irony here is that the Code provision Boulder seeks to apply is even contradicted by its own more specific regulations on mining.

149. When the State permits were obtained, mining was a use by right under the Boulder land use code. In 1997, Boulder County adopted Article 4-508 on Mining Uses. It explicitly provides for continued use under State permit:

Any existing [existing as of 1997, when the provision was enacted, as is the case here] subsurface mining operation may expand up to the levels approved in its existing state mining permit issued on or before June 10, 1997.

---

[9] This regulation is sometimes hereinafter referred to as "Boulder's Six Month Cessation Regulation."

[10] Notice the clipboard icon for the development state in the GOA report—this stage is about paperwork.

150. This specific regulation recognizes the vested rights inherent in a State permit, meets the general policy of providing for rational extraction of minerals, and is consistent with deferring to the State rules regarding cessation.

151. Boulder County's Plan for Extraction of Minerals (hereinafter "Master Plan") appears in the Boulder County Comprehensive Plan:

> GE 2.09 Subsurface Mining in Montane and Alpine Subprovinces. Whereas subsurface mining in the Lode Mineral Areas in the recent past has been, and in the foreseeable future will probably remain ,of limited scope and impact, it shall presently be **county policy to consider subsurface mining in the Montane and Alpine Subprovinces** (as defined in the Geology Element background information)and its accessory activities, **to be a permitted land use subject to the procurement of an appropriate administrative permit in compliance with attendant criteria.**
>
> **However**, whereas the lode mineral deposits of Boulder County are of such magnitude and diversity that **it is conceivable that subsurface mining of major scope and impact may be initiated,** the county shall continuously monitor and evaluate the scope of subsurface mining in said Subprovinces and, on recommendation from the county Planning Staff or by petition from the citizens of the county, **the county Planning Commission may recommend to the Board of County Commissioners that such subsurface mining be regulated** and that the county land use regulations be so amended.

(*emphasis added*).

152. The Property is within the Montane or Alpine Subprovinces. Thus, "subsurface mining…and its accessory activities [is] a permitted use." The "appropriate administrative permit" as specified in the Land Use Code, for properties permitted before 1997, includes Colorado Milling's State Permit.

153. The only way to read Boulder's Master Plan in accordance with State law and to give implementation to the Land Use Code is to find that subsurface mining and attendant activities (i.e. milling) are conforming uses, subject only to compliance with existing State permits. This is a harmonious reading which is required if it can be accomplished.

154. Boulder County exceeded its jurisdiction when it advanced the language of the Nonconforming section of their Land Use Code (4-1103) over their own Master Plan and Code section on subsurface mining (4-508).

155. By defining mining as a use to include only the third stage of hardrock mining, (actual extraction), Boulder County is overreaching. Its ability to do so contravenes Federal and State regulations which preempt such an interpretation and constitutes an impermissible interference with State mining regulations.

FIRST CLAIM FOR RELIEF
106(a)(4) Review/Abuse of Discretion
(Construction of the Land Use Code)

156. Paragraphs 1through 155 are incorporated herein by reference.

A. The Land Use Code Provisions Can Be Read Harmoniously By Determining a Permitted Mining Property to Be a Conforming Use

157. The explicit language of Boulder's Land Use Code, Article 4-508(D)(5)(b) states:

> (b), "Any existing subsurface mining operation may continue at its current level, or the mining activity may expand up to the levels approved in its existing state mining permit issued on or before June 10, 1997…".

158. It is undisputed that Colorado Milling continues to maintain its pre-1997 permit (Permit M-1994-117) as an active mining permit.

159. The Land Use Code does not say that "Any existing subsurface mining operation may continue at its current level [*as a non-conforming use*]…", making grandfathered mines subject to the Land Use Code's non-conforming use provisions. The language is explicit and states the activity "may continue." To sustain the Director's position, this Court must re-write the Code provision. There is no basis for doing so where the statutory language is clear and unequivocal. Land Use Code, Article 1-1000(A)(1).

160. Section 4-1003 of the Land Use Code governing Nonconforming Uses defines nonconforming use as follows:

> (B) A nonconforming use is any existing use which does not conform to the use regulations of this Code for the zoning district in which such nonconforming use is located, as a result of either:
>
> 1. the adoption or amendment of this Code, or
>
> 2. a final administrative or judicial decision precluding the County from enforcing this Code specific to a use on the basis of estoppel, laches, or waiver.

161. There is no administrative or judicial decision pursuant to 4-1003(A)(2), so we must interpret whether (A)(1) applies.

162. The "use regulation" does not prohibit, and, in fact, explicitly provides that: "any existing subsurface mining operation may continue" for the life of its existing state mining permit issued on or before June 10, 1997. Such an operation is therefore a **conforming use** under Article 4-508 (D)(5)(b).

163. Retroactive application to a mine that is "conforming" because it was approved prior to June 10, 1997, of a newly enacted code requirement for Special Review of Subsurface Mining does not convert the grandfathered mining use to "non-conforming" status.

164. Consistently with this interpretation, Land Use Code § 4-1003(C)(1) provides that, "the right to continue a nonconforming use terminates immediately when the nonconforming use is enlarged, expanded, etc." This is in direct contradiction to Plaintiffs' rights to continue their mining use under the existing state mining permit under Article 4-508(D)(5)(b) which "may expand up to the levels of the permit." The record clearly shows that no enlargement or expansion of the Colorado Milling mines has occurred or has been proposed.

165. Thus, the Land Use Code does not grant the Director discretion to question the "existing state mining permit issued on or before June 10, 1997." Continued activity under this section of the Code is a use by right, under the Code and the Conservation Easement and Restrictive Covenants. It is not now, and has never been a non-conforming use simply because the County passed regulations that are, explicitly, not applicable to pre-1997 state-permitted operations, and that were also anticipated and approved in great detail during negotiation of the Conservation Easement and Restrictive Covenants..[11]

166. It is not within the discretion of a director to deny a use by right. "…Courts are not to be impotent, stand idly by, and allow unrestricted exercise of authority by Boards, not granted by statute or permit the arbitrary and unjustified exercise of discretion.'..." *Western Paving Const. Co. v. Board of County Com'rs of Boulder County*, 506 P.2d 1230, 181 Colo. 77 (Colo. 1973)

167. This interpretation of Article 4-508(D)(5)(b) of the Land Use Code is the only interpretation which is consistent with the course of conduct of the parties relating to the negotiation and execution of various agreements discussed below between Boulder County and Colorado Milling's predecessors in interest, and with State and Federal law.

168. Another way to view the relationship of the two provisions is to recognize that the 1997 law did not raise an issue of conformance of property zoned forestry—mining is still an allowed use on the Property—but of compliance—Boulder County wants the landowner to get a permit. In the absence of expansion or enlargement of the mining activities and operations approved under pre-1997 State permits and anticipated and approved.in the negotiations that resulted in the 2012 Conservation Easement and Restrictive Covenants, no application for use review approval is required.

169. Moreover, where the approved mining operations do not constitute a non-conforming use, Land Use Code Section 4-1003(G) regarding termination by Abandonment of a nonconforming use is clearly not applicable.

170. It is requested that this Court determine that Colorado Milling has a use by right to mine and mill the Property pursuant to the explicit language of the Boulder Land Use Code. As long as Colorado Milling maintains an active State permit and does not expand or enlarge its mining operation, its use is a conforming use under the Land Use Code and does not trigger the provisions of Article 4-1003(G) of the Land Use Code.

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[11]This reading of the Code was relied on, *inter alia,* by Commissioner Levy in her analysis of why the Director's action in Termination the use should be overruled.

B. The Uses of Prospecting, Mining and Milling On the Property Were Never Abandoned

171. Only if the permitted use of the Property for mining and milling is found to be nonconforming, do we need to move on with the analysis.

172. Interpreting the use under existing State permit as a conforming use is in accord with the language of Boulder County's Master Plan, State statutes and Federal laws and policies; furthermore, it is consistent with the construction given to the language by the parties prior to the current controversy. *See* Course of Conduct, below, specifically the 2005/2006 Baseline Report (Exhibit F, attached) stating (during a time when no processing of ore was occurring) that "[T]his is an active mine operated by Mount Royale Ventures just below the Cash Mine. It is within the conservation easement and ***is a permitted land use****." (emphasis added).*

173. To claim abandonment, Boulder County Relies on Land Use Code Section 4-1003:

> (G). Abandonment of a Nonconforming Use
>
> 1. The right to continue a nonconforming use terminates as soon as the use is abandoned through the discontinuance of the use for an uninterrupted period of six months or more, as a result of causes within the control of the property owner or their agent. Discontinuance of the use shall be a complete cessation of all activity on the property related to the use as determined in relationship to the nature and history of the nonconforming use, based upon available public information on the use. If the nonconforming use is a seasonal use, the use shall be terminated if it is discontinued for an entire single season based upon the history and nature of the use.

174. Boulder County applies an extremely narrow interpretation of mining and milling. In the Staff Recommendation, the County states, "Based on its review, the county determined that mining and ore processing had not been conducted on the Property for at least 14 years." Exhibit D at p. 3. Therefore, it issued the Notice of Termination.

175. The code section requires, "a complete cessation of all activity on the property related to the use as determined in relationship to the nature and history of the nonconforming use."

176. Federal law and regulations include the development stage (obtaining permits, developing plans in accordance with regulatory agencies, *etc.*) to be a part of the "mining operation." It should be obvious that no actual ore processing can occur prior to obtaining the required permits, which, at the Federal level alone can take up to 11 years.

177. Likewise, State law and regulations define the Life of a Mine to include the development stage and specifically provide that periods of cessation do not mean the termination of mining activity.

178. Aside from the preemption issue addressed below, it is only logical that a permitted use must include the activities necessary to pursue that use legally. It would be unlawful for any proposed mine to "continually engage" in ore processing while maneuvering through the permitting processes. *See* Letter from Colorado Mining Association, Exhibit G, attached..

179. Boulder County knows this. Throughout the twenty-two years of negotiating for open space conservation easements on the Property, it acknowledged, during a time when no processing of ore was occurring because the State permit was being amended, that ***"[T]his is an active mine operated*** by Mount Royale Ventures just below the Cash Mine. It is within the conservation easement and is ***a permitted land use***." *(emphasis added). See* Course of Conduct, below, specifically the 2005/2006 Baseline Report, Exhibit F, attached, at pp. 10-11.

180. The record is replete with factual proof of the actions of the various Grantors and operators of the Property to keep the State permit active requiring a finding that no abandonment has occurred. Boulder County looked only to whether ore was being processed.

WHEREFORE, it is requested the Court enter an Order reversing the Determination of the Director that Plaintiffs' mine is a nonconforming use and has been terminated by abandonment, for attorneys fees (including but not limited to fees under C.R.S. §13-17-102) and costs and for such other and further relief as the Court may deem just and proper.

Second Claim for Relief
(Abuse of Discretion/Declaratory Judgment)
Construing the Land Documents

A. Law and Construction

181. Plaintiff incorporates paragraphs 1 through 180 as if restated herein.

182. When asked by Commissioner Levy if the Land Use Code could be altered to grant vested rights by agreement, Director Case responded that they could, if the agreement was specific.

183. The agreements at issue are the Land Documents described in this Complaint and executed by Boulder County and Colorado Milling's predecessors in interest.

184. While certain development rights are vested by statute, this does not abrogate common law vesting by contract or estoppel. A vested right "must be a contract right, a property right, or a right arising from a transaction in the nature of a contract which has become perfected to the degree that it is not dependent on the continued existence of the statute" or common law. *City of Golden v. Parker*, 138 P.3d 285 (Colo. 2006) *citing* 1A Norman J. Singer, Sutherland Statutory Construction § 23.35 (6th ed.2002).

185. "The prohibitions on the creation of vested property rights did not preclude creation of vested contractual rights." *City of Golden v. Parker*, 138 P.3d 285 (Colo. 2006.)

186. Construction of a covenant is a question of law. When interpreting a restrictive covenant, courts must "follow the dictates of plain English." Courts will enforce a covenant as written that is clear on its face. Courts construe covenants as a whole, keeping in mind their underlying purpose. When interpreting an unclear covenant, courts resolve all doubts against the restriction and in favor of free and unrestricted use of property. *Buick v. Highland Meadow Estates*, 21 P.3d 860 (Colo. 2001) (*citations omitted*).

187. Unlike personal covenants, which operate like a general contract provision and bind only the actual parties to the covenant, real covenants "run with the land[12]" and burden or benefit successors in interest. *Id.* at __ *citing Cloud v. Ass'n of Owners*, 857 P.2d 435 (Colo.App.1992).

B. The Conservation Easement

188. The Conservation Easement is filed of Record in Boulder County.

189. Paragraph 18 of the Conservation Easement states as follows:

> **Grant in Perpetuity**. Grantor acknowledges that this Easement constitutes a real property interest immediately vested in County and **the covenants as set forth herein shall run with the land in perpetuity** and be binding upon the Parties hereto, their heirs, successors, representatives, and assigns and all person who may hereafter acquire an interest in the Property….

190. The most explicit covenant in the Agreement granting Colorado Milling rights vis-a-vis the County as vested rights are at paragraph 3(j):

> **Allowed Prospecting and Mining Operations**:"
>
> So long as such activities are conducted under an existing permit or prospecting notice of intent filed with the State of Colorado and consistently with the terms of this Easement and create only the Minor Surface Disturbances specifically enumerated herein, Grantor retains the right to conduct prospecting, exploring for, developing, transporting, and mining minerals and conducting other limited mining operation of the Property for a period of 99 years from the date of this Easement in order to discover, develop, and exploit the mineral resources of the Property within the limitations described herein.

191. Paragraph 3(j) (i) through (xv) contain specific requirements which are as thoroughly vetted as any special use review would be likely to require.

192. Elsewhere, the Conservation Easement is replete with acknowledgements that Plaintiffs' mining operations and activities are expressly recognized and vested by the agreement:

[12] The only covenants in this case that do not run with the land are those involving the unpatented mining claims in which the BLM retains an interest, based on explicit BLM regulations. See Restrictive Covenant. These do not involve the mines or the mill.

Recitals[13]

C. County agrees to allow Grantor to conduct limited prospecting and mining operations, as described in more detail herein and pursuant and subject to state statute, in certain areas of the Property that will result in minor surface disturbances to the Property including utilities, roads, exploratory drilling, removal of historic waste rock mine dumps, and construction of escape-ways ("Minor Surface Disturbances"), as more particularly described in Paragraph 3 herein , and to otherwise limit the surface disturbance and structures associated with prospecting and mining operations upon the Property.

D. Grantor also intends to conduct prospecting and mining operations on other real property Grantor owns and unpatented mining claims ("Unpatented Mining Claims") that Grantor controls that will include surface disturbances of major scope ("Major Surface Disturbances"), such as mine portals, waste rock mine dumps, equipment storage areas, mine structures and settling ponds associated with Grantor's prospecting and mining operations. Grantor has agreed with County to limit such surface disturbance in accordance with a separate Restrictive Covenant Concerning Mining and Milling Operations Running with the Land as to Patented Claims and Operating Agreement not Running with the Land Re Unpatented Claims (the "Restrictive Covenant[14]") executed contemporaneously with this Easement.

E. Grantor and County agree that no Major Surface Disturbances may occur on the Property itself. To that end the Restrictive Covenant defines all areas where Major Surface Disturbances may occur (the "Areas of Major Surface Disturbance"), none of which are on the Property. The Areas of Major Surface Disturbance are the focal point of mining activities associated with the Property and are associated with particular mining groups as detailed on Exhibit H and as generally depicted on Exhibit I ("Mine Groups" or individually, "Mine Group")

F …only the Restrictive Covenant shall encumber the Areas of Major Surface Disturbance…

(emphasis added).

193. And the other body of covenants, being the controlling part of the Conservation Easement, are equally as clear:

---

[13] While these are "recitals" and, therefore, "are not strictly any part of the contract" and cannot "extend" contractual stipulations, they reveal the general intent, purpose and understanding of the parties. *See e.g., Spring Creek Exploration & Prod. Co. v. Hess Bakken Inv., II, LLC*, 887 F.3d 1003, 1018 (10th Cir. 2018)

[14] The title of this Document alone should make it clear it is a binding agreement running with the land conveying rights to mine and mill.

1. **Purpose.** It is the purpose of this Easement to allow prospecting and mining operations, activities and uses on the Property…and to preserve the Property from future development, except for prospecting and mining as allowed herein .

194. Paragraph 2 is titled "Affirmative Rights Conveyed" and states at (c): the County may enter upon the Property only "in a manner that will not unreasonable interfere with the proper uses being made of the Property…"

Allowed Uses and Practices. This Easement shall confine the future use of the Property to the continuation of prospecting and mining…The following uses and practices are allowed under this Agreement:

(a) Structures…

(d) Maintenance, repair, replacement and use of all roads and trails existing as of the date of this Easement…as necessary to conduct prospecting and mining operations on the Property …Grantor may maintain and improve existing mining roads in connection with prospecting and mining operations allowed by this Easement. To the extent reasonable necessary to perform the prospecting and mining operations allowed by this Easement…[Grantor may improve roads]. This paragraph goes on to state that the County, in its discretion, may deny new road construction. Grantor is to get permits only for "new roads" constructed "in connection with "prospecting and mining operations allowed by this Easement."

195. At (f):

County retains the right to review and approve or deny "applications from the Grantor for uses neither expressly granted nor specifically prohibited by this easement [thus acknowledging that some uses are expressly granted]…but which may be conducted in a manner "consistent with prospecting, mining, and open space as the primary use of the Property." This language specifically and expressly acknowledges that Grantor need not make application for prospecting or mining.

There is no reference to ever needing to apply or re-apply for the uses explicitly provided for in the Agreement

C. The Restrictive Covenant

196. In many of the recitals, this document mirrors the language of the Conservation Easement.

197. In the body of the Covenants, the purpose is consistent:

Purpose. It is the purpose of this Agreement to allow prospecting, mining and milling activities and operations on the Property, and to preserve the Property from future development except for prospecting, mining, and milling activities and operations allowed herein.

198. The body of the Covenants is detailed and thorough as to the rights of Colorado Milling regarding both minor and major surface disturbance:

> **3. Allowed Uses and Practices**. This Agreement shall confine the future use of the Property to the continuation of prospecting, mining and milling, forestry, wildlife habitat, open space and the other related or compatible uses that are described herein. The following uses and practices are allowed under this Agreement:
>
> (a) Structures. (i) through (iii)
>
> (iv) The construction, remodel or replacement of an structure allowed in accordance with this Paragraph shall be subject to all Boulder County land use regulations in effect at.the time of the proposed ***accessory*** use[15].
>
> (v) Nothing in this Agreement shall prohibit use of the structures for uses accessory to prospecting, mining, and milling activities and operations allowed by this Agreement subject to the Seller's compliance with all Boulder County regulations at the time of the proposed accessory use.
>
> (b) [tree management]
>
> (c) [road maintenance]
>
> (d) Construction, maintenance, repair and replacement of [trails]
>
> (e) Installation, maintenance, repair, removal, relocation and replacement of utility mains, lines (including above-ground water lines for mine de-watering) and underground facilities…
>
> (f) Use of pesticides…
>
> (h) Fencing…

199. Of all of these "uses and practices" allowed by the Agreement, the only ones that mention compliance with Boulder Land Use regulations are the building of structures for accessory use at (a)(v) above, and (g) "Seller retains the right to apply to the County for permission to conduct other uses and activities on the Property that are neither expressly retained nor specifically prohibited by this Agreement…

200. Finally, at 3(i) the Restrictive Covenant states:

> **Allowed Prospecting, Mining and Milling Activities and Operations**. So long as such activities are conducted consistently under an existing permit or prospecting notice of intent filed with the State of Colorado…Seller retains the right to conduct prospecting, exploring for, developing, transporting and mining minerals and conducting other mining operations on the Property within the limits described herein:

[15] This language clarifies the recital language relied on by Boulder County by restricting the application of Boulder land use regulations to new construction or remodel.

201. Notably, despite these lengthy agreements, and the fact the Boulder Land Use Code provision regarding subsurface mining had been in place for 15 years, there is no reference in the Land Documents (1) that the uses contained in the Land Documents are or might in the future be deemed "non-conforming;" or (2) that any local permit would be required for the described mining and milling activities which had been approved by the State permit.

202. In other words, the Land Documents are 100% consistent with Colorado Milling's understanding that the Boulder Land Use Code recognized mining activities pursuant to an existing State permit as a conforming use.

203. The best term to describe the immediate reaction of the drafters, negotiators and signors of the Land Documents to the Director's Notice of Termination is gob-smacked.

204. These detailed; lengthy documents took years to negotiate and draft. Every possible contingency was discussed at length, resolved and reduced to writing, and there was never any reference, expressed or implied, that the County might eventually implement a secret plan—an ace up its sleeve if you will—to terminate the mining and milling uses unilaterally.

205. Reading the language of the Land Documents there is no ambiguity—the Covenants grant Colorado Milling the right of use of the Property for mining and milling for 99 years pursuant to the terms of State permits.

D. -Agreement as Permit Equivalent For Existing Permitted Operation

206. The general authority for the regulation of mining and reclamation is vested with the DRMS and the Mined Land Reclamation Board by statute.

207. The County's exercise of its Land Use authority is in supplementation of State statute and cannot contravene or pre-empt State statute and regulation.

208. In negotiating the Land Documents, Boulder County was able to obtain limitations, restrictions and operational covenants concerning the extent, footprint, nature and situs of mining, milling, prospecting and development operations in excess of what it could have required in a Special Use Review.

209. As admitted by the Director and Assistant County Attorney, such *specific* terms of conservation easements could supersede the Land Use Code.

210. The terms negotiated between the Grantors and the County over months were very specific.

211. As such, the contracts functionally operate as a permit equivalent as to the operations contemplated in detail by the diligently negotiated and executed Conservation Easement and Restrictive Covenants.

212. The Land Documents operate as a functional permit equivalent for the then existing mining, milling and prospecting operation de facto recognizing the compliant nature of the operations, which forestalls a unilateral retroactive determination either that the operations were then non-compliant, non-conforming or abandoned, as to which Plaintiffs seek declaratory relief.

The Land Documents recognize the mining, milling and prospecting uses as existing uses, ongoing uses, and State permitted uses. Each of these distinctions demonstrate the unjustified actions taken by the Director and described above.

E. The Course of Conduct of the Parties Prior to Execution of the Land Documents and in the Intervening Decade

213. For a period of over ten years after execution of the Land Documents, there was not a whisper out of Boulder County that it considered the mining and milling activities allowed under the Conservation Easement and the Restrictive Covenant to be "non-conforming uses." But the interpretation of the Land Use Code goes further back than that.

214. As noted in the Acquisition Memo (Hearing Exhibit 5, attached hereto as Exhibit C) drafted by Boulder County, the Land Documents:

> "represent[s] the 3rd and final step in acquiring Mr. Steen's inholdings in the Big Horn Mountain area, which are owned by several associates of Mr. Steen and companies controlled by Mr. Steen (collectively the "Seller). The County purchased approximately 336 acres of mining claims from the Seller in 2001 (the Steen/ITEC open space transaction) and, in 2003/2004, the County acquired a conservation easement over another approximately 118.1 acres (known as the Steen CE and located adjacent to the Steen 2 CE Property. ***In all three transactions, the Seller required the ability to continue and expand mining operations.***

(emphasis added).

215. At paragraph G. of the Recitals in the Conservation Easement it is acknowledged:

> "[t]his Easement shall constitute the original instrument for the conveyance of the conservation easement over the Third CE Parcel, and an amendment and restatement of the terms of the conservation easement over the Amended First CE Parcel and Amended Second CE Parcel.

216. Thus, there is a period of 22 years during which Boulder County did not claim that the Property was in a nonconforming status under its Land Use Code.

217. During much of the time the mine was permitted, but not actively engaged in ore processing, other mining related activities on the site continued. *See* Hearing Exhibit, Sylvia Pettem Cash Mine history (Hearing Exhibit 11, attached hereto as Exhibit H).

218. A Baseline Report was prepared regarding the 2004 Conservation Easement. It purports to describe the "existing conditions" on the property at the time.

> 1.1 Introduction
>
> Land uses on the Property are reviewed in the context of comparing conditions on the Property at the time of the grant of Conservation Easement to the Prohibited Uses and Reserved Rights sections in the Deed of Conservation, and to provide basic real estate information.

1.2 Land Uses on the Property

> ***The Property has historically been mined and portions are currently being mined***. Mining activity has been subsurface hard rock mining, searching for gold. ***They have four current locations for mining activities***.
>
> ***Current mining activities are being conducted by Mount Royale Ventures, LLC***

Exhibit F at p. 6 *(emphasis added).*

219. A Baseline Report p. 5 indicates a site view on November 7, 2005 and April 19-20, 2006.

220. In the report, Boulder County refers to "active mining areas" on the Property located near the historic St. Joe Mine. *See* Exhibit F at p. 9, section 4.3. "Portions of all four active mining areas are located on the Property. There are structures associated with the ***active mining activities*** that are located on the Property."

221. At this time, there was no production occurring. The Mill was not processing ore and no ore was being removed from the mine. In other words, development work only was occurring, and this is defined by Boulder County as "active mining."

222. Thus, Boulder County itself defines active mining in accordance with the Federal and State definitions.

223. During this time period, activity was occurring regarding the permitting of the mining operations.

224. The Baseline report Index 5, Ground Photograph Page 6A is a photo described as:

> Subject: This is an active mine operated by Mount Royale Ventures just below the Cash Mine. It is within the conservation easement ***and is a permitted land use***.

225. Again, at this time, no ore was being processed. Thus, the County's interpretation of the meaning of "active mining" was consistent with that of Federal law and State regulations that development and permitting activities are "active mining" for purposes of the Land Use Code.

226. Given this admission, the County's position that the mining use was abandoned during some indeterminate six-month period occurring between 2008 and 2023 is both groundless and frivolous and without reasonable justification.

227. In 2005, an application was filed for an amendment to the Cash mine with the DRMS and, as required by law, a copy was filed with the Boulder Land Use department. They signed receipt on May 26, 2005.

228. Dale Case, Chief of Planning at that time for the Land Use Department, reviewed the application and issued a demand letter dated 6/7/2005 insisting that MRV go through the County's Land Use Review and obtain a permit under Boulder's Land Use Code.

229. The County acquiesced after counsel for MRV responded by letter that the State permit was controlling under the County regulations (See Hearing Exhibit 17, attached hereto as Exhibit I) acknowledging that an issued State permit is all that is required under the County regulations.

230. In 2012, with the 2005 dispute clearly in mind, the parties negotiated the final Conservation Easement and the Restrictive Covenant.

231. Boulder County now takes the position it was not aware that there was no actual ore processing on the Property at the time of the acquisition of the Conservation Easement or thereafter until it received a Notice in 2023. *See* Exhibit D, p. 5:

> At the time the County entered into CE and RC, it had not analyzed whether the nonconforming use had terminated. Neither the property owner nor BCPOS were involved in any land use process, and the county did not have any impetus to analyze the uses on the property prior to receiving the referral related to milling activities.

232. The position is belied by the Baseline Report. The County was actively monitoring the Property from 2001 forward as it negotiated the various easements. Not only did it not take the position that a cessation of production was non-conforming, it actually admitted that preparation for mining by way of developing a mine plan and obtaining permits, was "a permitted land use."

233. The position is also belied by the Acquisition Memo (Hearing Exhibit C, attached) which requires the operator to "revise the existing mine permit to be wholly contained within the maximum permit boundary defined by the documents" "[p]rior to commencement of substantive mining activities*". Id*. General Terms and Concepts, (C) Post-Closing Matters.

234. Additionally, the Acquisition Memo references, "periods of active mining" wherein trail use may be interrupted, acknowledging that there will be periods without "active mining." without triggering new county permit requirements.

235. As noted in the Acquisition memo, the state permit had to be revised and amended—for several reasons. One was to meet Boulder County's requirement to include and exclude properties from the permit as required by the Land Documents.

236. On April 30, 2013, The Mined Land Reclamation Board issued a Notice of Temporary Cessation, *See* Exhibit D, at 9, directed to the County Commissioners of Boulder County, explicitly informing them that the then operator, Gold Hill Mines, Inc. had filed a Notice of Temporary Cessation regarding the "Cash and Who Do mining operation, and the matter would come on for hearing on June 12, 2013."

237. The cessation was granted without objection.

238. An internal document from after the closing, Hearing Exhibit 6 (attached hereto as Exhibit J) shows proposed trails and notes, that the trails, after construction may be "closed by Grantor for longer periods as described in the Purchase Agreement and Trail Easement documents…should active mining resume." Again, indicating they knew there would be periods of inactivity and periods of active mining, yet no mention was made of "terminating" the use.

239. During the initial period of State cessation, in 2017, Colorado Milling filed an Application for an Amendment to the Gold Hill Mill's Limited Impact 110(2) Permit No. M-1994-117. As required by the Mined Land Rules and Regulations, Colorado Milling filed a copy of the Amended Permit Application with Boulder County[16].(*See Hearing Exhibit 8* marked as received by Boulder County on December 19, 2017) This notice included specific language that "in order to preserve your right to a hearing before the Board on this Application, you must submit your written comments on the Application within ten (10) Days after the date of the Applicant's newspaper publication."

240. Boulder County did not attend any of the Public Hearings in Denver regarding the Application and did not submit objections or comments. *Id.*

241. On September 18, 2019, the Division of Reclamation, Mining and Safety approved the Amendment Application for the Gold Hill Mill. The size of the permit (as anticipated by the Boulder County Acquisition Memo) was increased from 8.4 acres to 9.2 acres to account for the installation of the water pipeline from Left Hand Creek to the Times Mine portal. Testimony of Mark A. Steen, dated August 29, 2024.

242. Consequently, prior to 2019, not only was the County aware of the cessation, it required there be no activity under the Land Documents pending amendment of the State Permit while agreeing to the "allowed use" language of the Land Documents.

243. Had the County secretly kept their position that the Property was in non-conforming status so as to trigger Boulder County site review as an ace up their sleeve with the intent to bring it out in the future, we would be looking at claims sounding in fraud.

244. Colorado has long recognized the rule that in construing a contract, the courts will follow the construction placed upon it by the parties themselves. *East Ridge of Fort Collins, LLC v. Larimer & Weld Irrigation Co.,109 P.3d 969, 975 (Colo. 2005) citing Greeley & Loveland Irr. Co. v. McCloughan*, 140 Colo. 173, 342 P.2d 1045 (1959). "Thus, we have found the conduct of the parties before the controversy arose to be a reliable test of their interpretation of the agreement*." Id. citing Town of Estes Park v. N. Colo. Water Conservancy District*, 677 P.2d 320, 327 (Colo.1984).

245. The truth of the matter is that, in the Land Documents, by referencing the permits, and the status of permitted uses, Boulder County conceded that the cessation was not, in fact, an issue. This is consistent with the parties conduct. It affords only one reading of the mining regulation—that operating under a permit is *not* a non-conforming use.

246. If there is a way to reconcile and harmonize the language in the various regulations, documents, and industry standards[17]—with each other and the conduct of the parties, the Court is bound to interpret them in such a manner.

---

[16] By Statute, the MLRB also must send notice. See CMLRA 34-32-106 (8).

[17] By letter submitted to the Boulder County Commissioners, the Colorado Mining Association weighed in on this case, agreeing with Colorado Milling.

247. It is arbitrary, capricious and in derogation of Plaintiffs' rights under the Land Documents for Boulder County to determine nearly a decade later that the county's nonconforming use regulations, which existed in virtually identical form in 2007 and in December of 2012, may now operate to terminate the uses explicitly authorized as substantial consideration for the complex negotiations that resulted in execution of the Land Documents.

WHEREFORE, Colorado Milling Company, LLC requests that the Court:

(1) Recognize its jurisdiction pursuant to Rule 106(a)(4), C.R.S §13-51-106, and C.R.C.P. 57;

(2) Enter Judgment declaring that the Land Documents vested the uses of mining and milling to the Property, running with the land, within the limits of the State permits as they may be from time to time, amended;

(3) Determine that the failure of the Director and Boulder County Commission to properly interpret the Land Documents was an abuse of discretion and outside their jurisdiction;

(4) Reverse the decision of two of the three Boulder County Commissioners affirming the determination of the Director;

(5) Enjoin Boulder County from further attempting to subject the Property to its review processes so long as the prospecting, mining and milling activities on the Property do not exceed the boundaries and activities approved by State permits and set forth in the Land Documents;

(6) For attorneys fees (including but not limited to fees under C.R.S. 13-17-102); and

(7) Costs; and

(8) For such other and further relief as the Court may deem just and proper.

THIRD CLAIM FOR RELIEF
(Preemption by Federal and State Law)

248. Paragraphs 1 through 247 are incorporated herein as if restated, and particular attention should be paid to Section V analyzing Federal, State and local regulations at play in this case. While referenced broadly below, this claim incorporates the legal analysis contained above regarding the interplay of Federal, State and local laws.

249. The question of preemption is not within the jurisdiction of Boulder County. *Friends of Black Forest v County Commr's of El Paso County*, 80 P.3d 871,876, (Colo. App. 2003).

250. "The purpose of the preemption doctrine is to establish a priority among potentially conflicting laws enacted by various levels of government. Express and implied preemption are

"primarily matters of statutory interpretation." *Colorado Mining Ass'n v. Bd. Of County Com'rs,* 199 P.3d 718, 723 (Colo 2009)(*internal citations omitted).*

A. Preemption of Boulder County's application of 4-1003(G) to subsurface mining.

251. The application of Boulder County Code provision 4-1003(G) regarding termination of a non-conforming use as applied to subsurface mining is preempted by Colorado's Mined Land Reclamation Act provisions on cessation and further, definitions applied by Boulder County in its Land Use Code, as applied here, appear to be in direct conflict with terms defined in the MLRA and applicable regulations.

252. Boulder County's land use authority is created and limited by statute.

253. Statutory counties only enjoy "those powers that are expressly granted to them by the Colorado constitution or by the General Assembly" which include "implied powers reasonably necessary to the proper exercise of those powers that are expressly delegated." *Id*. at 724.

254. In cases involving statutory counties, state courts apply the "ordinary rules of statutory construction to determine whether a state statue and a local ordinance can be construed harmoniously or whether the state statute preempts the local ordinance." *Id.*

255. If a conflict exists and the state statute contains a specific provision addressing the matter, the state statute controls over the statutory county's general land use authority. *Id.*

256. C.R.S. §30-15-411 provides that "No county shall adopt an ordinance that is in conflict with any state statute."

257. The Local Government Land Use Control Enabling Act states that, with limited exceptions[18] "where other procedural or substantive requirements for or regulation of the use of land are provided by law, such requirements shall control. C.R.S. §29-20-107.

258. The conflict between a statutory county ordinance and a state statute need not be direct to be impermissible; local governments generally "may not forbid that which the state has explicitly authorized." *Colorado Mining Ass'n v. Bd. Of County Com'rs*, 199 P.3d 718, 723, 725 (Colo 2009) *citing Johnson v. Jefferson County Bd. Of Health,* 662 P.2d 463, 471 (Colo. 1983).

259. A local regulation and a state regulatory statue impermissibly conflict if they "contain either express or implied conditions which are inconsistent and irreconcilable with each other. *Id*.

260. The purposes of the Federal Mining Act, like the MLRA, include development of an economically stable and sound mining industry and the orderly development of mineral resources. *Id. citing South Dakota Mining Association, Inc., v. Lawrence County,* 155 F. 3d 1005, 1007 (8th Cir. 1998)

[18] The exceptions appear to be public utilities and county facilities.

261. A local government cannot prohibit a lawful use of the sovereign's land that the superior sovereign itself permits and encourages." *Id*.

262. The effect of Boulder County's application of its Six-Month Cessation Regulation to subsurface mining is effectively to ban the activity altogether. *See* letter from Colorado Mining Association to the Boulder County Commissioners (Exhibit G, attached).

263. The MLRA explicitly preempts application of the Six-Month Cessation Regulation.

264. The Colorado General Assembly enacted the MLRA in 1976. The intent of the act is to:

> foster the extraction of minerals, the reclamation of mined land, and the protection of human health, welfare, and the environment: It is declared to be the policy of this state that the extraction of minerals and the reclamation of land affected by such extraction are both necessary and proper activities. It is further declared to be the policy of this state that both such activities should be and are compatible. It is the intent of the general assembly by the enactment of this article to **foster and encourage the development of an economically sound and stable mining and minerals industry and to encourage the orderly development of the state's natural resources, while requiring those persons involved in mining operations to reclaim land affected by such operations so that the affected land may be put to a use beneficial to the people of this state.** It is the further intent of the general assembly by the enactment of this article to conserve natural resources, to aid in the protection of wildlife and aquatic resources, to establish agricultural, recreational, residential, and industrial sites, and to protect and promote the health, safety, and general welfare of the people of this state § 34-32-102(1), C.R.S. (2008) (emphasis added). The General Assembly created the Board and the Office of Mined Land Reclamation in the Department of Natural Resources. *Id* at726.

(*emphasis added).*

265. The General Assembly created the Board and the Office of Mined Land Reclamation in the Department of Natural Resources. C.R.S § 34-32-105(1). The General Assembly granted the Board authority to promulgate standards for reclamation plans and to promulgate rules and regulations concerning mined land reclamation. §§ 34-32-106, -108, C.R.S. (2008). ***The statute also establishes a permitting program for mining operations. §§ 34-32-109, -112, C.R.S. (2008***). The MLRA vests the Board with sole authority for reclamation permitting and standard setting:

> No governmental office of the state, other than the board, **nor any political subdivision** of the state shall have the authority to issue a reclamation permit pursuant to this article, to require reclamation standards different than those established in this article, or to require any performance or financial warranty of any kind for mining operations. §34-32-109(6)

(emphasis added).

266. Boulder is a Political Subdivision. C.R.S. §24-6-402 (c) provides:

a. "Political subdivision of the state" includes, but is not limited to, any county, city, city and county, town, home rule city, home rule county, home rule city and county, school district, special district, local improvement district, special improvement district, or service district

267. The Colorado Supreme Court has held:

> Although the word "reclamation" may seem to imply only post-mining activity, the **General Assembly granted the Board broad authority to permit and regulate mining operations both during and after mining activities occur**:
>
> "Reclamation" means the employment **during and after a mining operation** of procedures reasonably designed to minimize as much as practicable the disruption from the mining operation and to provide for the establishment of plant cover, stabilization of soil, the protection of water resources, or other measures appropriate to the subsequent beneficial use of such affected lands. Reclamation shall be conducted in accordance with the performance standards of this article.

Colorado Mining Ass'n v. Bd. Of County Com'rs, 199 P.3d 718, 723, 725 (Colo 2009) Id. at 727. *(emphasis added).*

> The statutory amendments enacted by Senate Bill 93-247 created a new category of mining operations, Designated Mining Operations. §§ 34-32-103(3.5), -112.5. These include operations utilizing toxic or acidic chemicals, such as cyanide, for extractive metallurgical processing. § 34-32-103(3.5)(a)(I). Pursuant to its statutory authority, see §§ 34-32-103(4.9), -116.5, the Board has promulgated extensive rules governing Designated Mining Operations. See 2 Colo. Code Regs. § 407.1

Id. at 727,28.

268. The Property is a Designated Mining Operation under the MLRB. *See supra* IV. D. ¶10.

269. In *Colorado Mining Ass'n v. Bd. Of County Com'rs*, 199 P.3d 718, 723, 725 (Colo 2009), the Colorado Supreme Court exhaustively analyzes the relationship between county regulation and the MLRA, concluding:

> (1) the state has a significant interest in both mineral development and in human health and environmental protection, and (2) the exercise of **local land use authority** complements the exercise of state authority but **cannot negate a more specifically drawn statutory provision the General Assembly has enacted**. *Id.* at 730.

270. In applying these standards to the MLRB and its relation to local zoning, the Supreme Court looked again to the description cited above of "reclamation.", and looked to the definition in C.R.S. § 24-32-103(13) of "affected land" as:

> the surface of an area within the state where a mining operation is being or will be conducted with surface is disturbed as a result of such operation.

271. A prospective mine operator must obtain approval of a reclamation plan in order to obtain an operating permit. 34-32-112. The Board may prohibit further construction or operation until inspection and certification requirements have been satisfied. C.R.S. §34-32-112.5(4)(a).

272. The MLRA specifically provides for periods of mining cessation and procedures to follow regarding such cessation. *See* V.C.4 The MLRA, p. , *supra.*

273. For example, an operator must file a Notice of Cessation, and then must comply with specific rules to recommence operations. Two five-year cessation periods are allowed, and a mine is considered "active" pending the permitting process[19].

274. Boulder County's interpretation of its own regulation regarding "cessation of activities" to require active *onsite* mining (as opposed to ongoing lawful, diligent pursuit the mining permit process in accordance with with Federal and State law) renders compliance with both laws impossible.

275. Colorado Milling is required to remain in compliance with local laws to maintain its State permit but cannot maintain the property use under Boulder County's interpretation during times when the permit is under application. Even a mine under State cessation must perform care and maintenance activities, environmental permit and permit compliance activities, and maintain mine safety and health standards required by the Mine Safety and Health Administration ("MSHA").

276. Colorado Milling has an active permit at this time; however, pending BLM and Forest Service approval, it cannot actively mine. Clearly a six-month termination of use by a county contradicts and undermines the statutory scheme. As noted previously, the Forest Service did not even begin its review until recently, two years after application. This is but one example of factors beyond the operator's control.

277. Just as the regulation of chemicals in *Colorado Mining Ass'n v. Bd. of County Com'rs*, 199 P.3d 718, 723, 725 (Colo 2009), ran afoul of the MRLA, so does Boulder County's application of the general land use regulation, the Six Month Cessation Regulation, to subsurface mining.

278. There is a canon of statutory construction that, in the event of irreconcilable conflict, specific provisions trump general provisions. C.R.S.§ 2-4-205.

279. The ordinance also contravenes C.R.S. §29-20-107, which provides that other procedural or substantive requirements for land use planning or regulation provided by state law shall control over local regulations. *See Droste v. Bd of County Comm'rs of Count of Pitkin*, 159 P.3d601, 607 (Colo. 2007) (section 29-20-107 "codifies] the familiar rule that a specific provision controls over a more general provision").

[19] This is the current status of the Property—it has an active permit but may not yet engage in mineral extraction.

280. Boulder's Six-Month Cessation Regulation is a general land use provision. The MRLA "Life of a Mine" Statute provisions are mining specific.

B. Boulder County's Application of the Six-Month Cessation Regulation to Mining Violates State Law

281. The Federal and State policies encouraging the extraction of minerals gives it a place of particular importance. It is articulated policy that the general land use jurisdiction of a county is not to be allowed to interfere with these policies:

282. C.R.S.§ 34-1-305 provides for the:

> Preservation of commercial mineral deposits for extraction.
>
> (1) After July1, 1973, **no board of county commissioners,** governing body of any city and county, city, or town, or other governmental authority which has control over zoning **shall, by zoning, rezoning, granting a variance, or other official action or inaction**, permit the use of any area known to contain a commercial mineral deposit **in a manner which would interfere with the present or future extraction of such deposit by an extractor.**
>
> (2) **After adoption of a master plan for extraction** for an area under its jurisdiction, **no board of county commissioners,** governing body of any city and county, city, or town, or other governmental authority which has control over zoning **shall, by zoning, rezoning, granting a variance, or other official action or inaction, permit the use of any area containing a commercial mineral deposit in a manner which would interfere with the present or future extraction of such deposit by an extractor**.
>
> *Hartley v. City of Colorado Springs,* 764 P.2d 1216 (Colo. 1988

(*emphasis added).*

283. Boulder County's attempt to control use of the Property by ignoring its own agreements and rational interpretation of its Land Use Code is an interference in violation of these statutes.

284. Boulder exceeded its jurisdiction when it advanced the language of the Land Use Code over the State Statute governing mining permits.

WHEREFORE, Colorado Milling Company, LLC requests the Court enter an order determining the application of Boulder County's Six-Month Cessation Regulation to be preempted and of no effect regarding the Property, granting attorney's fees (including but not limited to fees under C.R.S. 13-17-102) and for such other and further relief as the Court may deem proper.

Fifth Claim for Relief
(Breach of Contract)

285. Paragraphs 1 through 284 of this Complaint are incorporated herein as if restated.

A. Affected Parties and General Allegations

286. Boulder County is a party to the Land Documents, including, but not limited to the Conservation Easement (Exhibit 3 and PDF pp. 30-107) and the Restrictive Covenant (Separate Exhibit and PDF pp. 108 to 118).

287. A Colorado county's powers "as a body politic and corporate" are exercised by its board of county commissioners. C.R.S. § 30-11-103. Colorado law grants county commissioners broad powers to contract and to manage the business of their counties. C.R.S. § 30-11-107. In discharging their duties, a county's commissioners are, in all relevant respects, the alter egos of the county. *Koch v. Bd. of Cty. Commr's of Costilla County*, 774 F. Supp. 1275 (D. Colo. 1991)

288. Ashley Steen is a party to the Land Documents.

289. Rene Murphy is a party to the Land Documents.

290. Colorado Milling, as a successor in interest to Southern Cross Prospecting Company, Mi Vida Enterprises, Gold Reef Mining Company and Gold Hill Mines, Inc. is a party to the Land Documents by virtue of the Consent dated January 31, 2014. PDF, pp. 122-23.

291. The Bureau of Land Management, as the paramount owner of the land subject to the unpatented mining claims, which unpatented claims are owned and which are a property interest of Plaintiffs, is a party in interest and a beneficiary of the Land Documents.

292. A primary motivation for Boulder County entering into the Land Documents was to facilitate a land transfer exchange under the Recreation and Public Purposes Act, 43 CFR Part 2470 14 (the "R&PPA") This intention is articulated in the Conservation Easement at paragraph J and the Restrictive Covenant at G.

293. Boulder County is still in the process of working with the BLM to facilitate exchanges and purchase of the unpatented mining claims at issue here.

294. Any abrogation of the Land Documents directly affects the BLM and Boulder County's agreements under the R&PPA

295. If the contracts have been breached by Boulder County, Boulder County is no longer in a position to use these claims in its exchange negotiations.

296. Thus, the ripple effect of a breach could put in jeopardy decades of negotiations and agreements between Boulder County and the Federal Government.

297. A breach or rescission of the Land Documents must include a return of the Unpatented Mining Claims and Development Rights unencumbered by Boulder County's rights under the Conservation Easement and Restrictive Covenants to acquire this land and the property rights associated therewith under the R&PPA.

298. It would then be the intent of Colorado Milling to use these lands for mining and milling and residential development in accordance with the 1872 Mining Law as Amended and local building regulations for recognized building lots.

299. Absent the restrictive covenants under the Land Documents, Colorado Milling has the right to fully utilize the Property for all lawful purposes.

300. At paragraph 5 of the Restrictive Covenant, it is provided:

> Relinquishment of Unpatented Mining Claims and Option: Seller shall relinquish (or convey via quitclaim deed to County at County's sole discretion) the Unpatented Mining Claims in a form acceptable to the BLM, effective the earlier of:
>
> 99 years after the date of this Agreement; or
>
> Upon the date of transfer of the BLM Property to County, which in no case shall be earlier than twenty (20) years from the date of this agreement unless otherwise approved by Seller

301. If there is a breach or recission of the Land Documents agreements, the BLM cannot proceed under the RPPA to dispose of this land to Boulder County

302. Consequently, the BLM has a reversionary interest in the Land Documents.

303. The issues of contract interpretation and application, mutual mistake, estoppel and breach of the covenant of good faith and fair dealing were all presented to and addressed (by omission) by the County Board at the August 29, 2024, hearing, negating the necessity for Colorado Milling to make a claim pursuant to C.R.S. §30-25-110.

304. Nevertheless, Colorado Milling has made a claim to the Boulder County Commissioners and has complied with the notice requirements of Colorado's Governmental Immunity Act, § 24-10-101 *et seq*.

305. All conditions precedent to this action have been performed or have occurred.

306. Colorado Milling is in compliance with all the material obligations of the Land Documents.

307. County's attempt to subject the Property to special review and to interpret any six-month period where there is no active mining to be an abandonment; and further, to narrowly interpret the term "Mining" and "Abandonment" contrary to both state statute and the Land Documents, is an unreasonable interference with Colorado Milling's rights under the Land Documents and constitutes a breach of said contracts.

B. Breach of Covenant of Good Faith and Fair Dealing

308. Under Colorado law, every contract contains an implied duty of good faith and fair dealing. § 4-1-203, C.R.S. (2005); *City of Golden v. Parker*, 138 P.3d 285 (Colo. 2006) *citing Amoco Oil Co. v. Ervin*, 908 P.2d 493, 498 (Colo. 1995). A violation of the duty of good faith and fair dealing gives rise to a claim for breach of contract. *Id citing Cary v. United of Omaha Life Ins.*, 68 P.3d 462, 466 (Colo.2003).

309. But in this case, the obligation is explicit:

> D. The Parties desire to describe in this Agreement the commitments concerning prospecting, mining, and milling activities and operations on the Property, and limitations on the Parties as provided in this Agreement. The Parties agree to negotiate in a reasonable manner and to be subject to a continuing covenant of good faith and fair dealing in addressing issues raised by either Party under this Agreement.

Restrictive Covenant, Hearing Exhibit 2, paragraph D. As such, there is no need to imply such a duty in the Land Document, as it is explicitly recognized.

310. Taking the position that the Land Documents granted Colorado Milling ***no rights*** at all vis-à-vis the Property is a clear violation of this covenant:

311. The CE and RC grant rights to the County but do not grant any rights to the property owner nor do they authorize any activities on the property. *See* Staff Memo at p. 5:

312. The Director's issuance of the Notice of Termination was intended to and did have the consequence of negating the essential allowed uses of the Property articulated in the Land Documents, most specifically the right to prospect, mine and mill, and to utilize the facilities already constructed, permitted and in place for those purposes.

313. At paragraph 3 (c) of the Conservation Easement, the Allowed Prospecting and Mining are specifically set forth and are not repeated here but show the articulated intent to operate and engage in mining and milling activities for 99 years as a concession to justify the reduced price paid by Boulder County for Plaintiffs' (the Grantors') development rights.

314. Requiring Colorado Milling to go through additional review processes (conceivably every six months) is a breach of the contractual terms allowing the described uses to continue for 99 years.

315. The Director took the position that his department was not a part of the negotiations and was not bound by the Boulder County's Open Space department's actions and commitments[20]. This argument was dismissed by Commissioner Levy, who correctly noted that the County is a single operative entity and all departments are bound by signature of the commissioners. This position is further belied by the testimony at the hearing that the Land Use Department was heavily involved in the negotiations, including the calculation of the number of eligible building sites that Grantors were giving up, a key valuation metric in the negotiations. This frivolous position also reveals the County's lack of good faith and fair dealing at this time.

316. As noted by Boulder County in the Staff Recommendations, Exhibit D at p. 6, "Good faith performance of a contract involves faithfulness to an agreed common purpose and consistency with the justified expectations of the other party." *Amoco Oil Co. v. Ervin*, 908 P.2d 493, 498 (Colo.1995).

317. How the parties interpreted the contract prior to the controversy at hand reveals the expectations that it will continue to be so construed. The County's interpretation of its regulation

[20] *See* Colorado Milling's Statement for Appeal of Notice of Termination of Nonconforming Status, p. 2.

applied to an earlier version of the Conservation Easement reveals it considered the development phase of a mining operation to be "mining activity" under the nonconforming use provisions of the Land Use Code.

318. There was no legal basis for changing its interpretation or issuing the Notice of Termination and such action constitutes a breach of the Land Documents.

319. As a result of the County's actions, Colorado Milling has suffered damages to be proved at trial, including, but not limited to the following:

(a) The unfounded Termination Letter has interfered with processing of MLRD Permit No. M-1994-117 by the Division of Reclamation, Mining and Safety, notice of which was received by Boulder County on December 20, 2017 (see Hearing Exhibit 8);

(b) The actions of the County have caused possible investors to decline participating in funding Colorado Milling's continued operations, causing them to incur considerable expense while experiencing significant damages, which continue to increase. See Exhibit E, Steen Colorado Milling Company Appeal Statement at Page 2 ("Steen Letter"), and Hearing Exhibit 10, J.M. Beck & Associates Letter dated August 14, 2024 ("Beck Letter") (attached hereto as Exhibit L).

(c) The process was delayed, causing additional damage due to Boulder County's recalcitrance in responding to Colorado Milling's Colorado Open Records Act ("CORA") requests. Relevant documents were withheld (such as the Acquisition Memo) and claiming privilege of internal emails which would clearly belie their position that various departments of Boulder County were not involved in the negotiations of the Land Documents. Again, a frivolous position, including extensive analysis by the Boulder County Planning and Permitting Department of every one of the development rights recognized by the County (those development rights included dozens of building lots eligible for building lot determinations, a very valuable determination in Boulder County) Plaintiffs sacrificed these very valuable rights at a discount to maintain its mining and milling uses as specifically detailed in the Land Documents.

320. The amount of time typically required to process and obtain all the required mining and reclamation permits for any mining operation well exceeds six (6) months, in virtually all likely circumstances, which is one of the most important reasons why application of LUC §4-1000, Nonconforming Structures and Uses, to Colorado Milling's mining operation makes no sense and has caused Colorado Milling such significant harm. This is supported by reference in the record to a BLM permit required for a small portion of the permitted property; two years after application, the BLM is just beginning its consideration of the application.

321. Similar provisions related to nonconforming uses have been a part of Boulder County's land use regulations for decades and have not been substantially altered. Had Boulder County suggested that discontinuance of on-site mining operations for a period of six months would result in termination of the activities approved for ninety-nine years in the Land Documents, Colorado Milling would absolutely not have pursued the decade-long negotiations, let alone execute the Conservation Easement or Restrictive Covenants. Mining operations are uniquely

susceptible to market factors, technological innovations, permitting delays, unpredictable financial markets and labor shortages that are not now and never have been under a mine operator's control. *See* Exhibit H, Sylvia Pettem history of the Cash Mine.

322. A six-month inactivity termination trigger should have been disclosed by Boulder County during the decade-long negotiations. Instead, the parties, in the Land Documents, repeatedly recognized that the use was both permitted and ongoing.

323. Boulder County's delay in asserting the applicability of the Six-Month Cessation Regulation is the basis for the estoppel claims below, but also reveals an impermissible plan on the part of Boulder County to target the Property in an effort to convert a valuable mining operation into de facto open space.

324. In choosing to apply this provision at this time, Boulder County has, in a discriminatory and invidious manner, targeted Colorado Milling, implicating due process and equal protection guarantees afforded property owners under the Colorado and U.S. Constitutions. Boulder County's plan for extraction of minerals is not such a plan at all—it is a plan to prevent the extraction of minerals in violation of Colorado Milling's federal, State and contractual rights.

325. Boulder County withheld relevant documents in responding to the CORA request in this matter, including specifically the Acquisition Memo (Eshibit C) and the Baseline Report (Exhibit F), which unequivocally show that the parties both interpreted the term "active mining" to include the development stage of mining, consistent with State and Federal law and regulations.

326. In light of the admission in the Baseline Report that mining and milling on the Property is a permitted land use during periods of cessation, Boulder County's positions are groundless and its legal positions (that the Land Documents grant no rights to the Grantor) are frivolous, entitling Colorado Milling to attorney fees pursuant to C.R.S. §13-17-102.

327. Additionally, these actions evidence Boulder County's bad faith and intent to intimidate and harass Colorado Milling.

328. Boulder County claims Colorado Milling can still mine, it just has to go through review every six months—not only is this impracticable and likely futile, not only would it wreak havoc on the State permitting process, not only would it prevent investors or financiers from looking at the opportunity, but it would subject Colorado Milling to the notice and hearing requirements of its special review, process, despite the fact that their rights under State permit and the Conservation Easement and Restrictive Covenants are not subject to County review and do not convey standing to ordinary citizens who are not privy to the agreements. Colorado's standing provision is contained in CRS § 38-30.5-108. It restricts enforcement of the conservation easement to only the grantor or the holder of the easement." *See, Terminating and Amending Conservation Easements in Colorado*, Colorado Lawyer (2023).

329. Without repeating its prior allegations, Colorado Milling also states that the position that the Plaintiffs should simply apply for a special use permit for activities that are permitted by the State and were fully vetted during the 2012 negotiations is at odds with the County's declaration that the Property use is a terminated, non-conforming use.

330. Remarkably, there is no allegation by Boulder County that Colorado Milling is operating outside the parameters of the Land Use Documents.

WHEREFORE, it is requested that Judgment be entered in favor of Colorado Milling Company, LLC and against Boulder County for breach of contract and for damages in an amount to be determined at trial, for interest, attorneys fees (including but not limited to fees under C.R.S. §13-17-102) and for such other and further relief as the Court may deem proper.

FIFTH CLAIM FOR RELIEF
Recission Based on Mutual Mistake or Reformation

331. Paragraphs 1 through 330 of this Complaint are incorporated herein by reference as if restated.

332. Boulder County now takes the position it did not know there was no actual ore processing on the Property at the time of the acquisition of the Conservation Easement or thereafter until it received a State Notice in 2023. *See* Exhibit D at p. 5:

> At the time the County entered into CE and RC, it had not analyzed whether the nonconforming use had terminated. Neither the property owner nor BCPOS were involved in any land use process, and the county did not have any impetus to analyze the uses on the property prior to receiving the referral related to milling activities

333. If this is true, there was a mutual mistake of fact in the execution of the Land Documents. Both parties proceeded with negotiation and execution of the Land Documents on the basis of the understanding that the Property was in a state of conformity with Boulder County's Land Use Code, and that it was a fully permitted and active mining and milling operation.

334. It was the intent of the grantors under the Land Documents to mine and mill without Boulder County interference regarding the activities carefully and exhaustively specified in the Land Documents and as currently permitted with the State of Colorado. If they had understood that, at any time they did not actively process ore on-site, their operation could be terminated pursuant to Article 4-1003, Plaintiffs never would have entered into the negotiations or the agreements. This was a material consideration of the first order.

335. Whether mutual or not, clearly a mistake was made. "A mistake justifying rescission need not be mutual. The mistake of one party justifies affirmative relief when the fact as to which the mistake is made goes to the basis of the transaction and was known to the other party to the transaction. *In the Matter of the Estate of Scott*, 735 P.2d 924 (Colo. App. 1986) *citing Potucek v. Cordeleria Lourdes*, 310 F.2d 527 (10th Cir. 1962). If Boulder County did not know the non-conforming use provisions of the Code might apply to mining operations on the Property, the County should have known and the County should have disclosed this material fact to Plaintiffs.

336. "The return or offer to return of that which was received in the transaction is not necessary when the thing received is money which can be credited if restitution is granted." *Id. citing Potucek v. Cordeleria Lourdes*, 310 F.2d 527 (10th Cir. 1962)

337. Nevertheless, upon rescission of the Land Documents and return of its documented development rights, Colorado Milling will return the monetary consideration it received in the transaction. The monetary consideration was a material part of the impetus for engaging in the transaction but the primary consideration for Grantors was the desire to continue mining on the Property without interference from the County.

WHEREFORE, it is requested that the Court enter Judgment for Colorado Milling and against Boulder County rescinding the Land Documents, returning the development rights to Colorado Milling, Ashley Steen and Rene Murphy free and clear of any conservation easement, restrictive covenant, and free of any impediment to their use, and determining restitution in an amount to be determined at trial; for attorney fees and costs (including, but not limited to fees under C.R.S. 13-17-102). In the alternative, it is requested that the Land Documents be reformed to explicitly exclude Boulder County's ability to claim applicability of the Six-Month Cessation regulation to the Property, and for such other and further relief as the Court may deem proper.

Sixth Claim for Relief
Estoppel/Equitable Estoppel/Waiver

338. Paragraphs 1 through 337 are incorporated herein by reference as if restated.

A. Estoppel

339. Boulder County knew of the existence of its nonconforming land use cessation regulation in 2012 and is charged with knowledge of its own regulations for all periods when in force.

340. Boulder County was aware of the intermittent on-site activity history of the mine yet still regarded the operation as active, fully permitted and ongoing.

341. Boulder County knew there was only intermittent mining and ore processing occurring on the Property during the years it was acquiring conservation easements from 2001 to 2012. Although sometimes intermittent, there were also periods of intense activity, including mining, milling and investment in the Property for those purposes.

342. Additionally, in anticipation of future mining and milling, operators on the Property spent millions of dollars in reclamation of the Property. Boulder County discounted such activities as counting in the termination analysis.

343. At no time did the County attempt to terminate the use or take the position that the Property was in a non-conforming status after passage of the 1997 Land Use Code which was amended to include use review regulation of subsurface mining for mines not already permitted by the State. The County was aware that Plaintiffs had an active State mining permit. There was no prior decision and adjudication that the operations were either non-compliant or non-conforming. The County waited until 2023 to take this position, which delay was unconscionable and in bad faith.

344. To the contrary, Boulder County expressly noted that, at a time when no ore was being processed, the Property was actively being mined as a permitted land use. *See* Exhibit F.

345. In the single instance (in 2005) where Boulder County suggested a County permit (Use by Special Review) might be necessary, it withdrew that position upon reviewing the Land Documents and exchanges of correspondence. In that correspondence, Grantors took the position that its operations, permitted through the State pre-1997, were grandfathered under the 1997 Regulations, citing the direct language contained in the 1997 regulations.

346. The course of conduct of the parties after the execution of the Land Documents was consistent with the uses described therein being State-permitted, existing and ongoing uses in a conforming status. That course of conduct continued from, at minimum, 2012 to date.

347. Boulder County led the grantors under the Land Documents to believe that the prospecting, mining and milling activities described in the Land Documents would not be contested unless activities exceeded the boundaries or the limitations set forth in the documents, and that no permit would be required for those activities, and Plaintiff's reliance on the County's statements was reasonable and evident to the County's representatives in the negotiations.

348. The Land Documents and the Baseline Report refer multiple times to Grantors' existing State permits.

349. The grantors under the Land Document reasonably relied to their detriment on the conduct and statements of Boulder County by soliciting investors, and expending monies on the reclamation, maintenance and permitting of the Property in anticipation of continuing to pursue mining and milling activities under its existing permits and consistent with the provisions of the Land Documents.

350. Colorado Milling reasonably relied to its detriment on this course of conduct in consenting to the terms of the Land Documents and relied on the County's assurances when soliciting investors, and when expending monies on the reclamation, maintenance and permitting of the Property in anticipation of continuing its permitted mining and milling activities.

351. In reasonable reliance on its understanding that references in the Land Documents to "continuing use for ninety-nine years" meant that the Property was in conforming status even at those times when no onsite active production was occurring, Colorado Milling, in addition to its existing multi-million dollar investments, has: (a) invested an estimated Two and one-half million dollars in rehabilitation and upgrading of the Gold Hill Mill in anticipation of (future) production; (b) successfully addressed an Amendment to the Colorado Division of Reclamation, Mining and Safety (DRMS) permit(s) for the operation; and (c) compiled a required U.S. Bureau of Land Management (BLM) Plan of Operations (POO). All of the foregoing permitting-related obligations have been (collectively) addressed in order to legally re-start milling operations. In doing so, Colorado Milling has incurred substantial attorney and expert fees.

352. The County should be estopped from dishonoring its prior promises, commitments, covenants, actions and agreements and assuming a belated position contrary, hostile and antithetical to those prior promises, commitments, covenants, actions and agreements.

353. In a prior case presented on different facts, the County has taken the position that a surface mining operating terminated as a non-conforming use should be required to "proceed to

reclamation" under its state permits, which reclamation, by regulation, would require the destruction and demolition of its facilities, grading, seeding and planting, and other required reclamation. In short, total destruction of mining and processing operations and loss of access to the mineral estate would be required. Such an end result would be utterly antithetical to the provisions of the Land Documents and cause such egregious harm to Grantors that they constitute a further basis for the application of the principles of estoppel to the County.

354. Boulder County is estopped from claiming a nonconforming use by abandonment.

B. Waiver

355. The Acquisition Memo states that the "large inducement for this non-traditional transaction was the conveyance of a recreational easement and creation of maximum permit boundaries that will facilitate the anticipated BLM R&PPA application pending for the area." In short, Plaintiffs limited their mining potential so that the proposed trails could someday be safely built.

356. By referencing this as a non-traditional transaction, the context is that it did not go through the permit process, but instead, the detailed, comprehensive restrictions, etc., contained in the documents are as thoroughly vetted as any permit process. Boulder County waived its permit application process.

357. By treating the Property as a conforming use for 22 years, Boulder County has waived its right to re-interpret its application of its regulations.

WHEREFORE, it is requested that the Court enter judgment in favor of Colorado Milling Company, LLC and against Boulder County for (1) detrimental reliance damages as may be proved at trial, for attorney fees and costs (including pursuant to C.R.S. 13-17-102); or (2) in the alternative, for a declaration that the County is estopped from claiming that mining and milling are nonconforming uses with regard to the Property, for attorney's fees and costs incurred in obtaining the order; and for such other and further relief which the court deems proper.

Seventh Claim for Relief
(Inverse Condemnation and Regulatory Taking)

358. Paragraphs 1 through 357 are incorporated herein as if restated.

359. Both the Fifth and Fourteenth Amendments of the Colorado Constitution also, prohibit the taking of private property for public use without just compensation. *Fowler Irrevocable Trust v. Boulder*, 992 P.2d 1188, 1193 (Colo. App. 1999)

360. Colo. Const. art. II, § 15, provides, in relevant part, that "[p]rivate property shall not be taken or damaged, for public or private use, without just compensation."

360. To pursue an inverse condemnation claim under the Colorado Constitution, that is, to compel a public entity to provide compensation to a property owner, the property owner must

establish, among other things, that there has been a taking or damaging of a property interest. *Fowler Irrevocable Trust 1992-1 v. City of Boulder*,992 P.2d 1188, 1 (Colo.App.1999).

361. As a general rule, a taking of property occurs when the entity clothed with the power of eminent domain substantially deprives a property owner of the use and enjoyment of that property. A taking can be effected by a legal interference with the physical use, possession, disposition, or enjoyment of the property, or by acts which constitute an exercise of dominion and control by a governmental entity. A taking also occurs if an owner is required to forego all economically beneficial use of his or her property. See id at 1193 (citations omitted).

362. The United States Supreme Court has established two per se tests under which a regulation can effect a taking absent a physical encroachment onto the land. First, a regulation constitutes a per se taking when it "does not substantially advance legitimate state interests." Lucas v. South Carolina Coastal Council, 505 U.S. 1003 1016, 112 S.Ct. 2886, 120 L.Ed.2d 798 (1992).

363. Application of the Six Month Cessation Rule as applied to subsurface mining does not substantially advance legitimate State interests, and, in fact is an impediment to the implementation of State interests as articulated in the MLRA.

364. To the extent that the Mini Mine Reclamation Act of Boulder County requires more than Development Related Permits, it exceeds its jurisdiction in light of the MLRA The State of Colorado has articulated its interest in regard to subsurface mining:in the Mining Laws set forth above.

365. Federal law grants mining and milling as uses by right in forest zoning, but allows State regulation within parameters.

366. State law regulates, but does not prohibit mining. Though comprehensive, the State regulations promote mining and advance the articulated purpose of extracting minerals.

367. Colorado Milling's State permit is a thing of value, which, if the termination of use is upheld will be rendered valueless.

368. The mineral reserves in the ground are of immense value, and if the termination of use is upheld, it too will be rendered unobtainable.

369. The determination by the Director, affirmed by two of the three commissioners inversely condemns Plaintiffs' property, rendering it of no viable economic use, since the development rights were acquired by the County at a discount and the mining use is rendered void and of no value.

WHEREFORE, Plaintiffs pray that the Court enter judgment in favor of Colorado Milling Company, LLC, et al., and against Boulder County for inverse condemnation of their property rights and regulatory taking of said rights, and for attorney's fees and costs incurred in obtaining this order; and for such other and further relief as the court deems proper.

Respectfully submitted,

/s/ Edward R. Byrne

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Plaintiff's Address:
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308 E. Simpson Street
Lafayette, CO 80026

STATE OF COLORADO

Lennberg - DNR, Patrick <patrick.lennberg@state.co.us>

Gold Hill Mill - Boulder County Referral

1 message

Vaughn, Andrea <avaughn@bouldercounty.org> Fri, Feb 24, 2023 at 4:14 PM
To: Patrick Lennberg - DNR <patrick.lennberg@state.co.us>

Patrick,

See the referral response from Boulder County attached.

Please reach out if there are any questions.

Best,

Andrea Vaughn | Long Range Planner I

Boulder County Community Planning & Permitting

Mailing address: PO Box 471 Boulder, CO 80306

Main: 303-441-3930 471 | Direct: 303-441-1356

avaughn@bouldercounty.org

www.bouldercounty.org

Colorado Milling Company_Referral Response.pdf
143K

Boulder County

Community Planning & Permitting

Courthouse Annex • 2045 13th Street • Boulder, Colorado 80302 • Tel: 303.441.3930 • Fax: 303.441.4856
Mailing Address: P.O. Box 471 • Boulder, Colorado 80306 • **www.bouldercounty.org**

TO: **Patrick Lennberg, Division of Reclamation, Mining and Safety**
FROM: **Andrea Vaughn, Boulder County Community Planning & Permitting**
RE: **Colorado Milling Company – Limited Impact (110d) Designated Mining Operation**
DATE: **February 23, 2023**

Boulder County Community Planning & Permitting appreciates the opportunity to provide comments for the request for the Colorado Mined Land Reclamation Permit for Colorado Milling Company's mining operations, located at 9523 Sunshine Canyon.

The Boulder County Community Planning & Permitting Department does not have any specific comments to provide to the state at this time as we are currently investigating whether the Colorado Milling Company's use of the Property is in compliance with the requirements of the Boulder County Land Use Code. Specifically, we are investigating whether the Colorado Milling Company's operation continues to be a legal nonconforming use or whether this use has been abandoned.[1] We expect to make a determination in the following weeks and will provide DRMS with an update at this time.

Please note that portions of the Property are encumbered by a conservation easement recorded on 12/20/2012 at Reception Number 3276700 in the real estate records of Boulder County and will be subject to the restrictions within.

Thank you,

Andrea Vaughn, Long Range Planner

[1] In the event that we find that the legal nonconforming use has been terminated through abandonment, the Colorado Milling Company will have 30 days to appeal the decision or demonstrate that the decision was made in error.

Lewicki & Associates
ENGINEERING | GEOLOGY | ENVIRONMENTAL

November 29, 2022

Colorado Division of Reclamation, Mining, and Safety
1313 Sherman St, Rm 215
Denver, CO 80203

RECEIVED
DEC 01 2022
DIVISION OF RECLAMATION
MINING AND SAFETY

Delivered Via Email
RE: Gold Hill Mill, Permit No. M-1994-117
Completeness 1

Mr. Patrick Lennberg

Colorado Milling Company is providing the following response to the October 17, 2022 incompleteness notice number two for the CN-1 application of Gold Hill Mill, M-1994-117.

Application Form
A new application form is attached to this letter. The appropriate quarter section has been marked, the responsibilities as a permittee properly initialed, and the certification page corrected.

Exhibit G Source of Legal Right to Enter
The Gold Hill Mill permit area approved in AM-1 contains both patented and unpatented Bureau of Land Management claims. To this end, Colorado Milling Company has submitted complete information for the BLM for a Plan of Operations modification that incorporates the waterline and addresses various outstanding questions the BLM has regarding the Gold Hill Mill operation. BLM certified the Plan of Operations as complete for review on June 6, 2013. BLM is now conducting public comment and review of the Plan. CMC believes this completeness certification by BLM is sufficient legal right of entry for the review of the CN-1 application by CDRMS. CMC acknowledges that no operations may take place at Gold Hill Mill without an approved BLM Plan of Operations in place.

A brief portion of the permit area near Left Hand Creek is on US Forest Service administered land. CMC has submitted an application for Transportation, Utility Systems, Telecommunications, and Facilities on Federal Lands and Property to the USFS for this portion of the Left Hand Creek waterline. USFS has the application and is reviewing it, currently. A copy of the email acknowledging receipt from the Boulder Ranger District is attached. CMC believes that this application to USFS and their acknowledgement of it is sufficient legal right of entry for the review of the CN-1 application by CDRMS. CMC acknowledges that no operations may take place at Gold Hill Mill without approval of this application to the USFS.

CN-1 covers the exact same permit area as AM-1, which is approved. During the AM-1 review, CMC acknowledged that BLM and USFS permitting needed to be completed prior to operations. CMC will pursue and secure these permits in the same manner as any mine operator must pursue permits with applicable federal agencies, prior to operating. These permits are not necessary for CDRMS to review the components of CN-1 that are different from AM-1, such as the Environmental Protection Plan and Emergency Response Plan. Furthermore, the submittal

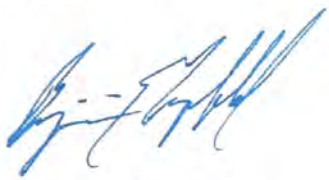
of CN-1 is in itself an effort to address a requirement from CDRMS implemented during the AM-1 review.

Exhibit J – Proof of Mailings to Board of County Commissioners
Please see the attached certified mail receipt as proof.

Exhibit I – Proof of Filing with County Clerk and Recorder
A copy of this response letter has been added to the county clerk and recorder copy of the CN-1 submittal. Proof will be provided shortly.

Please feel free to contact me with any questions

Regards,



Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
(720) 842-5321, ex. 1
benl@lewicki.biz

Attachments

BOCC Certified Mailing Receipt BLM Completeness Letter

USFS Application Receipt Acknowledgment

Revised application pages

Responsibilities as a Permittee:

Upon application approval and permit issuance, this application becomes a legally binding document. Therefore, there are a number of important requirements which you, as a permittee, should fully understand. These requirements are listed below. Please read and initial each requirement, in the space provided, to acknowledge that you understand your obligations. If you do not understand these obligations then please contact this Office for a full explanation.

1. Your obligation to reclaim the site is not limited to the amount of the financial warranty. You assume legal liability for all reasonable expenses which the Board or the Office may incur to reclaim the affected lands associated with your mining operation in the event your permit is revoked and financial warranty is forfeited;

2. The Board may suspend or revoke this permit, or assess a civil penalty, upon a finding that the permittee violated the terms or conditions of this permit, the Act, the Mineral Rules and Regulations, or that information contained in the application or your permit misrepresent important material facts;

3. If your mining and reclamation operations affect areas beyond the boundaries of an approved permit boundary, substantial civil penalties, to you as permittee can result;

4. Any modification to the approved mining and reclamation plan from those described in your approved application requires you to submit a permit modification and obtain approval from the Board or Office;

5. It is your responsibility to notify the Office of any changes in your address or phone number;

6. Upon permit issuance and prior to beginning on-site mining activity, you must post a sign at the entrance of the mine site, which shall be clearly visible from the access road, with the following information (Rule 3.1.12):

   a. the name of the operator;

   b. a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and,

   c. the permit number.

7. The boundaries of the permit boundary area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries prior to site disturbance;

8. It is a provision of this permit that the operations will be conducted in accordance with the terms and conditions listed in your application, as well as with the provisions of the Act and the Mineral Rules and Regulations in effect at the time the permit is issued.

9. Annually, on the anniversary date of permit issuance, you must submit an annual fee (**$518**), and an annual report which includes a map describing the acreage affected and the acreage reclaimed to date (if there are changes from the previous year), any monitoring required by the Reclamation or Environmental Protection Plans to be submitted annually on the anniversary date of the permit approval. Annual fees are for the previous year a permit is held. For example, a permit with the anniversary date of July 1, 1997, the annual fee is for the period of July 1, 1996 through June 30, 1997. Failure to submit your annual fee and report by the permit anniversary date may result in a civil penalty, revocation of your permit, and forfeiture of your financial warranty. It is your responsibility, as an operator, to continue to pay your annual fee to the Office until the Board releases you from your total reclamation responsibility.

Certification:

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Rule 1.6.2(1) and (2));

2. This entire mining operation will not extract more than 70,000 tons of mineral, overburden, or combination thereof in any calendar year (defined in Rule 1.1(24));

3. This mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structure(s) located within two hundred (200) feet of the affected lands. (However, where there is an agreement between the applicant/operator and the persons having an interest in the structure that damage to the structure is to be compensated for by the applicant/operator (Section 34-32-115(4)(d), C.R.S. 1984, as amended), then mining may occur within 200 feet. Proof of an agreement must be submitted to the Office prior to the decision date.)

4. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32-115(4)(f), C.R.S. 1984, as amended);

5. As the applicant/operator, I do not have any mining/prospecting operations in this state of Colorado currently in violation of the provisions of the Mined Land Reclamation Act (Section 34-32-120, C.R.S. 1984, as amended) as determined through a Board finding.

6. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S. 1984, as amended.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-110,C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32-123, C.R.S.

Signed and dated this 21st day of November, 2022.

Colorado Milling Company, LLC
Applicant/Operator

If Corporation Attest (Seal)

Signed: _____

Title: Managing Member

Signed: _____

Corporate Secretary or Equivalent
Town/City/County Clerk

State of Utah)
) ss.
County of Grand)

The foregoing instrument was acknowledged before me this 21st day of November, 2022,
by Michael H. Bynum as _____ of Colorado Milling Company, LLC.

Valerie M. Gardner
NOTARY PUBLIC

VALERIE M GARDNER
Notary Public - State of Utah
Comm. No. 707518
My Commission Expires on
Aug 1, 2023

My Commission expires: 8-1-2023

SIGNATURES MUST BE IN BLUE INK

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Royal Gorge Field Office
3028 East Main Street
Cañon City, Colorado 8121[illegible]

RECEIVED
DEC 01 2022
DIVISION OF RECLAMATION
MINING AND SAFETY

3809 LLCOF02000
COC-051792

Attn: Gerald V. Jergensen II
Colorado Milling Company LLC
12915 McCune Road
Black Forest, CO 80106

Surface Management

Dear Mr. Jergensen,

BLM originally received the revised Gold Hill Mill Plan of Operations on June 13, 2017, and additional information supporting this submittal on January 20, 2021, April 25, 2022, and May 24, 2022. The Plan proposes to conduct milling activities at the Gold Hill Mill located at T. 01 N., R. 72 W., Section 12 of Boulder County, Colorado. Per 43 CFR 3809 regulations, BLM is responding to you within the regulatory required timeframe of 30 days, following the most recent submission of information.

Consistent with the surface management regulations at 43 CFR 3809.411(a), the BLM has reviewed the Plan and has determined that the filed Plan of Operations and reclamation cost estimate meets the content requirements at 43 CFR 3809.401(b) and 43 CFR 3809.401(d). Note this notification does not constitute authorization to commence operations nor is the submission of a complete Plan necessarily adequate to meet the performance requirements of the regulations and avoid unnecessary and undue degradation.

Be advised the next step in the review process is for the BLM to solicit public comment on the Plan of Operations under 43 CFR 3809.411(c), either separate from or as a part of the environmental review process required by the National Environmental Policy Act. Soliciting public comment must occur before making an approved/not approved decision on the Plan of Operations according to 43 CFR 3809.411(d).

The final outcome of this assessment will be incorporated into the Plan of Operations. Notification to you regarding this assessment and final bond amount will be provided when the reviews are complete.

If you have any questions, please contact Stephanie Carter at 719-269-8551.

Sincerely,

Acting for:
Keith E. Berger
Field Manager
Royal Gorge Field Office

Enclosure(s):
1 – Complete Gold Hill Mill Plan of Operations
2 – 43 CFR 3809 regulations

cc:
Gerald Jergensen II – email confirmation of receipt of letter
Patrick Lennberg, Colorado Division of Reclamation, Mining, and Safety (CDRMS)

Ben Langenfeld

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Wednesday, October 19, 2022 2:16 PM
To: Ben Langenfeld
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Ben,
I am back on the Boulder Ranger District and I've received your proposal from Colorado Milling Co. for a water pipeline.
I have not reviewed it yet to know if we have a complete proposal. I'll know that by end of next week.
I don't have an estimate when we'll begin processing your proposal.
I have accepted a new position, which means I'll be leaving the Boulder Ranger District soon.
When I know the name of your new contact, I'll send that to you.
For now, I will be your contact.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Wednesday, October 19, 2022 1:31 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike

1) Can I get any formal acknowledgement or receipt of the authorization request for the Gold Hill Mill waterline?
2) What is your anticipated timeframe for review?

Ben Langenfeld
benl@lewicki.biz
(303) 960 5613

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Thursday, September 15, 2022 9:07 AM
To: Ben Langenfeld <benl@lewicki.biz>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hi Ben,
I received your proposal by email. I am not in the office, but I understand a FedEx envelope was delivered to my office yesterday.
I assume this was your proposal?
I'll review your proposal in the near future and get back to you.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us


Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Tuesday, September 13, 2022 3:41 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike

Attached is the application. The hard copy is enroute.

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Wednesday, September 7, 2022 8:18 AM
To: Ben Langenfeld <benl@lewicki.biz>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Ben,
The application should be sent to:
Boulder Ranger District
Attn: Mike Johnson
2140 Yarmouth
Boulder, CO 80301

If you have it electronically, please also send to me by email.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Tuesday, September 6, 2022 4:02 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike

I have an application package ready for submittal. Where should I send it?

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Thursday, July 14, 2022 1:21 PM
To: Ben Langenfeld <benl@lewicki.biz>
Cc: Carter, Stephanie S <sscarter@blm.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Ben,
I apologize, I missed your message from June 20.

I compared the private survey plat you provided with the Master Title Plat for T1N, R72W, Sec 2.
The land your survey plat shows as National Forest, seems to coincide with a small National Forest parcel on the Master Title Plat.
Based on the information you provided, it appears the water pipeline may be on National Forest System land.

As stated below, a waterline on National Forest System land will require a special use authorization.
An application must be submitted to the Boulder Ranger District to begin the process.
One of the questions on the application form, #13c, requires an explanation why it is necessary to occupy federal land.
Stating the pipeline already occupies federal land is not an adequate explanation.
Please provide copies of an authorization to construct the waterline on federal land.
Absent an authorization to construct a waterline on federal land, the Forest Service will need to know why adjacent private properties are not available for use.
The Forest Service will also need a copy of your water right to remove water from Lefthand Creek.
We will also need to understand where the water is transported too and if it ever returns to Lefthand Creek.

If your application form is accepted as an application, you will be responsible for the costs associated with processing your application. There will also be an annual land use fee if an authorization is issued to occupy federal land.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Wednesday, July 13, 2022 3:48 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Cc: Carter, Stephanie S <sscarter@blm.gov>
Subject: [External Email]RE: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal
Importance: High

[External Email]
If this message comes from an **unexpected sender** or references a **vague/unexpected topic;**
Use caution before clicking links or opening attachments.
Please send any concerns or suspicious messages to: Spam.Abuse@usda.gov

Michael

Any thoughts on the email below?

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Ben Langenfeld
Sent: Monday, June 20, 2022 4:55 PM
To: michael.johnson6@usda.gov
Cc: Pike, Amber M <apike@blm.gov>
Subject: RE: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Michael

Attached is a map from our surveyor, Carl Swift, showing the location of the Gold Hill Mill waterline's associated permit area within Section 2. It also shows the various patented claims in the area. The waterline comes down the hill off of the Golden Gate claim with an area along Lefthand Creek between the Keystone Millsite claim and the Mammoth Millsite claim. Extending to the west from the creek frontage area is a footpath to connect it all to Lickskillet Gulch Road.

I have highlighted the public land south of Lefthand Creek that we are trying to identify as either USFS or not. I am also attaching a SHP file of the waterline boundaries for your convenience.

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Pike, Amber M <apike@blm.gov>
Sent: Tuesday, June 14, 2022 9:56 AM
To: Ben Langenfeld <benl@lewicki.biz>
Subject: Fw: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

--
Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Friday, May 27, 2022 1:36 PM
To: Pike, Amber M <apike@blm.gov>
Subject: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Hi Amber,
Since sections 11 and 12 are outside the Forest Boundary, the waterline does not intersect National Forest.
Section 2 is more difficult to determine.
Without an accurate map or survey showing the location of the waterline compared to National Forest System land, I am unable to determine if the waterline intersects National Forest.
I suspect, if the waterline does intersect National Forest, it is very small. In that case, I would try to move the waterline off National Forest.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Pike, Amber M <apike@blm.gov>
Sent: Wednesday, May 25, 2022 2:32 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: Re: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike,

Unfortunately, no.

I asked Ben for this information and he said the maps attached to the original plan depicts the surface ownership; however, I'm only seeing where the patented claims are located. Maybe I'm over looking something. I've attached the original Plan for your review.

I'll also email Ben and see if he has a kmz or map of the land survey. The BLM records show no intersection with USFS lands, so I can't verify Ben's info with ours. I'm assuming y'all have the same info as BLM?

I'll keep you posted.

--
Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Wednesday, May 25, 2022 1:57 PM
To: Pike, Amber M <apike@blm.gov>
Subject: RE: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hi Amber,
Do you have a copy of the private survey?
The information in Mr. Lengenfeld's message didn't provide much information.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Pike, Amber M <apike@blm.gov>
Sent: Wednesday, May 25, 2022 1:07 PM
To: Titterington, Amy -FS <amy.j.titterington@usda.gov>; Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: Re: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hi Mike,

Can you take a look at the info I sent Amy and check if the pipeline intersects USFS lands in the above legal description. Our records have the pipeline only crossing BLM and private, but the operator is saying that per a

private land survey they had done, the pipeline crosses FS as well. Can you please take a look for me? The surface layer in this area is unreliable as cadastral is incomplete in our records.

Also, Ben Langenfeld with Lewicki & Asst cc you on email with the pipeline information as well. Let me know if you need additional info.

Thanks,

--
Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

From: Titterington, Amy -FS <amy.j.titterington@usda.gov>
Sent: Wednesday, May 25, 2022 12:25 PM
To: Pike, Amber M <apike@blm.gov>; Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

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Hey Amber,

This site looks like it's on the Arapaho Roosevelt NF. You'll need to contact Mike Johnson at the Boulder Ranger District. I've included him on this email.

I agree that this doesn't appear to cross NFS lands, however, in the chance that it does, a Special Use authorization will be required by the USFS for the pipeline.

AMY

Get Outlook for iOS

From: Pike, Amber M <apike@blm.gov>
Sent: Wednesday, May 25, 2022 11:30:34 AM
To: Titterington, Amy -FS <amy.j.titterington@usda.gov>
Subject: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hey Amy,

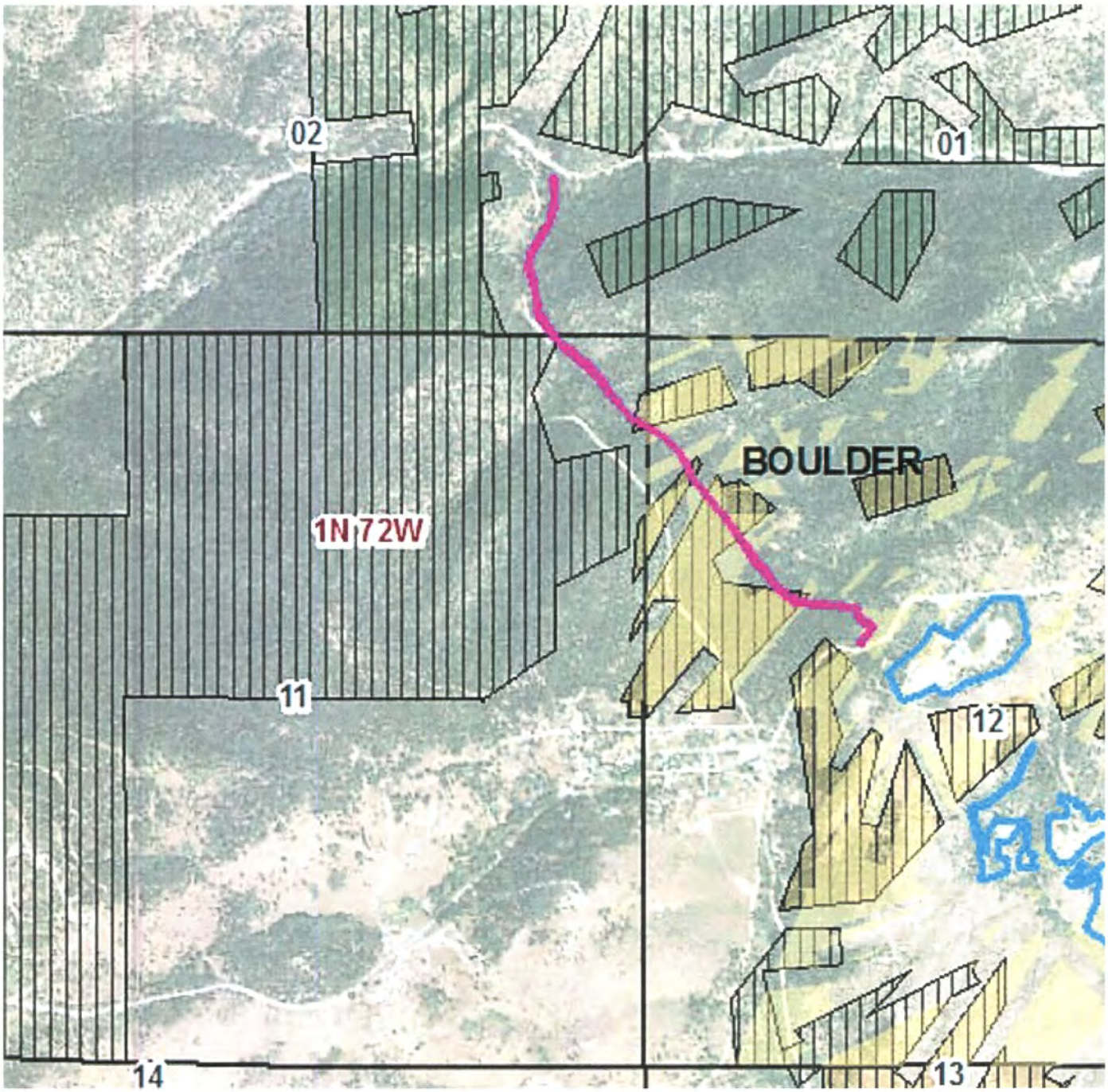
I've got a Plan of Ops that proposes to construct a water pipeline at the above location. The operator says the pipeline crosses USFS lands; however, all our records disagree. The mill/mine don't intersect USFS lands.

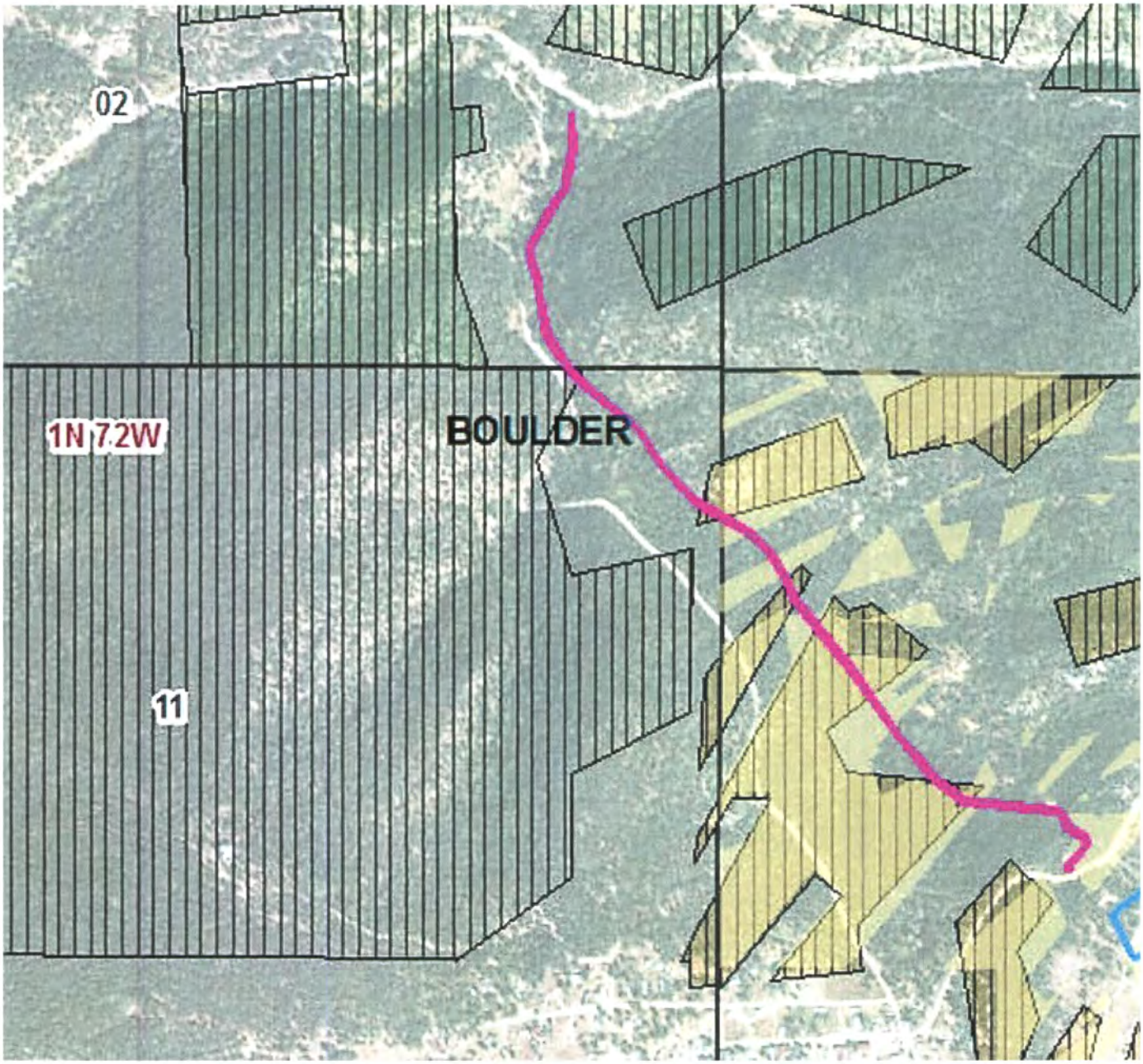
Attached are the MTPs for the area and maps. I've also provided a kmz of the pipeline. The surface layer in this area is a cluster b/c of all the historic mining, so I wanted to double check with you before responding to the operator.

Also, if the pipeline crosses USFS lands, what process does the operator need to do for compliance with the USFS? Does BLM just include the FS in the NEPA process as a cooperating agency or does the operator need to file a separate ROW application and go through a separate NEPA process with y'all?

Thanks for the input and help!!!

Legend
Pink = water pipeline
Blue = mill & mine boundary
Yellow = BLM lands
Green = USFS lands
Vertical Lines = fed min estate


02
01
BOULDER
1N 72W
11
12
14
13



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Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

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8. **Name of owner of the subsurface rights of affected land**: See Exhibit E

9. **Name of owner of the surface of affected land**: See Exhibit E

10 **LOCATION INFORMATION**: The center of the area where the majority of mining will occur:

COUNTY: Boulder

PRINCIPAL MERIDIAN (check one): ☑ 6th (Colorado) ☐ 10th (New Mexico) ☐ Ute
SECTION (write number): S 12
TOWNSHIP (write number and check direction): T 1 ☑ North ☐ South
RANGE (write number and check direction): R 72 ☐ East ☑ West
QUARTER SECTION (check one): ☐ NE ☑ NW ☐ SE ☐ SW
QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☑ SE ☐ SW
GENERAL DESCRIPTION: (the number of miles and direction from the nearest town and the approximate elevation)

Less than a mile to Gold Hill, west Roughly 8400' in elevation

11. Primary Mine Entrance Location (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44′ 12.98″
(W) 104° 59′ 3.87″

Latitude (N): deg _____ min _____ sec _____._____ (2 decimal places)

Longitude (W): deg _____ min _____ sec _____._____ (2 decimal places)

OR

Example: (N) 39.73691°
(W) -104.98449°

Latitude (N) 40 . 06528 (5 decimal places)

Longitude (W) -105 . 48667 (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) Nad 83 Zone 13

Easting _____

Northing _____

12. **Primary "future (Post-mining)" land use (check one)**:

☐ Cropland(CR)	☐ Pastureland(PL)	☐ General Agriculture(GA)
☐ Rangeland(RL)	☑ Forestry(FR)	☐ Wildlife Habitat(WL)
☐ Residential(RS)	☐ Recreation(RC)	☐ Industrial/Commercial(IC)
☐ Developed Water Resources(WR)		☐ Solid Waste Disposal(WD)

13. **Primary "present" land use (check one)**:

☐ Cropland(CR)	☐ Pastureland(PL)	☐ General Agriculture(GA)
☐ Rangeland(RL)	☐ Forestry(FR)	☑ Wildlife Habitat(WL)
☐ Residential(RS)	☐ Recreation(RC)	☐ Industrial/Commercial(IC)
☐ Developed Water Resources (WR)		☐ Mining (MN)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Boulder County BOCC
PO Box 471
Boulder, CO 80306



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7022 2410 0002 5869 7043

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* | C. Date of Delivery

D. Is delivery address different from Item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

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- ☐ Adult Signature Restricted Delivery
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- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over $500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

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BEN LANGENFELD
GREG LEWICKI AND ASSOCIATES
4654 SOUTH ESPANA ST

CENTENNIAL, CO 80015
UNITED STATES US

SHIP DATE: 29NOV22
ACTWGT: 0.50 LB
CAD: 110679588/INET4530

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TO **JARED EBERT**
DRMS - DENVER
1313 SHERMAN STREET
ROOM 215
DENVER CO 80203
(303) 860-3567 REF CMC
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PO DEPT

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COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

RECEIVED
SEP 16 2019
DIVISION OF RECLAMATION
MINING AND SAFETY

*small map included!

Colorado Division of Reclamation, Mining and Safety
Attention: Amy Eschberger
1313 Sherman Street – Room 215
Denver, Colorado 80203

September 15, 2019

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 5

Attention: Amy Eschberger:

This is the Colorado Milling Company, LLC's Response Letter to the items listed in Amy Eschberger's July 23, 2019 Adequacy Review No. 5 of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Amy Eschberger's Adequacy Review comments.

Exhibit C – Mining Plan (Rule 6.3.3):

1) The operator's response to Item no. 1(a) states the requested mine pool drawdown plan cannot be developed and submitted to the Division until a pumping test has been conducted at the site. Therefore, the Division has the following comments regarding this item:

a. Please provide a pumping test plan detailing the proposed procedures. This plan should include a detailed description of how water pumped from the workings will be managed during testing, and whether a discharge permit will be required from the CDPHE, WQCD.

CMC Response: The Times and Wynona Mines pump test has been designed to determine the mine pool volume above the collar of the winze that connects the Times Mine with the Wynona Mine workings. To perform this evaluation, mine pool drawdown data from a pumping test needs to be acquired. The pump test involves the following activity:

1. Measure and record static water levels in the Times Mine well and the Wynona Mine shaft.

2. Start the Gould's Model 85GS pump currently installed in the Wynona Mine shaft.

3. Establish a steady water flow rate from this pump.

4. Measure and record water flow rates, totalized volumes and water levels in both the Times Mine well and the Wynona Mine shaft well every five (5) minutes and document these flow rates, totalized volumes, and water levels.

5. The data from the pump test would then be used to create a mine pool elevation to capacity curve. Along with the pump test data, this curve would be used to develop a mine drawdown plan.

6. The pumping test should help establish the elevation of the Wynona Mine 100 Foot Level, which will assist in determining the water volume above the Times Mine workings.

7. Water pumped from the Wynona Mine shaft well will be pumped into the two steady head tanks located inside the Gold Hill Mill, where a totalizing flow meter will be installed to measure the discharge from the Wynona Mine shaft well.

8. All of the mine water collected in the two steady head tanks will be contained in the large thickener tank located on the Flotation Level inside the Gold Hill Mill, which has the capacity to hold more than 50,000 gallons of water.

9. The Times Mine Bulkhead pressure gauge will be monitored on a predetermined basis to determine the effects of different water levels in the Times and Wynona Mines on the bulkhead pressure. The results obtained from these observations will help determine the actual amount of water that needs to be pumped from the underground mine workings to control the bulkhead pressure.

10. No mine water will be discharged during the pump test. Therefore, a discharge permit from the CDPHE and the WQCD will not be required to conduct this pump test.

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b. Because the site is still under a Temporary Suspension by the BLM, please commit to demonstrating to the Division, prior to initiating the pumping test, that the BLM has authorized this activity to occur at the site.

CMC Response: CMC commits to demonstrating to the DRMS, prior to initiating the pumping test, that the BLM has authorized this activity at the Gold Hill Millsite. Based upon previous communications between CMC and the BLM, it does not appear that the BLM will not authorize

this pumping test, since all of the underground mine workings where water is stored are located on patented mining claims owned by CMC.

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c. Please be advised, submittal of the requested mine pool drawdown plan will be a stipulation of AM01 approval, requiring this plan be submitted in the form of a Technical Revision for Division review and approval, prior to mill operations commencing at the site. Please acknowledge your acceptance of this stipulation.

CMC Response: CMC acknowledges that a mine pool drawdown plan will be a stipulation of Revision AM 01 approval, requiring that this plan be submitted in the form of a Technical Revision for DRMS review and approval, prior to milling operations commencing at the Gold Hill Millsite.

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2) The operator's response to Item no. 1(d) states the operator is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine if it is necessary to maintain the water levels in the mine workings below the design standard for the Times Mine Bulkhead.

Please be advised, until the Division has reviewed and approved the new engineer bulkhead evaluation based on the results of the proposed pumping test, and including different recommendations than those included in the evaluation submitted to the Division on May 17, 2019, the operator must commit to maintaining water levels in the mine workings below the design standard for the bulkhead, 17.6 feet of head or an elevation of 8,360 feet during operations, including weekly monitoring of water levels.

CMC Response: CMC commits to maintaining water levels in the mine workings at an elevation of 8,360 feet during operations until the DRMS has reviewed and approved the new bulkhead evaluation based on the results of the proposed pumping test, which may include different recommendations than those included in the Deere & Ault Consultants evaluation of the Times Mine Bulkhead submitted on May 17, 2019. CMC commits to conduct weekly monitoring of water levels during operations.

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3) The operator's response to Item no. 1(e) states the operator is awaiting the results of the Deer & Ault's mine pool control plan and monitoring plan to determine the actual Times Mine Bulkhead pressure and the effects of different water levels in the Times and Wynona Mines on the bulkhead pressure.

Please be advised, until the Division has reviewed and approved the new engineer bulkhead evaluation based on the results of the proposed pumping test, and including different recommendations than those included in the evaluation submitted to the Division on May 17, 2019, the operator must commit to maintaining the bulkhead pressure below the design standard

for the bulkhead, 7.6 psi (with 17.6 feet of head) during operations, including weekly monitoring of bulkhead pressure.

CMC Response: CMC commits to maintaining the Times Mine Bulkhead pressure below 7.6 psi (with 17.6 feet of head) during operations until the DRMS has reviewed and approved the new bulkhead evaluation based on the results of the proposed pumping test, which may include different recommendations than those included in the Deere & Ault Consultants evaluation of the Times Mine Bulkhead submitted on May 17, 2019. CMC commits to conduct weekly monitoring of the Times Mine Bulkhead pressure during operations.

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4) The operator's response to Item no. 1(f) states the operator is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine the frequency of the inspection of the Times Mine bulkhead.

Please be advised, until the Division has reviewed and approved the new engineer bulkhead evaluation based on the results of the proposed pumping test, and including different recommendations than those included in the evaluation submitted to the Division on May 17, 2019, the operator must commit to inspecting the bulkhead on a weekly basis during operations to document conditions, including any increases in seepage or the development of any concentrated areas of flow.

CMC Response: CMC commits to inspecting the Times Mine Bulkhead to document conditions, including any increases in seepage or the development of any concentrated areas of flow on a weekly basis during operations, until DRMS has reviewed and approved the new bulkhead evaluation based on the results of the proposed pumping test, which may include different recommendations than those included in the Deere & Ault Consultants evaluation of the Times Mine Bulkhead submitted on May 17, 2019.

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5) The operator's response to Item no. 1(g) states the operator has discussed the potential for concrete degradation of the Times Mine Bulkhead with Deere & Ault and prefer to let them address the need to sample the water quality on a quarterly basis to evaluate the potential for concrete degradation of the bulkhead.

Please be advised, until the Division has reviewed and approved the new engineer bulkhead evaluation based on the results of the proposed pumping test, and including different recommendations than those included in the evaluation submitted to the Division on May 17, 2019, the operator must commit to monitoring water quality in the Times Mine on a quarterly basis (for the sampling parameters approved in AM-01) to evaluate potential concrete degradation of the bulkhead, and submitting these results to the Division in the quarterly groundwater monitoring report.

CMC Response: CMC commits to monitoring water quality in the Times Mine on a quarterly basis (for the sampling parameters approved in Revision No. AM-01) to evaluate potential concrete degradation of the Times Mine Bulkhead, and to submitting these results to the DRMS in the quarterly groundwater monitoring reports. Once the DRMS has reviewed and approved the new bulkhead evaluation based on the results of the proposed pumping test, which may include different recommendations than those included in the Deere & Ault Consultants evaluation of the Times Mine Bulkhead submitted on May 17, 2019.

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6) The operator's response to Item No. 2 states the operation will be limited to processing no more than 5,000 tons of ore at this time (due to limited capacity of the tailings impoundment), and will therefore, require a total of 5,000 tons of water with mill recycling (assuming 1 ton water/1 ton ore) or 20,000 tons of water without mill recycling (assuming 4 tons water/1 ton ore). Please specify how much water will be used in conjunction with the operation in units of volume (gallons), not units of weight (tons), so the Division can easily compare this value to the amount of water the operator is authorized (per Water Court Decree) to withdraw from Left Hand Creek, which is also given in units of volume (3,388,850 gallons during irrigation season). Please be sure the estimated volume in gallons has been properly converted from tons using the appropriate conversion factor, and not a 1 ton water = 1 gallon water conversion, which is incorrect.

CMC Response: According to the Denver Equipment Index, one short ton of water equals 239.65 gallons of water. (This is usually rounded up to equal 240.00 gallons of water.) If CMC processes 5,000 tons of ore in the Gold Hill Mill, it will require a total of 5,000 tons of water which equals 1,198,264 gallons of water by recycling the water used in the grinding, classification, and gravity concentration circuits. (Rounded up it equals 1,200,000 gallons of water.) The DRMS can easily compare this value to the amount of water the operator is authorized (per Water Court Decree) to withdraw from Left Hand Creek, which is also given as 10.40 acre feet (One acre feet equals 325,851 gallons of water.) in a dry year, which equals 3,388,854 gallons, and 22.53 acre feet in a wet year, which equals 7,341,432 gallons. The State Water Engineer and the Left Hand Ditch company determine if it is a dry or wet year, and that governs how much water can be withdrawn from Left Hand Creek for processing ore in the Gold Hill Mill.

The original, Mined Land Reclamation Board approved Limited Impact Permit for the Gold Hill Mill included the following description of how much water would be used in conjunction with the operation of the gravity and flotation circuits in the milling facility:

"This milling complex has been designed to maintain a stable water balance throughout the ore processing and tailings impoundment system. The milling operation will require 4 tons of water for every ton of ore processed in the gravity and flotation concentration circuits. Fresh water will be introduced into the milling process in the grinding circuit. Most of the water that will be used in grinding and classification, and in the gravity concentration circuit, will be recycled from the thickener tank overflow launder back to the ball mill. Fresh water will also be added to the thickened pulp as it passes from the thickener tank underflow to the flotation concentration circuit." The operative word in this description of the Gold Hill Mill's gravity and flotation

concentration circuits is **recycled**. By recycling most of the water that will be used in the grinding and gravity concentration circuits through the proper use of the large thickener tank (35 feet in diameter by 10 feet high with a water storage capacity of 52,870 gallons of process water) CMC will only need to add about one (1) ton of fresh water (**240 gallons**) to the flotation concentration circuit for every ton of ore that is being processed. Only the water from the flotation circuit is discharged into the tailings retention pond, while most of the water used in the grinding, classification and gravity circuits is **recycled**. In other words, when the Gold Hill Mill is operated according to its original mineral processing flowchart, the amount of water actually consumed will be less than one fourth of the water that is pumped from the underground water storage pool into the mill.

The original approved Gold Hill Mill Permit further states: "The water consumed in the milling process and lost in evaporation from the tailings pond is not expected to exceed 20 percent of the water used in the mill. The water consumed in the milling process will mainly result from water entrapped in the gravity and flotation concentrates and in the unconsolidated tailings. Because of the altitude and limited size of the tailings pond, only a relatively small amount of water is expected to be lost due to evaporation. Recycling the mill water will reduce the amount of fresh water needed in the milling process, and decrease the quantity of water pumped from Left Hand Creek." The operative word in this description of the milling process is **consumed**. This calculation estimated that the amount of water **consumed** in the milling process would be **6,350 gallons** of water per day when the Gold Hill Mill was processing 50 tons of ore per 24 hour day. Actual mineral processing operations in the Gold Hill Mill demonstrated that the volume of water **consumed** was approximately **4,500 gallons** of water per day, which amounts to **1,170,000 gallons** per year. This is well below the **3,388,850 gallons** of water that can be pumped from Left Hand Creek in a dry year, and far below the **7,341,432 gallons** of water that can be pumped from Left Hand Creek in a wet year.

Exhibit E – Map (Rule 6.3.5):

7) The operator's response to Item no. 3(a) regarding the Mining Plan Maps, included a legal description and revised Figure E-1 for the proposed permit area near Left Hand Creek. These documents show the proposed permit area near the creek to consist of 0.218 acres. This acreage varies from what was proposed in the application for this area (0.256 acres) and from what was shown in this area on the previous E-1 map (0.035 acres + 0.218 acres = 0.253 acres). Please correct and/or explain this discrepancy in the proposed permit area near the creek. Does the operator still request a total permit area increase of 0.797 acres in AM-01, as initially proposed? Or has this value changed since the most recent survey was completed?

CMC Response: The original E-1 Mine Plan Map submitted by CMC included an area on the North side of Left Hand Creek that was 0.035 acres in size. This parcel of land was included in the proposed permit area to provide access to the foot bridge that was going to be used to access the Left Hand Creek Pump Station. This was addressed by CMC in its January 4, 2019 Response Letter to the DRMS's Adequacy Review Letter No. 2, when it stated that the foot bridge would not be installed as part of this Permit Amendment. A field survey of this area disclosed a gap

between the Mammoth Millsite MS No. 17576 and the Paris Lode MS No. 5149A that will provide access to the Pumphouse from Lickskillet Road. This open area is located entirely on the CMC owned Gold Gulch unpatented lode mining claim. It is shown on **Map E-1A Mining Plan Map for Permit Area Near Left Hand Creek** attached to this Response Letter. It has been calculated to contain 0.009 acres of surface land. The new area for the Left Hand Creek Pump Station is 0.227, which is a reduction of the total proposed permit area of 0.026 acres.

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8) Please submit a revised Figure E-1 which conforms to the following criteria required by Rule 6.2.1(2):

a. Show name of Applicant.

CMC Response: The name of the Applicant is shown on the bottom of the map.

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b. Must be prepared and signed by a registered land surveyor, professional engineer, or other qualified person.

CMC Response: This map was prepared and signed by Carl G. Swift, Colorado Registered Professional Land Surveyor No. 26391, doing business as: Mountain Surveying, LLC., P.O. Box 783, Nederland, Colorado 80466.

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c. Give date prepared.

CMC Response: This map was prepared on September 12, 2019.

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d. Identify and outline the proposed permit boundary, as also required by Rule 6.3.5(2)(a). The revised map does not adequately identify the proposed permit boundary. Two potential methods for properly identifying the permit boundary include using a unique outline and an appropriate legend to describe what the outline represents, or using arrows and text to indicate the location of the permit boundary. Please be sure all portions of the permit boundary shown on the map are identified (pump station area and waterline area).

CMC Response: The proposed permit boundary has a unique, bold outline and an appropriate legend to describe what the outline represents, and arrows and a text have been added to the map to indicate the location of the permit boundary. All portions of the permit boundary in this area near Left Hand Creek have been identified, including the location of the Left Hand Creek Pump Station the Water Line Easement.

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e. Include an appropriate map title. The revised map is titled "E-1A Permit Area", which does not appropriately indicate the type of map. The Division suggests revising the title to "E-1A Mining Plan Map for Permit Area near Left Hand Creek", or at a minimum "E-1A Mining Plan Map".

CMC Response: The map has been titled **E-1A MINING PLAN MAP FOR PERMIT AREA NEAR LEFT HAND CREEK.** It is attached to this Response Letter along with a Legal Description of the Permit Parcel for this area near Left Hand Creek.

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9) The operator's response to Item no. 3(b) regarding the Reclamation Plan Maps states that none of the requested features have ever been shown on any of the Reclamation Plan Maps that have been submitted to the DRMS. Further down, the operator refers to Rule 1.10(2) which states the Applicant will not be required to submit any information which duplicates applicable previous submittals. The Division agrees with the operator's statement that none of the requested features have been shown on previous Reclamation Plan Maps for the site. Therefore, the Reclamation Plan Map must be a stand-alone comprehensive map that portrays all components of the reclamation plan for the affected lands shown on the map. The Division will not approve AM-01 without an updated Reclamation Plan Map that conforms to the requirements of Rules 6.2.1 and 6.3.5.

CMC Response: Actually, the operator's response to Item No. 3 (b) stated: "CMC has submitted numerous Reclamation Plan Map(s) (Figure E-5) during the course of this Permit Amendment Application. This is the first time that the DRMS has requested that this specific information be included on the Reclamation Plan Maps (Figure E-5). In fact, all of the requested features were shown on the original Reclamation Plan Map filed with the Amendment to the Cash Mine Permit No. M-1983-141 on July 20, 1985, between the pages 26 and 27 of that Amendment to the Cash Mine Permit. The Reclamation Plan Map for the Gold Hill Millsite and Tailings Pond shows the gradient of all reclaimed slopes (horizontal : vertical) sufficient to describe the post mine topography; and the accompanying text indicates where vegetation will not be established and the general area(s) for shrub or tree planting; and it states the average thickness of replaced overburden by reclamation area or phase."

The Rules and Regulations of the Mined Land Reclamation Act in effect in 1985, required a Reclamation Plan Map for the Gold Hill Millsite and Tailings Pond, and one was included between pages 26 and 27 in the Amendment to the Cash Mine Permit No. M-1983-141 filed on July 20, 1985.

Please submit a revised Reclamation Plan Map (Figure E-5) which includes the following information required by Rule 6.3.5(3):

a. Show the gradient of all reclaimed slopes (horizontal:vertical) sufficient to describe the post mine topography.

CMC Response: According to the previously approved Reclamation Plan for the tailings retention structure, the interior of the tailings pond will be leveled by grading with a small tractor, creating the flat surface shown on the Mill Pond Reclamation Map attached to this Response Letter. This map shows that the post mine topography inside the tailings pond will be essentially level. Nothing will be done to alter the downslope tailings retention structure. The post mine topography will remain as it has been shown on every Reclamation Plan Map submitted with this Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

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b. Indicate where vegetation will not be established and the general area(s) for shrub or tree planting.

CMC Response: Vegetation will not be established on the upper portion of the tailings retention structure, because it was excavated in solid granodiorite and it is too steep to support the establishment of any vegetation. According to the previously approved Reclamation Plan for the interior of the tailings retention pond, several varieties of shrubs and trees that are common to this area will be planted in the interior of the leveled tailings pond, which is 316 feet long by 162 feet wide at its largest dimensions.

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c. State the average thickness of replaced overburden by reclamation area or phase.

CMC Response: According to the previously approved Reclamation Plan for the interior of the tailings retention structure, a two foot thick rock capillary barrier will be placed on top of the leveled mill tailings before the salvaged, stockpiled and any imported topsoil is placed over this rock capillary barrier.

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d. State the average thickness of replaced topsoil by reclamation area or phase.

CMC Response: The average thickness of the replaced topsoil for the interior of the tailings retention structure area will be between 3 and 4 inches.

CMC Response: CMC is submitting a revised **Reclamation Plan Map** (Figure E-5A). It is attached to this Response Letter. In addition, CMC has included the approved Reclamation Plan for the Gold Hill Mill's Tailings Pond to this Response Letter. It is shown below as **Exhibit A.**

EXHIBIT A

RECLAMATION PLAN FOR THE GOLD HILL MILL TAILINGS POND

The mill tailings consist of compacted, fine-grained, light-colored, siliceous, sandy material that has very few of the essential chemical elements or physical properties needed for plant growth. Therefore, special reclamation techniques will be employed to establish a permanent, self-sustaining, and diverse cover of vegetation on the land surface affected by the impoundment of the mill tailings. Because the tailings retention structure will have three sloping sides and a relatively flat surface, the species selection, site preparation, and planting methods for these two areas will address their different physical characteristics. The tailings impoundment area will be reclaimed in a manner that establishes a growth of trees and low shrubs along with a cover of native grasses over the tailings embankment, and a meadow of grasses and scattered trees and shrubs on the flat surface of the former tailings pond.

The revegetation part of the Reclamation Plan for the tailings impoundment area will be implemented over a period of several years and will involve four separate phases. These four phases have been planned to coincide with the physical stabilization and consolidation of the mill tailings, which will depend on the rate of the tailings deposition. The first phase will be centered around field tests; the second phase will be concentrate on establishing a cover of stabilizing vegetation on the sloping sides of the tailings embankment; the third phase will focus on developing an effective growth of grasses on the former tailings pond; and the fourth phase will be directed towards creating a diverse cover of trees and shrubs on the reclaimed tailings pond.

Within two years of the commencement of sustained milling operations, the first phase of the Reclamation Plan will be started. A field test site will be developed below the lowest area of the mill building. Field tests will be conducted on consolidated mill tailings to determine the best soil conditions for establishing vegetation, and to assist in selecting the proper grass species for revegetating the tailings retention area. These field tests will provide useful information regarding soil amendments, seed mixtures, and grass yields at this elevation during a two year study period under actual climatic conditions.

The second stage of the Reclamation Plan will be the revegetation of the tailings embankment. It will commence during the first year after tailings deposition has finally ended. Between 30 and 40 Ponderosa pine and Aspen trees ranging in height from 3 to 6 feet will be planted along the southeastern face of the embankment. Approximately 40 shrubs will be planted between the trees. These shrubs will be Serviceberry, Common Gooseberry and Kinnikinnick. Native species, either collected from the area or purchased from a nursery, will be transplanted at the reclamation site.

The third phase of the Reclamation Plan for the tailings impoundment area that will be implemented is the revegetation of the tailings pond. Since the tailings pond will be the last part of the tailings retention structure to consolidate, the revegetation of this area will begin at a later date than the three sloping sides of the tailings embankment. During this period of tailings consolidation, a wood fiber mulch will be applied to the dried areas on the top of the tailings retention structure to prevent water erosion and to control dust. The revegetation of the tailings

pond can be started as soon as the tailings can support the weight of a small conventional tractor. This will probably be within the first two or three years of the cessation of tailings deposition. Once the former tailings pond area has physically stabilized, the surface will be leveled by grading it with a small tractor. Then the graded surface will have a two foot rock capillary barrier placed on top of the mill tailings. This material will come from the mine dump screening operation that will provide mill feed to the Gold Hill Mill. Next, the salvaged and stockpiled topsoil, and any imported topsoil, will be placed over this rock capillary barrier to a depth of between 3 and 4 inches. The same seed mixture of both native and introduced species that will be planted on the three sides of the tailings retention embankment will be used on the former tailings pond. The seed mixture will be planted at the rate of about 40 pounds per acre by hydroseeding. A Brillion grass seeder may also be used on this part of the tailings impoundment area. A wood fiber mulch may be used to protect the seedbed from wind and water erosion, and to promote better root growth.

A list of the native and introduced grass species, and the quantities of these grasses that will be planted on the reclaimed tailings impoundment area is given below. Some of the grass species on this list may be deleted or substituted following the completion of the field tests that will be conducted on consolidated mill tailings.

Native Grass Species	Application Rate: Pounds Per Acre
Mountain Mhuly	2
Slender Wheat-grass	8
Thurber Fescue	3
Introduced Grass Species	
Hard Fescue	4
Intermediate Wheat-grass	8
Orchard grass	6
Red Fescue	2
Smooth Brome	5
Timothy	2

The time of the year when tailings deposition finally ceases will determine the season that these grass species are planted on the tailings retention structure. These grasses will be planted in either the late fall or early spring months; depending upon how much time is available for ground preparation following the cessation of milling operations. The optimum season for seeding the prepared mill tailings is in the late fall, so that seed germination will take place in the following spring. However, if the grass seeds are planted in the early spring, they will have ample time for growth prior to the ground freezing, and the grasses will benefit from several months of precipitation.

A sprinkler irrigation system may be used to avoid dehydration of the seedbeds during each of the grass seed germination periods. Some additional fertilizer will also be applied during the first two or three years following the revegetation of each part of the tailings retention structure. When these fertilizer treatments are discontinued after the vegetation has been effectively established, it is expected that the native grasses will successfully compete with the introduced grass species.

Voluntary revegetation is also expected to occur as native seeds from adjacent forest areas germinate and grow in the improved soil of the reclaimed tailings impoundment area.

In order to create a diverse community on the reclaimed tailings retention structure, the fourth and final phase of the revegetation plan will involve transplanting indigenous trees and shrubs onto the surface of the former tailings pond. This last part of the revegetation program will be started during the third or fourth year after the cessation of tailings deposition. Between 20 and 30 Ponderosa pine and Engelmann spruce trees ranging in height from 2 to 4 feet will be planted in specially prepared soil in scattered locations on the restored tailings pond. Serviceberry, Common Gooseberry, Kinnikinnick and Common Juniper shrubs will be planted at irregular intervals among the transplanted trees. These secondary species will encourage voluntary revegetation, and they will enhance the potential for wildlife habitation on this site.

The only area where no vegetation will be established on the tailings retention structure is on the upper portion of the tailings pond, where the pond was excavated in solid Boulder Creek granite. This slope is too steep to support any soil or the establishment of any vegetation and no attempt to revegetate this relatively small portion of the Gold Hill Mill's tailings pond will be attempted.

CMC has also included the approved Reclamation Plan for the Gold Hill Millsite to this Response Letter. It is shown below as **Exhibit B.**

EXHIBIT B

RECLAMATION PLAN FOR THE GOLD HILL MILLSITE

The Reclamation Plan for the Gold Hill Millsite was approved when the Cash Mine Permit No. M-1983-141 was Amended to include the Gold Hill Millsite and Tailings Impoundment Area. This Permit Amendment was approved by the Colorado Mined Land Reclamation Board on September 25, 1985.

When the Gold Hill Mill was constructed, the area that has become the Cash Mine Dump Stockpile was cleared of all of the native trees and shrubs that were growing in this location. Because this

area was situated in very solid Boulder Creek granite, there was almost no topsoil located where the ramp to the coarse ore bins was constructed and where a large portion of the Cash Mine Dump was transported and stockpiled. No vegetation will be established in this area once it is no longer being used to stockpile and process mine dumps. The very shallow depth to bedrock and the poorly developed soil profile that is present around the Wynona and White Cloud Mines precludes the possibility of establishing vegetation in most of this area.

The best sites for locating new vegetation in this area are the prospect pits and trenches in the southwest part of the permit boundary. Approximately 20 trees ranging from 3 to 6 feet in height will be planted every 10 to 15 feet in these prospect pits, which will be filled with specially treated and improved soil transported to the reclamation site. Part of the Reclamation Plan for this site will involve encouraging the growth of the existing trees and shrubs that have covered this area since the Wynona and white Cloud Mines were last worked. This will be accomplished by applying appropriate soil amendments and fertilizers to the larger trees and shrubs, and by transplanting the smaller trees to the reclaimed prospect pits.

A wood fiber mulch and appropriate soil amendments and fertilizers will be applied to the reworked White Cloud Mine dump. The mulch will decrease erosion and help to hold water near the root systems of the trees and shrubs. Once the evergreen trees and shrubs have recovered from being transplanted to these prospect pits, organic fertilizer will be added to the revegetated areas. Other supplements may be added to adjust the acidity of these revegetated areas, and to add nutrients to the imported soil. These reclamation techniques will help ensure that a long-lasting vegetation cover will be established on the southwest portion of the affected lands and prepare this ground for voluntary revegetation.

After processing operations have finally ceased at the Gold Hill Mill, all of the metal storage containers will be removed from the site, unless they are being used to store tools and equipment needed for reclaiming the Gold Hill Millsite. All of the equipment and machinery that is stored outside the mill building will be removed or relocated inside the Gold Hill Mill. The ore stockpile storage area will be used by a local contractor or excavator to store equipment and machinery. This will help ensure that the Gold Hill Millsite does not become an attractive nuisance and magnet for vandals.

Upon the completion of this Reclamation Plan, the land surface affected by the milling activities at the Gold Hill Mill will be restored to a forest environment with an enhanced suitability for wildlife habitation.

Additional Item(s):

10) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

CMC Response: CMC will provide the DRMS with a file stamped receipt or an affidavit from the Boulder County Clerk and Recorder's Office.

This concludes the Colorado Milling Company, LLC's Response Letter to the items listed in the DRMS's Adequacy Review No. 5 to the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1004-117. It is being transmitted electronically as well as hand delivered to the DRMS.

If you have any questions, you may contact me by email at *goldtontine@gmail.com*.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

Cc: Mike Bynum
Colorado Milling Company, LLC
50 West 100 South Street
Moab, Utah 80342

Cc: John R. Henderson
Attorney at Law

Cc: Cynthia T. Kennedy
Attorney at Law

Cc: Christoph M. Goss, P. E.
Deere & Ault Consultants, Inc.

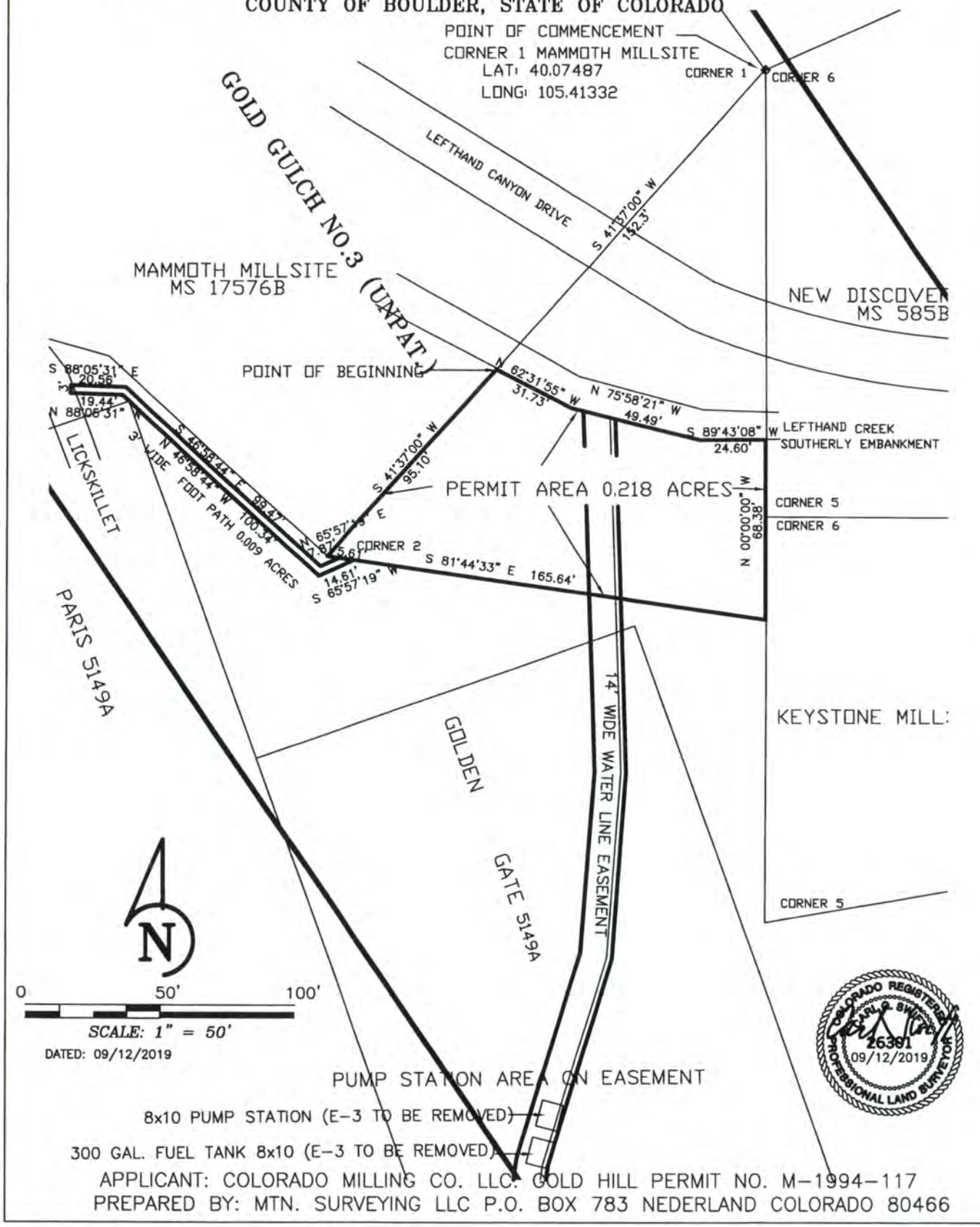
Cc: Victor G. deWolfe, P. E.
Deere & Ault Consultants, Inc.

Cc: James M. Beck, P. E.
J. M. Beck & Associates

Cc: Jeff Pillus, P.E.
SET Engineering, LLC

Carl Swift
Mountain Surveying, LLC

E-1A MINING PLAN MAP FOR PERMIT AREA NEAR LEFT HAND CREEK
COLORADO MILLING CO. LLC.-GOLD HILL MILL WATERLINE
LOCATED IN SE/4 SECTION 2, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



APPLICANT: COLORADO MILLING CO. LLC. GOLD HILL PERMIT NO. M-1994-117
PREPARED BY: MTN. SURVEYING LLC P.O. BOX 783 NEDERLAND COLORADO 80466

LEGAL DESCRIPTION-PERMIT PARCEL
GOLD HILL MILL PERMIT NO.M-1994-117

STATE OF COLORADO DIVISION OF RECLAMATION MINING AND SAFETY PERMIT AREA FOR COLORADO MILLING COMPANY, LLC, GOLD HILL MILL PERMIT NO. M-1994-117, A PERMIT PARCEL UPON THE GOLD GULCH NO.3 UNPATENTED MINING CLAIM LOCATED IN THE SE 1/4 SECTION 2, TOWNSHIP-1-NORTH, RANGE-72-WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER 1 OF THE MAMMOTH MILLSITE MS 17576B ALSO BEING CORNER 6 OF THE NEW DISCOVERY MILLSITE MS 585B FROM WHICH POINT SE CORNER SEC 2 BEARS S 27°55' E A DISTANCE OF 1377 FEET;

THENCE ALONG THE RECORD BEARING
S 41°37'00" W A DISTANCE OF 152.3 FEET,
TO THE SOUTHERLY EMBANKMENT OF LEFT HAND CREEK MORE OR LESS,
AND TO THE TRUE POINT OF BEGINNING;
THENCE ALONG THE RECORD BEARING
S 41°37'00" W A DISTANCE OF 95.10 FEET,
AND ALONG LINE 1-2 TO CORNER 2 OF
SAID MAMMOTH MILLSITE MS 17576B;
THENCE S 81°44'33" E A DISTANCE OF 165.64 FEET,
TO LINE 5-6 KEYSTONE MILLSITE MS 69B;
THENCE ALONG THE RECORD BEARING NORTH (N 00°00" E) A DISTANCE OF 68.38 FEET ALONG LINE 5-6 OF KEYSTONE MILLSITE MS 69B AND LINE 5-6 OF SAID NEW DISCOVERY MILLSITE MS 585B
TO THE SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE S 89°43'08" W A DISTANCE OF 24.60 FEET,
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE N 75°58'21" W A DISTANCE OF 49.49 FEET,
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE N 62°31'55" W A DISTANCE OF 31.73 FEET
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK
TO LINE 1-2 OF SAID MAMMOTH MILLSITE MS 17576B,
AND TO THE TRUE POINT OF BEGINNING.

THIS PERMIT PARCEL CONTAINS 0.218 ACRES MORE OR LESS.

LEGAL DESCRIPTION-FOOT PATH AREA
GOLD HILL MILL PERMIT NO.M-1994-117

STATE OF COLORADO DIVISION OF RECLAMATION MINING AND SAFETY PERMIT AREA FOR COLORADO MILLING COMPANY, LLC, GOLD HILL MILL PERMIT NO. M-1994-117, A PATHWAY AREA UPON THE GOLD GULCH NO.3 UNPATENTED MINING CLAIM LOCATED IN THE SE 1/4 SECTION 2, TOWNSHIP-1-NORTH, RANGE-72-WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER 1 OF THE MAMMOTH MILLSITE MS 17576B ALSO BEING CORNER 6 OF THE NEW DISCOVERY MILLSITE MS 585B FROM WHICH POINT SE CORNER SEC 2 BEARS S 27°55' E A DISTANCE OF 1377 FEET;

THENCE S 41°37'00" W A DISTANCE OF 246.82 FEET
AND ALONG LINE 1-2 TO CORNER 2 OF
SAID MAMMOTH MILLSITE MS 17576B;
THENCE S 81°44'33" E A DISTANCE OF 4.62 FEET,
TO THE TRUE POINT OF BEGINNING;
THENCE S 81°44'33" E A DISTANCE OF 5.61 FEET;
THENCE S 65°57'19" W A DISTANCE OF 14.61 FEET;
THENCE N 46°58'44" W A DISTANCE OF 100.34 FEET;
THENCE N 88°05'31" W A DISTANCE OF 19.44 FEET;
THENCE N 01°54'29" E A DISTANCE OF 3.00 FEET;
THENCE S 88°05'31" E A DISTANCE OF 20.56 FEET;
THENCE S 46°58'44" E A DISTANCE OF 99.47 FEET;
THENCE N 65°57'19" E A DISTANCE OF 7.87 FEET;
AND TO THE TRUE POINT OF BEGINNING.

THIS FOOT PATH AREA CONTAINS 0.009 ACRES MORE OR LESS.

E-5A -RECLAMATION PLAN MAP - MILLSITE/MILL POND - COLORADO MILLING CO. LLC GOLD HILL PERMIT NO. M-1994-117
LOCATED IN THE N 1/2 OF SECTION 12, T-1-N, R-72-W OF THE 6TH P.M.
COUNTY OF BOULDER, STATE OF COLORADO

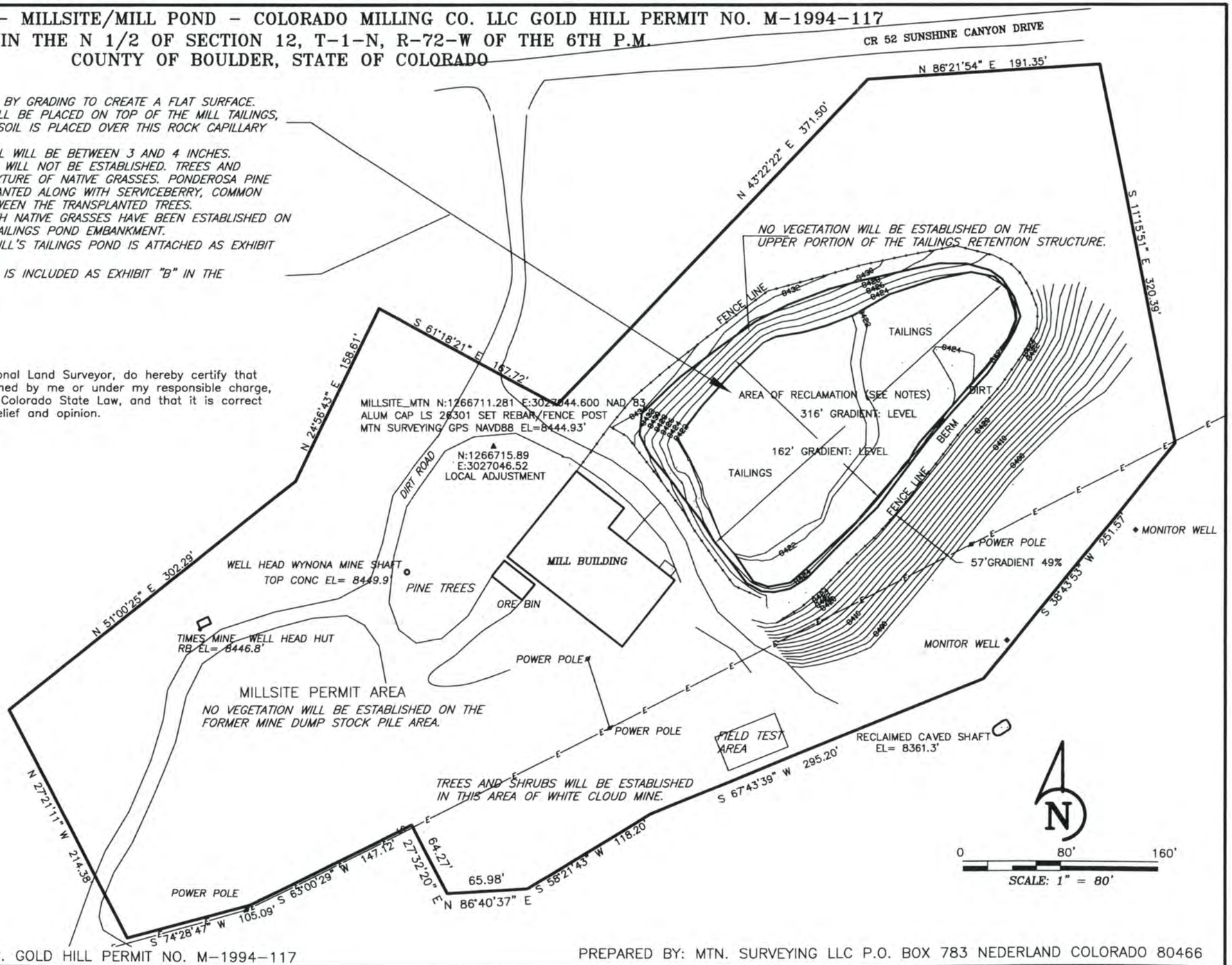
NOTES: AREA OF RECLAMATION:

1. *INTERIOR TAILINGS POND WILL BE LEVELED BY GRADING TO CREATE A FLAT SURFACE.*
2. *A TWO FOOT ROCK CAPILLARY BARRIER WILL BE PLACED ON TOP OF THE MILL TAILINGS, BEFORE THE SALVAGED AND STOCKPILED TOPSOIL IS PLACED OVER THIS ROCK CAPILLARY BARRIER.*
3. *THE THICKNESS OF THE REPLACED TOPSOIL WILL BE BETWEEN 3 AND 4 INCHES.*
4. *THERE WILL NO AREAS WHERE VEGETATION WILL NOT BE ESTABLISHED. TREES AND SHRUBS WILL BE PLANTED ALONG WITH A MIXTURE OF NATIVE GRASSES. PONDEROSA PINE AND ENGLEMANN SPRUCE TREES WILL BE PLANTED ALONG WITH SERVICEBERRY, COMMON GOOSEBERRY AND KINNIKINNICK SHRUBS BETWEEN THE TRANSPLANTED TREES.*
5. *PONDEROSA AND ASPEN TREES ALONG WITH NATIVE GRASSES HAVE BEEN ESTABLISHED ON THE SOUTH FACING SLOPING SIDES OF THE TAILINGS POND EMBANKMENT.*
6. *THE RECLAMATION PLAN FOR GOLD HILL MILL'S TAILINGS POND IS ATTACHED AS EXHIBIT "A" TO THIS RESPONSE LETTER.*
7. *THE RECLAMATION PLAN FOR THE MILLSITE IS INCLUDED AS EXHIBIT "B" IN THE RESPONSE LETTER.*

SURVEYOR'S CERTIFICATE:

I Carl G. Swift, a Colorado Licensed Professional Land Surveyor, do hereby certify that this EXISTING MILL POND SURVEY was performed by me or under my responsible charge, supervision and checking in accordance with Colorado State Law, and that it is correct to the best of my professional knowledge, belief and opinion.

COLORADO REGISTERED CARL G. SWIFT 26301 09/12/2019 PROFESSIONAL LAND SURVEYOR



APPLICANT: COLORADO MILLING CO. LLC. GOLD HILL PERMIT NO. M-1994-117

PREPARED BY: MTN. SURVEYING LLC P.O. BOX 783 NEDERLAND COLORADO 80466

RECEIPT OF DELIVERY

OFFICE OF THE BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street
Boulder, Colorado

CERTIFICATION

I, Richard Lacusky, certify that a copy of the Colorado Milling Company, LLC's Response Letter to the Colorado Division of Reclamation, Mining and Safety's Adequacy Review No. 5 of the Application for an Amendment to the Limited Impact 110 (2) Permit No. 1994-117 for the Gold Hill Mill, dated May 21, 2019 was hand-delivered to me on September 16, 2019.

Signed: Richard Lacusky

Dated: 9/16/19

CMC's Proof of Filing with the Boulder County Clerk and Recorder.

Colorado Milling Company, LLC
50 W 100 S, Moab, UT 84532

December 16, 2021

To Whom It May Concern,

Please accept this letter as written confirmation that, I Michael H. Bynum, Managing Member of Colorado Milling Company, LLC hereby give my consent for Ben Langenfeld with Lewicki and Associates to represent Colorado Milling Company, LLC with the Colorado Division of Reclamation Mining and Safety (DRMS).

Should you require any additional information or have any questions please contact me directly at mike@bzrez.com or (303) 588-1119.

Thank you,

Mike Bynum, Chairman
Management Committee

MB:tm

STATE OF COLORADO

Eschberger - DNR, Amy <amy.eschberger@state.co.us>

Gold Hill Mill Authorization letter

Ben Langenfeld <benl@lewicki.biz> Fri, Jan 7, 2022 at 9:22 AM
To: "Eschberger - DNR, Amy" <amy.eschberger@state.co.us>

Amy

See attached.

Ben Langenfeld, P.E.

Lewicki & Associates

benl@lewicki.biz

Office: (720) 842-5321

Cell: (303) 960-5613

AuthLetter.pdf
327K

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106

RECEIVED
SEP 13 2022
DIVISION OF RECLAMATION, MINING & SAFETY-MINERALS

COLORADO DIVISION OF RECLAMATION MINING & SAFETY

DESIGNATED MINING LIMITED IMPACT (110d) OPERATION RECLAMATION PERMIT APPLICATION FORM

JPL/JLE

CHECK ONE: ☐ **New** Application (Rule 1.4) ☐ **Amendment** Application (Rule 1.8 or 1.10)
☑ **Conversion** Application (Rule 1.11)

Permit # M-1994-117- _____ (provide for **Amendments** and **Conversions** of existing permits)

The application for a Limited Impact (110d) Designated Mining Operation Reclamation Permit contains three major parts: (1) the application form; (2) Exhibits A-J, Exhibit L, Exhibit T, the Geotechnical Stability Exhibit, the Emergency Response Plan, and Addendum 1, as required by the Office, and outlined in Rules 6.1, 6.2, 6.3, 6.4.20 6.5, 8, and 1.6.2(1)(b); and (3) the application fee. When you submit your application, be sure to include one (1) signed and notarized Original and one (1) copy of the application form, two (2) copies of Exhibits A-J, Exhibit L, Exhibit T, the Geotechnical Stability Exhibit (Rule 6.5), the Emergency Response Plan (Rule 8), and Addendum 1 (Rule 1.6.2(1)(b)), as required, and a check for the application fee described under (4) below. Exhibits should **NOT** be bound or in 3-ring binders; maps should be folded to 8 2" X 11" or 8 2" X 14" size. To expedite processing, please provide the information in the format and order described in this form.

GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, all information described below.

1. **Applicant/operator or company name (name to be used on permit)**: Colorado Milling Company, LLC
   - 1.1 Type of organization (corporation, partnership, etc.): Limited Liability Company
   - 1.2 I.R.S. Tax ID No. or Social Security Number: _____
2. **Operation name (pit, mine or site name)**: Gold Hill Mill
3. **Permitted acreage (new or existing site)**: 9.20 permitted acres
   - 3.1 Change in acreage (+) 0.0 acres
   - Total Acreage in Permit Area 9.20 acres
4. **Fees**: (Rule 1.5)
   - 4.1 New Application **$2,875.00** application fee
   - 4.2 Amendment Fee (operations existing as of 06/30/94) **$1,725.00** application fee
   - 4.3 Amendment Fee (operations permitted from 07/01/94) **$2,300.00** application fee
   - 4.4 After July 1, 1995, to convert a 110(1), 110(2) or a 110 to a 110(d), a new application form for a 110d must be submitted, along with an application fee [redacted] Rule 1.11.2(2)).
5. **Primary commodities to be mined**: Gold and Silver
6. **Type of mining operation**: ☑ Surface ☐ Underground ☐ In-situ

7. **Correspondence Information**:

APPLICANT/OPERATOR (name, address, and phone of name to be used on permit)

Contact's Name: Mike Bynum Title: Chairman
Company Name: Colorado Milling Company, LLC
Street/P.O. Box: 50 West 100 South Street P.O. Box: _____
City: Moab
State: UT Zip Code: 80342
Telephone Number: (303) - 588-1119
Fax Number: (_____) - _____

PERMITTING CONTACT (if different from applicant/operator above)

Contact's Name: Ben Langenfeld Title: Principal
Company Name: Lewicki & Associates
Street/P.O. Box: 3375 W Powers Circle P.O. Box: _____
City: Littleton
State: CO Zip Code: 80123
Telephone Number: (720) - 842-5321, ex. 1
Fax Number: (303) - 346-6934

INSPECTION CONTACT

Contact's Name: Ben Langenfeld Title: Principal
Company Name: Lewicki & Associates
Street/P.O. Box: 3375 W Powers Circle P.O. Box: _____
City: Littleton
State: CO Zip Code: 80123
Telephone Number: (720) - 842-5321, ex. 1
Fax Number: (303) - 346-6934

CC: STATE OR FEDERAL LANDOWNER (if any)

Agency: Bureau of Land Management, Royal Gorge Field Office
Street: 3028 East Main Street
City: Canon City
State: CO Zip Code: 81212
Telephone Number: (719) - 269-8500

CC: STATE OR FEDERAL LANDOWNER (if any)

Agency: USFS, Boulder Ranger District
Street: 2140 Yarmouth
City: Boulder
State: CO Zip Code: 80301
Telephone Number: (303) - 541-2500

8. **Name of owner of the subsurface rights of affected land**: See Exhibit E

9. **Name of owner of the surface of affected land**: See Exhibit E

10 **LOCATION INFORMATION**: The center of the area where the majority of mining will occur:

COUNTY: Boulder

PRINCIPAL MERIDIAN (check one): ☑ 6th (Colorado) ☐ 10th (New Mexico) ☐ Ute
SECTION (write number): S 12
TOWNSHIP (write number and check direction): T 1 ☑ North ☐ South
RANGE (write number and check direction): R 72 ☐ East ☑ West
QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☐ SW
QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☑ SE ☐ SW
GENERAL DESCRIPTION: (the number of miles and direction from the nearest town and the approximate elevation)

Less than a mile to Gold Hill, west. Roughly 8400' in elevation

11. Primary Mine Entrance Location (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44′ 12.98″
(W) 104° 59′ 3.87″

Latitude (N): deg _____ min _____ sec _____._____ (2 decimal places)

Longitude (W): deg _____ min _____ sec _____._____ (2 decimal places)

OR

Example: (N) 39.73691°
(W) -104.98449°

Latitude (N) 40._____.06528_____ (5 decimal places)

Longitude (W) -105_____.48667_____ (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) Nad 83 Zone 13

Easting _____

Northing _____

12. **Primary "future (Post-mining)" land use (check one)**:

☐ Cropland(CR)	☐ Pastureland(PL)	☐ General Agriculture(GA)
☐ Rangeland(RL)	☑ Forestry(FR)	☐ Wildlife Habitat(WL)
☐ Residential(RS)	☐ Recreation(RC)	☐ Industrial/Commercial(IC)
☐ Developed Water Resources(WR)		☐ Solid Waste Disposal(WD)

13. **Primary "present" land use (check one)**:

☐ Cropland(CR)	☐ Pastureland(PL)	☐ General Agriculture(GA)
☐ Rangeland(RL)	☐ Forestry(FR)	☑ Wildlife Habitat(WL)
☐ Residential(RS)	☐ Recreation(RC)	☐ Industrial/Commercial(IC)
☐ Developed Water Resources (WR)		☐ Mining (MN)

14. List any designated chemicals, acidic or toxic-forming materials, exposed or disturbed as a result of the mining operation, and whether the operation will result in or presently has acid mine drainage:
See Exhibit T

15. **Description of Amendment or Conversion**: If you are amending or converting an existing operation, provide a brief narrative describing the proposed change(s).
Convert existing 110 permit to a DMO

16. **Maps & Exhibits**: Submit TWO (2) complete, unbound copies of the following application exhibits:

RULES:

6.3.1	EXHIBIT A - Legal Description and Location Map
6.3.2	EXHIBIT B - Site Description
6.3.3	EXHIBIT C - Mining Plan
6.3.4	EXHIBIT D - Reclamation Plan
6.3.5	EXHIBIT E - Maps
6.3.6	EXHIBIT F - List of Other Permits and Licenses Required
6.3.7	EXHIBIT G - Source of Legal Right-to-Enter
6.3.8	EXHIBIT H - Municipalities Within a Two-mile Radius
6.3.9	EXHIBIT I - Proof of Filing with County Clerk
6.3.10	EXHIBIT J - Proof of Mailing Notices of Permit Application
6.3.12	EXHIBIT L - Permanent Man-Made Structures
6.4.20	EXHIBIT T - Designated Mining Operation Environmental Protection Plan
6.5	Geotechnical Stability Exhibit (as required)
8	Emergency Response Plan
1.6.2(1)(b)	ADDENDUM 1 - Notice Requirements (sample enclosed)

Responsibilities as a Permittee:

Upon application approval and permit issuance, this application becomes a legally binding document. Therefore, there are a number of important requirements which you, as a permittee, should fully understand. These requirements are listed below. Please read and initial each requirement, in the space provided, to acknowledge that you understand your obligations. If you do not understand these obligations then please contact this Office for a full explanation.

_____ 1. Your obligation to reclaim the site is not limited to the amount of the financial warranty. You assume legal liability for all reasonable expenses which the Board or the Office may incur to reclaim the affected lands associated with your mining operation in the event your permit is revoked and financial warranty is forfeited;

_____ 2. The Board may suspend or revoke this permit, or assess a civil penalty, upon a finding that the permittee violated the terms or conditions of this permit, the Act, the Mineral Rules and Regulations, or that information contained in the application or your permit misrepresent important material facts;

_____ 3. If your mining and reclamation operations affect areas beyond the boundaries of an approved permit boundary, substantial civil penalties, to you as permittee can result;

_____ 4. Any modification to the approved mining and reclamation plan from those described in your approved application requires you to submit a permit modification and obtain approval from the Board or Office;

_____ 5. It is your responsibility to notify the Office of any changes in your address or phone number;

_____ 6. Upon permit issuance and prior to beginning on-site mining activity, you must post a sign at the entrance of the mine site, which shall be clearly visible from the access road, with the following information (Rule 3.1.12):

a. the name of the operator;

b. a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and,

c. the permit number.

_____ 7. The boundaries of the permit boundary area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries prior to site disturbance;

_____ 8. It is a provision of this permit that the operations will be conducted in accordance with the terms and conditions listed in your application, as well as with the provisions of the Act and the Mineral Rules and Regulations in effect at the time the permit is issued.

_____ 9. Annually, on the anniversary date of permit issuance, you must submit an annual fee (**$518**), and an annual report which includes a map describing the acreage affected and the acreage reclaimed to date (if there are changes from the previous year), any monitoring required by the Reclamation or Environmental Protection Plans to be submitted annually on the anniversary date of the permit approval. Annual fees are for the previous year a permit is held. For example, a permit with the anniversary date of July 1, 1997, the annual fee is for the period of July 1, 1996 through June 30, 1997. Failure to submit your annual fee and report by the permit anniversary date may result in a civil penalty, revocation of your permit, and forfeiture of your financial warranty. It is your responsibility, as an operator, to continue to pay your annual fee to the Office until the Board releases you from your total reclamation responsibility.

_____ 10. For joint venture/partnership operators: the signing representative is authorized to sign this document and a power of attorney (provided by the partner(s)) authorizing the signature of the representative is attached to this application.

The rest of this page left intentionally blank.

Certification:

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Rule 1.6.2(1) and (2));

2. This entire mining operation will not extract more than 70,000 tons of mineral, overburden, or combination thereof in any calendar year (defined in Rule 1.1(24));

3. This mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structure(s) located within two hundred (200) feet of the affected lands. (However, where there is an agreement between the applicant/operator and the persons having an interest in the structure that damage to the structure is to be compensated for by the applicant/operator (Section 34-32-115(4)(d), C.R.S. 1984, as amended), then mining may occur within 200 feet. Proof of an agreement must be submitted to the Office prior to the decision date.)

4. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32-115(4)(f), C.R.S. 1984, as amended);

5. As the applicant/operator, I do not have any mining/prospecting operations in this state of Colorado currently in violation of the provisions of the Mined Land Reclamation Act (Section 34-32-120, C.R.S. 1984, as amended) as determined through a Board finding.

6. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S. 1984, as amended.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-110,C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32-123, C.R.S.

Signed and dated this 6th day of Sept. 2022, _____.

Colorado Milling Company, LLC
Applicant/Operator

If Corporation Attest (Seal)

Signed: _____

Corporate Secretary or Equivalent
Town/City/County Clerk

Title Chairman

VALERIE M GARDNER
Notary Public - State of Utah
Comm. No. 707518
My Commission Expires on
Aug 1, 2023

State of Utah)
) ss.
County of Grand)

The foregoing instrument was acknowledged before me this 6th day of September, 2022,
by Michael H. Bynum as Chairman of Colorado Milling Co.

Valerie M. Gardner
NOTARY PUBLIC

My Commission expires: 8-1-2023

SIGNATURES MUST BE IN BLUE INK

Colorado Milling Company, LLC
P.O Box 99
Moab, UT 84532

Zions Bank
31-5/1240

2068

9/6/2022

PAY TO THE ORDER OF State of Colorado $ **2,875.00

Two Thousand Eight Hundred Seventy-Five and 00/100********** DOLLARS

State of Colorado
Division of Reclamation Mining and Safety
1313 Sherman St. Room 215
Denver, CO 80203

MEMO New Application Fee

M-1994-117 Rec# 396669
CN-1

[redacted]

AUTHORIZED SIGNATURE

Details on Back

Division of Reclamation, Mining, and Safety

Fee Receipt for Minerals

Colorado Milling Company, LLC
Jerry Jergensen
72 Brandywine Driv

Williamsville NY 142210000

Receipt #: 39669
Date: 09/13/2022
Permit: M1994117

Payment Method	Revenue Code	Fee Description/Notes	Amount
Check #2068	4300-MCNV	Minerals Conversions User: AHD CN-1	$2,875.00
		Receipt Total:	**$2,875.00**

Lewicki & Associates
ENGINEERING | GEOLOGY | ENVIRONMENTAL

November 29, 2022

Colorado Division of Reclamation, Mining, and Safety
1313 Sherman St, Rm 215
Denver, CO 80203

RECEIVED
DEC 01 2022
DIVISION OF RECLAMATION
MINING AND SAFETY

Delivered Via Email
RE: Gold Hill Mill, Permit No. M-1994-117
Completeness 1

Mr. Patrick Lennberg

Colorado Milling Company is providing the following response to the October 17, 2022 incompleteness notice number two for the CN-1 application of Gold Hill Mill, M-1994-117.

Application Form
A new application form is attached to this letter. The appropriate quarter section has been marked, the responsibilities as a permittee properly initialed, and the certification page corrected.

Exhibit G Source of Legal Right to Enter
The Gold Hill Mill permit area approved in AM-1 contains both patented and unpatented Bureau of Land Management claims. To this end, Colorado Milling Company has submitted complete information for the BLM for a Plan of Operations modification that incorporates the waterline and addresses various outstanding questions the BLM has regarding the Gold Hill Mill operation. BLM certified the Plan of Operations as complete for review on June 6, 2013. BLM is now conducting public comment and review of the Plan. CMC believes this completeness certification by BLM is sufficient legal right of entry for the review of the CN-1 application by CDRMS. CMC acknowledges that no operations may take place at Gold Hill Mill without an approved BLM Plan of Operations in place.

A brief portion of the permit area near Left Hand Creek is on US Forest Service administered land. CMC has submitted an application for Transportation, Utility Systems, Telecommunications, and Facilities on Federal Lands and Property to the USFS for this portion of the Left Hand Creek waterline. USFS has the application and is reviewing it, currently. A copy of the email acknowledging receipt from the Boulder Ranger District is attached. CMC believes that this application to USFS and their acknowledgement of it is sufficient legal right of entry for the review of the CN-1 application by CDRMS. CMC acknowledges that no operations may take place at Gold Hill Mill without approval of this application to the USFS.

CN-1 covers the exact same permit area as AM-1, which is approved. During the AM-1 review, CMC acknowledged that BLM and USFS permitting needed to be completed prior to operations. CMC will pursue and secure these permits in the same manner as any mine operator must pursue permits with applicable federal agencies, prior to operating. These permits are not necessary for CDRMS to review the components of CN-1 that are different from AM-1, such as the Environmental Protection Plan and Emergency Response Plan. Furthermore, the submittal

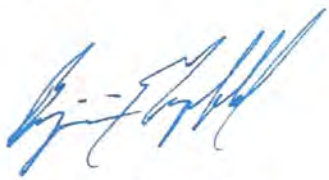
of CN-1 is in itself an effort to address a requirement from CDRMS implemented during the AM-1 review.

Exhibit J – Proof of Mailings to Board of County Commissioners
Please see the attached certified mail receipt as proof.

Exhibit I – Proof of Filing with County Clerk and Recorder
A copy of this response letter has been added to the county clerk and recorder copy of the CN-1 submittal. Proof will be provided shortly.

Please feel free to contact me with any questions

Regards,



Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
(720) 842-5321, ex. 1
benl@lewicki.biz

Attachments

BOCC Certified Mailing Receipt BLM Completeness Letter

USFS Application Receipt Acknowledgment

Revised application pages

Responsibilities as a Permittee:

Upon application approval and permit issuance, this application becomes a legally binding document. Therefore, there are a number of important requirements which you, as a permittee, should fully understand. These requirements are listed below. Please read and initial each requirement, in the space provided, to acknowledge that you understand your obligations. If you do not understand these obligations then please contact this Office for a full explanation.

1. Your obligation to reclaim the site is not limited to the amount of the financial warranty. You assume legal liability for all reasonable expenses which the Board or the Office may incur to reclaim the affected lands associated with your mining operation in the event your permit is revoked and financial warranty is forfeited;

2. The Board may suspend or revoke this permit, or assess a civil penalty, upon a finding that the permittee violated the terms or conditions of this permit, the Act, the Mineral Rules and Regulations, or that information contained in the application or your permit misrepresent important material facts;

3. If your mining and reclamation operations affect areas beyond the boundaries of an approved permit boundary, substantial civil penalties, to you as permittee can result;

4. Any modification to the approved mining and reclamation plan from those described in your approved application requires you to submit a permit modification and obtain approval from the Board or Office;

5. It is your responsibility to notify the Office of any changes in your address or phone number;

6. Upon permit issuance and prior to beginning on-site mining activity, you must post a sign at the entrance of the mine site, which shall be clearly visible from the access road, with the following information (Rule 3.1.12):

   a. the name of the operator;

   b. a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and,

   c. the permit number.

7. The boundaries of the permit boundary area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries prior to site disturbance;

8. It is a provision of this permit that the operations will be conducted in accordance with the terms and conditions listed in your application, as well as with the provisions of the Act and the Mineral Rules and Regulations in effect at the time the permit is issued.

9. Annually, on the anniversary date of permit issuance, you must submit an annual fee (**$518**), and an annual report which includes a map describing the acreage affected and the acreage reclaimed to date (if there are changes from the previous year), any monitoring required by the Reclamation or Environmental Protection Plans to be submitted annually on the anniversary date of the permit approval. Annual fees are for the previous year a permit is held. For example, a permit with the anniversary date of July 1, 1997, the annual fee is for the period of July 1, 1996 through June 30, 1997. Failure to submit your annual fee and report by the permit anniversary date may result in a civil penalty, revocation of your permit, and forfeiture of your financial warranty. It is your responsibility, as an operator, to continue to pay your annual fee to the Office until the Board releases you from your total reclamation responsibility.

Certification:

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Rule 1.6.2(1) and (2));

2. This entire mining operation will not extract more than 70,000 tons of mineral, overburden, or combination thereof in any calendar year (defined in Rule 1.1(24));

3. This mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structure(s) located within two hundred (200) feet of the affected lands. (However, where there is an agreement between the applicant/operator and the persons having an interest in the structure that damage to the structure is to be compensated for by the applicant/operator (Section 34-32-115(4)(d), C.R.S. 1984, as amended), then mining may occur within 200 feet. Proof of an agreement must be submitted to the Office prior to the decision date.)

4. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32-115(4)(f), C.R.S. 1984, as amended);

5. As the applicant/operator, I do not have any mining/prospecting operations in this state of Colorado currently in violation of the provisions of the Mined Land Reclamation Act (Section 34-32-120, C.R.S. 1984, as amended) as determined through a Board finding.

6. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S. 1984, as amended.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-110,C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32-123, C.R.S.

Signed and dated this 21st day of November, 2022.

Colorado Milling Company, LLC
Applicant/Operator

If Corporation Attest (Seal)

Signed: _____

Title: Managing Member

Signed: _____

Corporate Secretary or Equivalent
Town/City/County Clerk

State of Utah)
) ss.
County of Grand)

The foregoing instrument was acknowledged before me this 21st day of November, 2022,
by Michael H. Bynum as _____ of Colorado Milling Company, LLC.

Valerie M. Gardner
NOTARY PUBLIC

VALERIE M GARDNER
Notary Public - State of Utah
Comm. No. 707518
My Commission Expires on
Aug 1, 2023

My Commission expires: 8-1-2023

SIGNATURES MUST BE IN BLUE INK

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Royal Gorge Field Office
3028 East Main Street
Cañon City, Colorado 8121[illegible]

RECEIVED
DEC 01 2022
DIVISION OF RECLAMATION
MINING AND SAFETY

3809 LLCOF02000
COC-051792

Attn: Gerald V. Jergensen II
Colorado Milling Company LLC
12915 McCune Road
Black Forest, CO 80106

Surface Management

Dear Mr. Jergensen,

BLM originally received the revised Gold Hill Mill Plan of Operations on June 13, 2017, and additional information supporting this submittal on January 20, 2021, April 25, 2022, and May 24, 2022. The Plan proposes to conduct milling activities at the Gold Hill Mill located at T. 01 N., R. 72 W., Section 12 of Boulder County, Colorado. Per 43 CFR 3809 regulations, BLM is responding to you within the regulatory required timeframe of 30 days, following the most recent submission of information.

Consistent with the surface management regulations at 43 CFR 3809.411(a), the BLM has reviewed the Plan and has determined that the filed Plan of Operations and reclamation cost estimate meets the content requirements at 43 CFR 3809.401(b) and 43 CFR 3809.401(d). Note this notification does not constitute authorization to commence operations nor is the submission of a complete Plan necessarily adequate to meet the performance requirements of the regulations and avoid unnecessary and undue degradation.

Be advised the next step in the review process is for the BLM to solicit public comment on the Plan of Operations under 43 CFR 3809.411(c), either separate from or as a part of the environmental review process required by the National Environmental Policy Act. Soliciting public comment must occur before making an approved/not approved decision on the Plan of Operations according to 43 CFR 3809.411(d).

The final outcome of this assessment will be incorporated into the Plan of Operations. Notification to you regarding this assessment and final bond amount will be provided when the reviews are complete.

If you have any questions, please contact Stephanie Carter at 719-269-8551.

Sincerely,

Acting for:
Keith E. Berger
Field Manager
Royal Gorge Field Office

Enclosure(s):
1 – Complete Gold Hill Mill Plan of Operations
2 – 43 CFR 3809 regulations

cc:
Gerald Jergensen II – email confirmation of receipt of letter
Patrick Lennberg, Colorado Division of Reclamation, Mining, and Safety (CDRMS)

Ben Langenfeld

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Wednesday, October 19, 2022 2:16 PM
To: Ben Langenfeld
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Ben,
I am back on the Boulder Ranger District and I've received your proposal from Colorado Milling Co. for a water pipeline.
I have not reviewed it yet to know if we have a complete proposal. I'll know that by end of next week.
I don't have an estimate when we'll begin processing your proposal.
I have accepted a new position, which means I'll be leaving the Boulder Ranger District soon.
When I know the name of your new contact, I'll send that to you.
For now, I will be your contact.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Wednesday, October 19, 2022 1:31 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike

1) Can I get any formal acknowledgement or receipt of the authorization request for the Gold Hill Mill waterline?
2) What is your anticipated timeframe for review?

Ben Langenfeld
benl@lewicki.biz
(303) 960 5613

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Thursday, September 15, 2022 9:07 AM
To: Ben Langenfeld <benl@lewicki.biz>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hi Ben,
I received your proposal by email. I am not in the office, but I understand a FedEx envelope was delivered to my office yesterday.
I assume this was your proposal?
I'll review your proposal in the near future and get back to you.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us


Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Tuesday, September 13, 2022 3:41 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike

Attached is the application. The hard copy is enroute.

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Wednesday, September 7, 2022 8:18 AM
To: Ben Langenfeld <benl@lewicki.biz>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Ben,
The application should be sent to:
Boulder Ranger District
Attn: Mike Johnson
2140 Yarmouth
Boulder, CO 80301

If you have it electronically, please also send to me by email.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Tuesday, September 6, 2022 4:02 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike

I have an application package ready for submittal. Where should I send it?

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Thursday, July 14, 2022 1:21 PM
To: Ben Langenfeld <benl@lewicki.biz>
Cc: Carter, Stephanie S <sscarter@blm.gov>
Subject: RE: RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Ben,
I apologize, I missed your message from June 20.

I compared the private survey plat you provided with the Master Title Plat for T1N, R72W, Sec 2.
The land your survey plat shows as National Forest, seems to coincide with a small National Forest parcel on the Master Title Plat.
Based on the information you provided, it appears the water pipeline may be on National Forest System land.

As stated below, a waterline on National Forest System land will require a special use authorization.
An application must be submitted to the Boulder Ranger District to begin the process.
One of the questions on the application form, #13c, requires an explanation why it is necessary to occupy federal land.
Stating the pipeline already occupies federal land is not an adequate explanation.
Please provide copies of an authorization to construct the waterline on federal land.
Absent an authorization to construct a waterline on federal land, the Forest Service will need to know why adjacent private properties are not available for use.
The Forest Service will also need a copy of your water right to remove water from Lefthand Creek.
We will also need to understand where the water is transported too and if it ever returns to Lefthand Creek.

If your application form is accepted as an application, you will be responsible for the costs associated with processing your application. There will also be an annual land use fee if an authorization is issued to occupy federal land.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Ben Langenfeld <benl@lewicki.biz>
Sent: Wednesday, July 13, 2022 3:48 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Cc: Carter, Stephanie S <sscarter@blm.gov>
Subject: [External Email]RE: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal
Importance: High

[External Email]
If this message comes from an **unexpected sender** or references a **vague/unexpected topic;**
Use caution before clicking links or opening attachments.
Please send any concerns or suspicious messages to: Spam.Abuse@usda.gov

Michael

Any thoughts on the email below?

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Ben Langenfeld
Sent: Monday, June 20, 2022 4:55 PM
To: michael.johnson6@usda.gov
Cc: Pike, Amber M <apike@blm.gov>
Subject: RE: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Michael

Attached is a map from our surveyor, Carl Swift, showing the location of the Gold Hill Mill waterline's associated permit area within Section 2. It also shows the various patented claims in the area. The waterline comes down the hill off of the Golden Gate claim with an area along Lefthand Creek between the Keystone Millsite claim and the Mammoth Millsite claim. Extending to the west from the creek frontage area is a footpath to connect it all to Lickskillet Gulch Road.

I have highlighted the public land south of Lefthand Creek that we are trying to identify as either USFS or not. I am also attaching a SHP file of the waterline boundaries for your convenience.

Ben Langenfeld, P.E.
Lewicki & Associates
benl@lewicki.biz
Office: (720) 842-5321
Cell: (303) 960-5613

From: Pike, Amber M <apike@blm.gov>
Sent: Tuesday, June 14, 2022 9:56 AM
To: Ben Langenfeld <benl@lewicki.biz>
Subject: Fw: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

--
Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Friday, May 27, 2022 1:36 PM
To: Pike, Amber M <apike@blm.gov>
Subject: [EXTERNAL] RE: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

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Hi Amber,
Since sections 11 and 12 are outside the Forest Boundary, the waterline does not intersect National Forest.
Section 2 is more difficult to determine.
Without an accurate map or survey showing the location of the waterline compared to National Forest System land, I am unable to determine if the waterline intersects National Forest.
I suspect, if the waterline does intersect National Forest, it is very small. In that case, I would try to move the waterline off National Forest.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Pike, Amber M <apike@blm.gov>
Sent: Wednesday, May 25, 2022 2:32 PM
To: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: Re: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Mike,

Unfortunately, no.

I asked Ben for this information and he said the maps attached to the original plan depicts the surface ownership; however, I'm only seeing where the patented claims are located. Maybe I'm over looking something. I've attached the original Plan for your review.

I'll also email Ben and see if he has a kmz or map of the land survey. The BLM records show no intersection with USFS lands, so I can't verify Ben's info with ours. I'm assuming y'all have the same info as BLM?

I'll keep you posted.

--
Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

From: Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Sent: Wednesday, May 25, 2022 1:57 PM
To: Pike, Amber M <apike@blm.gov>
Subject: RE: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hi Amber,
Do you have a copy of the private survey?
The information in Mr. Lengenfeld's message didn't provide much information.

Thanks, Mike

Mike Johnson
Lands and Minerals Staff
Forest Service
Boulder Ranger District
c: 970-531-9609
michael.johnson6@usda.gov
2140 Yarmouth
Boulder, CO 80301
www.fs.fed.us
Caring for the land and serving people

From: Pike, Amber M <apike@blm.gov>
Sent: Wednesday, May 25, 2022 1:07 PM
To: Titterington, Amy -FS <amy.j.titterington@usda.gov>; Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: Re: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hi Mike,

Can you take a look at the info I sent Amy and check if the pipeline intersects USFS lands in the above legal description. Our records have the pipeline only crossing BLM and private, but the operator is saying that per a

private land survey they had done, the pipeline crosses FS as well. Can you please take a look for me? The surface layer in this area is unreliable as cadastral is incomplete in our records.

Also, Ben Langenfeld with Lewicki & Asst cc you on email with the pipeline information as well. Let me know if you need additional info.

Thanks,

--
Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

From: Titterington, Amy -FS <amy.j.titterington@usda.gov>
Sent: Wednesday, May 25, 2022 12:25 PM
To: Pike, Amber M <apike@blm.gov>; Johnson, Mike- FS <Michael.Johnson6@usda.gov>
Subject: [EXTERNAL] Re: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

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Hey Amber,

This site looks like it's on the Arapaho Roosevelt NF. You'll need to contact Mike Johnson at the Boulder Ranger District. I've included him on this email.

I agree that this doesn't appear to cross NFS lands, however, in the chance that it does, a Special Use authorization will be required by the USFS for the pipeline.

AMY

Get Outlook for iOS

From: Pike, Amber M <apike@blm.gov>
Sent: Wednesday, May 25, 2022 11:30:34 AM
To: Titterington, Amy -FS <amy.j.titterington@usda.gov>
Subject: Surface Ownership T01N R72W Sec 02, 11 & 12 - Water Pipeline Proposal

Hey Amy,

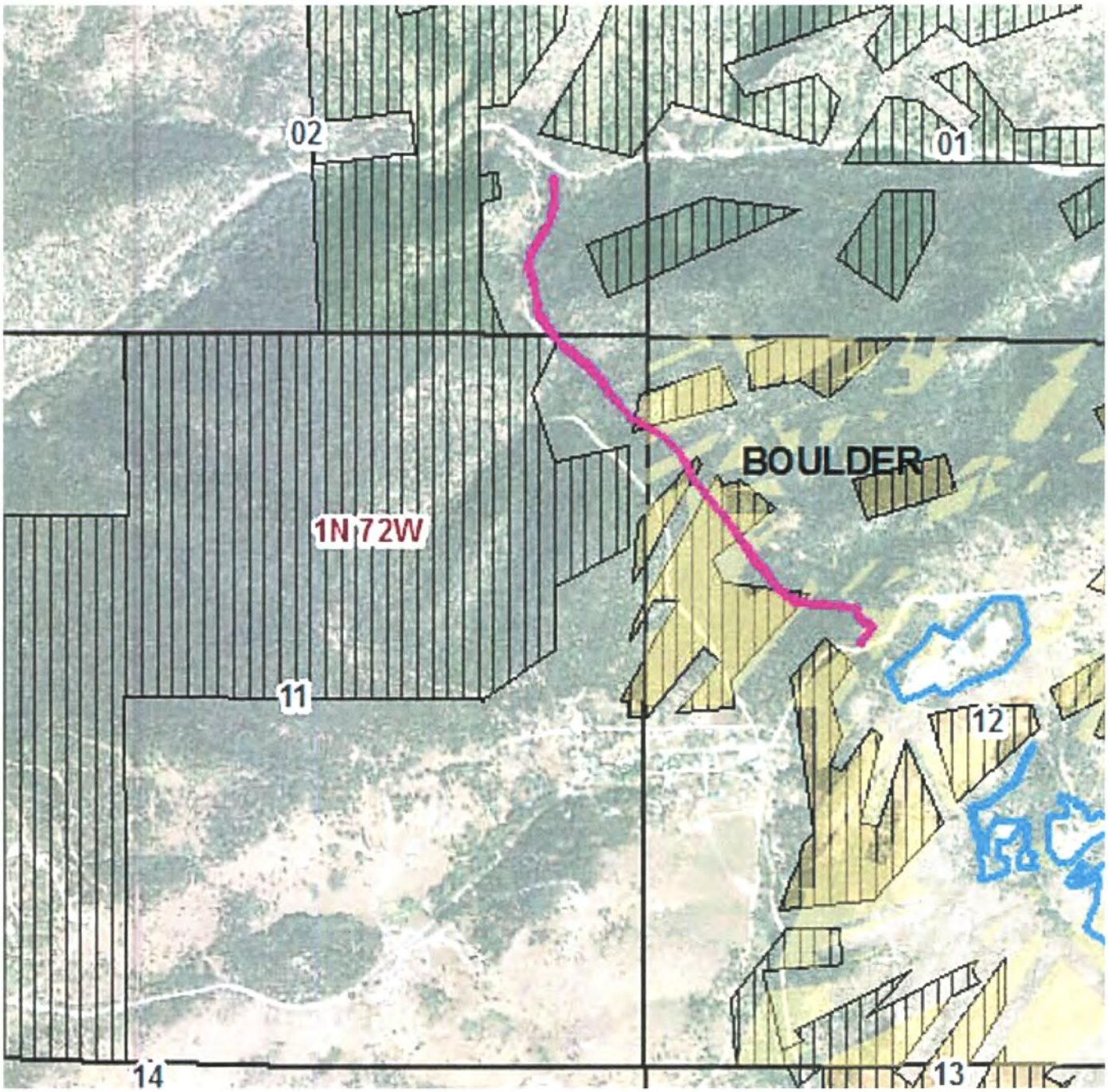
I've got a Plan of Ops that proposes to construct a water pipeline at the above location. The operator says the pipeline crosses USFS lands; however, all our records disagree. The mill/mine don't intersect USFS lands.

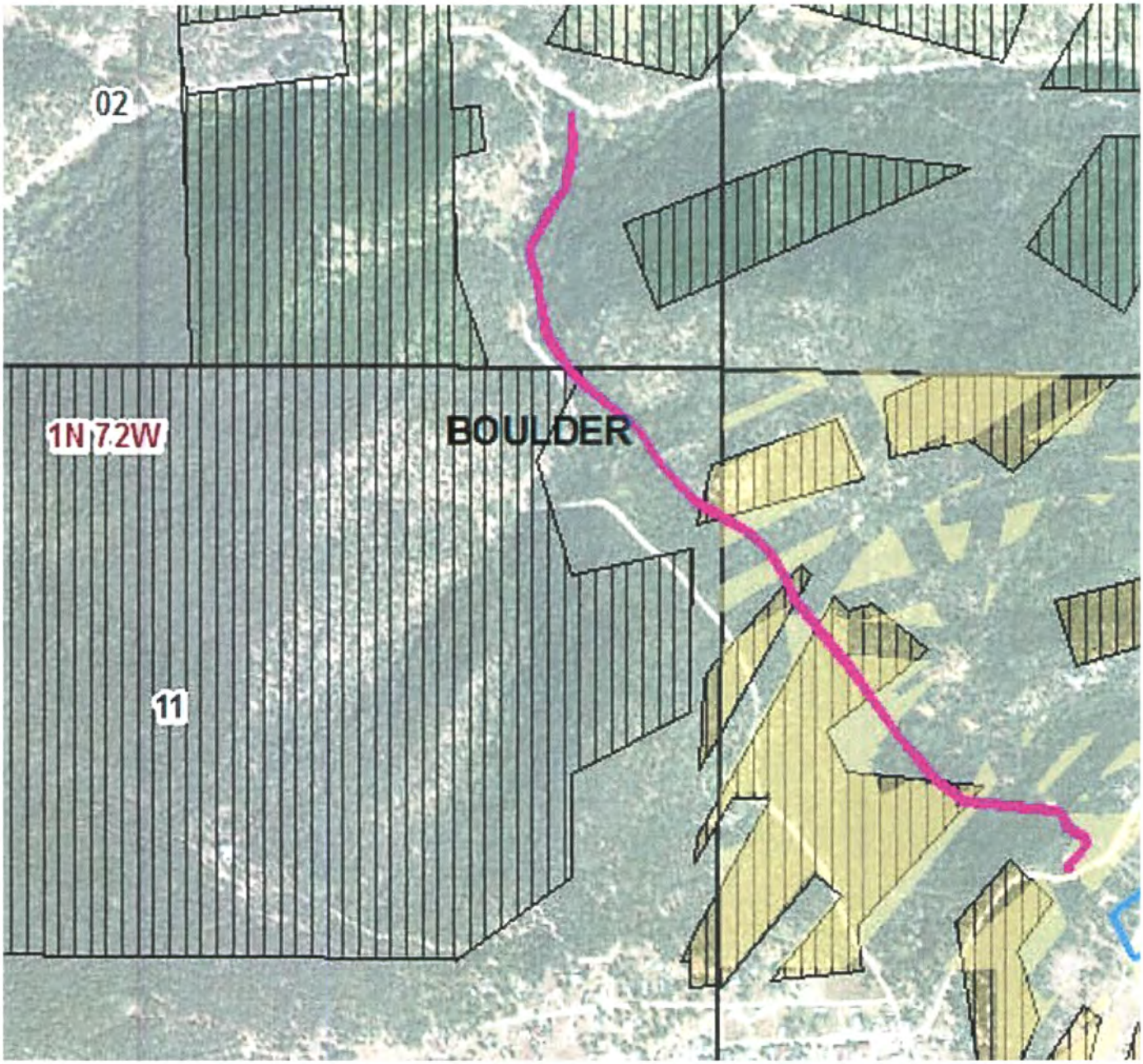
Attached are the MTPs for the area and maps. I've also provided a kmz of the pipeline. The surface layer in this area is a cluster b/c of all the historic mining, so I wanted to double check with you before responding to the operator.

Also, if the pipeline crosses USFS lands, what process does the operator need to do for compliance with the USFS? Does BLM just include the FS in the NEPA process as a cooperating agency or does the operator need to file a separate ROW application and go through a separate NEPA process with y'all?

Thanks for the input and help!!!

Legend
Pink = water pipeline
Blue = mill & mine boundary
Yellow = BLM lands
Green = USFS lands
Vertical Lines = fed min estate


02
01
BOULDER
1N 72W
11
12
14
13



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Mrs. Amber Pike
Geologist - Solid Minerals Program
Mining Law and Mineral Materials
U.S. Dep't of Interior Region 7 - Upper Colorado Basin
BLM Royal Gorge Field Office
3028 E. Main St.
Cañon City, CO 81212
Phone - (719) 269 - 8750

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8. **Name of owner of the subsurface rights of affected land**: See Exhibit E

9. **Name of owner of the surface of affected land**: See Exhibit E

10 **LOCATION INFORMATION**: The center of the area where the majority of mining will occur:

COUNTY: Boulder

PRINCIPAL MERIDIAN (check one): ☑ 6th (Colorado) ☐ 10th (New Mexico) ☐ Ute
SECTION (write number): S 12
TOWNSHIP (write number and check direction): T 1 ☑ North ☐ South
RANGE (write number and check direction): R 72 ☐ East ☑ West
QUARTER SECTION (check one): ☐ NE ☑ NW ☐ SE ☐ SW
QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☑ SE ☐ SW
GENERAL DESCRIPTION: (the number of miles and direction from the nearest town and the approximate elevation)

Less than a mile to Gold Hill, west Roughly 8400' in elevation

11. Primary Mine Entrance Location (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44′ 12.98″
(W) 104° 59′ 3.87″

Latitude (N): deg _____ min _____ sec _____._____ (2 decimal places)

Longitude (W): deg _____ min _____ sec _____._____ (2 decimal places)

OR

Example: (N) 39.73691°
(W) -104.98449°

Latitude (N) 40 . 06528 (5 decimal places)

Longitude (W) -105 . 48667 (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) Nad 83 Zone 13

Easting _____

Northing _____

12. **Primary "future (Post-mining)" land use (check one)**:

☐ Cropland(CR)	☐ Pastureland(PL)	☐ General Agriculture(GA)
☐ Rangeland(RL)	☑ Forestry(FR)	☐ Wildlife Habitat(WL)
☐ Residential(RS)	☐ Recreation(RC)	☐ Industrial/Commercial(IC)
☐ Developed Water Resources(WR)		☐ Solid Waste Disposal(WD)

13. **Primary "present" land use (check one)**:

☐ Cropland(CR)	☐ Pastureland(PL)	☐ General Agriculture(GA)
☐ Rangeland(RL)	☐ Forestry(FR)	☑ Wildlife Habitat(WL)
☐ Residential(RS)	☐ Recreation(RC)	☐ Industrial/Commercial(IC)
☐ Developed Water Resources (WR)		☐ Mining (MN)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Boulder County BOCC
PO Box 471
Boulder, CO 80306



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7022 2410 0002 5869 7043

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A. Signature

X ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* | C. Date of Delivery

D. Is delivery address different from Item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

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PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

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GREG LEWICKI AND ASSOCIATES
4654 SOUTH ESPANA ST

CENTENNIAL, CO 80015
UNITED STATES US

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CAD: 110679588/INET4530

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ROOM 215
DENVER CO 80203
(303) 860-3567 REF CMC
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STATE OF COLORADO

Eschberger - DNR, Amy <amy.eschberger@state.co.us>

Colorado Milling Company, LLC File No. M-1994-117 Exhibits continued

1 message

Cynthia Kennedy <ctk@kennedylawyer.com> Mon, Jun 24, 2019 at 4:00 PM
To: "amy.eschberger@state.co.us" <amy.eschberger@state.co.us>, "michaela.cunningham@state.co.us" <michaela.cunningham@state.co.us>, "scott.schultz@coag.gov" <scott.schultz@coag.gov>, "camille.mojar@state.co.us" <camille.mojar@state.co.us>, "charles.kooyman@coag.gov" <charles.kooyman@coag.gov>
Cc: Mark Steen <goldtontine@gmail.com>, "jrhcolaw@comcast.net" <jrhcolaw@comcast.net>

Cyndi Kennedy

Kennedy Law Firm

a professional corporation

308 1/2 E. Simpson Street

Lafayette, CO 80026

(303) 604-1600

ctk@kennedylawyer.com

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4 attachments

- **CMC Exhibit 11 Application for Amendment 12-19-17.pdf** 4549K
- **CMC Exhibit 12 1st Adequacy Review.pdf** 1753K
- **CMC Exhibit 13 Response 1st Adequacy Review.pdf** 3173K
- **CMC Exhibit 14 2nd Adequacy Review Letter Dec 212008.pdf** 5482K

STATE OF COLORADO

Eschberger - DNR, Amy <amy.eschberger@state.co.us>

Colorado Milling Company, LLC's Exhibits (File No. M-1994-117)

1 message

Cynthia Kennedy <ctk@kennedylawyer.com> Mon, Jun 24, 2019 at 4:17 PM
To: "amy.eschberger@state.co.us" <amy.eschberger@state.co.us>, "michaela.cunningham@state.co.us" <michaela.cunningham@state.co.us>, "scott.schultz@coag.gov" <scott.schultz@coag.gov>, "camille.mojar@state.co.us" <camille.mojar@state.co.us>, "charles.kooyman@coag.gov" <charles.kooyman@coag.gov>
Cc: Mark Steen <goldtontine@gmail.com>, "jrhcolaw@comcast.net" <jrhcolaw@comcast.net>

https://www.dropbox.com/sh/44bja9wk1i0xxa7/AAD9IqP7sVMRKnfVgKONBgPha?dl=0

Cyndi Kennedy

Kennedy Law Firm

a professional corporation

308 1/2 E. Simpson Street

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BEFORE THE MINED LAND RECLAMATION BOARD
STATE OF COLORADO

Violation No. MV-2017-036

COLORADO MILLING COMPANY, LLC'S AMENDED WITNESS & EXHIBIT LIST HEARINGS SCHEDULED JUNE 26-27, 2019

IN THE MATTER OF A POSSIBLE VIOLATION BY COLORADO MILLING COMPANY, LLC, CEASE AND DESIST ORDER, CORRECTIVE ACTIONS, AND CIVIL PENALTIES FOR FAILING TO PROTECT AREAS OUTSIDE OF THE AFFECTED LAND FROM DAMAGES, File No.M-1994-117

COMES NOW, Colorado Milling Company, LLC ("CMC" or "Operator"), and endorses the following witnesses and exhibits:

Witnesses:

1. Mark A. Steen
   Colorado Milling Company, LLC
   P.O. Box 1523
   Longmont, CO 80502

2. Mike Bynum
   Colorado Milling Company, LLC
   50 West 100 South St.
   Moab, UT 80342

3. Christopher Goss, PhD, P.E. (Resume Attached)
   Mining/Civil Engineer, Principal
   Deere & Ault Consultants, Inc.
   600 Airport Road, Building A, Suite 205
   Longmont, CO 80503
   (303) 651-1468

4. Carl Swift
   Mountain Surveying LLC
   Box 783

Nederland, C0 80466

5. James M. Beck, P.E.
   6130 West Vassar Way
   Denver, CO 80227

6. Amy Eschberger
   DRMS

Exhibits:

1. Hard Rock Extraction Staff Presentation Form, February 20-21, 2019 Board Meeting.

2. 4th Adequacy Review Letter.

3. Email from Amy Eschberger, DRMS dated May 21, 2019

4. Email from Amy Eschberger, DRMS dated May 29, 2019.

5. Email from Amy Eschberger, DRMS dated June 5, 2019.

6. CMC letter to Board dated June 5, 2019 re request for extension of time.

7. CMC letter to DRMS dated June 6, 2019.

8. Letter from Amy Eschberger, DRMS dated June 12, 2019.

9. Letter to Board from Christopher Goss, PhD. Mining/Civil Engineer re Times Mine Bulkhead at Gold Hill Mill Site dated June 14, 2019.

10. Resume of Christopher Goss, PhD. Mining/Civil Engineer.

11. Application to Amend Permit dated December 19, 2017.

12. 1st Adequacy Review Letter dated January 26, 2018.

13. CMC Response to Adequacy Review Letter #1 with exhibits.

14. 2nd Adequacy Review Letter.

15. CMC Response to Adequacy Review Letter #2 with exhibits.

16. 3d Adequacy Review Letter.

17. CMC Response to Adequacy Review Letter #3

18. Printout from Web site re filed documents.

19. CMC Response to Adequacy Review Letter #4 with exhibits.

Dated this 24th day of June, 2019.

Respectfully submitted,

John R. Henderson, #9013
Cynthia T. Kennedy, #11668
308 E. Simpson Street
Lafayette, CO 80026
720-971-7083

Certificate of Mailing

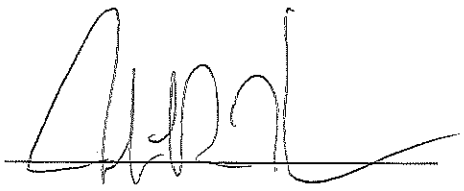
I hereby certify that on this 24th day of June, 2019 I emailed a copy of this document and copies of the exhibits the persons listed below :

Amy Eschberger
(amy.eschberger@state.co.us)
Michael Cunningham (michaela.cunningham@state.co.us)
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Scott Schultz, Esq.
(scott.schultz@coag.gov)
Assistant Attorney General
Natural Resources & Environment Section
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, CO 80203

Camile Mojar, Secty
Mined Land Reclamation Board
(camille.mojar@state.co.us)

Charles Kooyman, Esq.
Mined Land Reclamation Board
(charles.kooyman@coag.gov)



Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 1

COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, CO 80203

HARD ROCK EXTRACTION

Staff Presentation Form
February 20-21, 2019 Board Meeting

GENERAL INFORMATION:

Specialist:	Amy Eschberger	**Permit Type:**	110(2)
Permit No.:	M-1994-117	**Permit Area:**	8.4 acres
Site Name:	Gold Hill Mill	**Commodity:**	Gold, Silver
Operator:	Colorado Milling Company, LLC	**Method of Mining:**	Mill Operation
Existing Bond:	$56,200.00	**County:**	Boulder

REASON FOR HEARING:

Consideration of operator's request to extend the decision date for a Board-Ordered amendment application beyond the 365-day deadline set by Rule 1.4.1(9).

CHRONOLOGY:

July 19-20, 2017: DRMS received a complaint from Boulder County Parks & Open Space.

August 1, 2017: DRMS conducted an inspection of the site.

August 28, 2017: DRMS mailed to operator the inspection report and Reason to Believe a Violation Exists and Notice of Board Hearing letter.

September 27, 2017: Board Hearing held to consider possible violation cited in DRMS August 28, 2017 inspection report.

October 30, 2017: Findings of Fact, Conclusions of Law, and Order mailed to operator for Violation No. MV-2017-036 – Failure to protect areas outside the affected land from slides or damages occurring during the mining operation and reclamation.

November 29, 2017: Operator paid unsuspended portion of Civil Penalty, $100.00.

December 19, 2017: Operator submitted amendment application (AM-1) to increase permit area by 0.8 acre to include Left Hand Creek pump station, water pipeline, and Times Mine portal.

January 4, 2018: AM-1 filed for review; decision date set for February 5, 2018.

In this case, the 365 day period for the AM-1 application ended on January 4, 2019, at which time, the application had outstanding adequacy issues.

The operator requested a 90 day extension of the application decision date, past the 365-day deadline set by Rule 1.4.1(9), to allow more time to address the outstanding adequacy issues.

In accordance with Rule 1.4.1(9), the Division has set the matter for a Board hearing.

Per Rule 1.4.1(9), at the hearing, the Board may approve the operator's request to extend the application review time and decision date.

STAFF RECOMMENDATIONS:

1) Approve the operator's request to extend the decision date for the amendment application (AM-1) by 90 days from the date of the Board hearing, giving a new decision date of May 21, 2019.

2) Require the operator to submit all materials for AM-1 in an approvable form no later than one week prior to the decision date, by May 14, 2019, to allow the Division sufficient time to review the materials and calculate the required financial warranty.

3) Require the suspended portion of the civil penalty imposed in the Board Order for Violation No. MV-2017-036, in the amount of $2,750.00, to be due in full within 30 days of the new application decision date, May 21, 2019, if the operator fails to obtain Division approval of AM-1 by that date.

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 2

COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

May 21, 2019

Mark A. Steen
Colorado Milling Company, LLC
P.O. Box 1523
Longmont, CO 80502

Re: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 4

Mr. Steen:

The Division of Reclamation, Mining and Safety (Division) has completed its fourth adequacy review of the materials submitted for the above referenced amendment application. All comment and review periods for the application began on January 4, 2018, when the application was called complete for filing purposes. The decision date for the application was set for **May 21, 2019** by the Board Order mailed on March 7, 2019.

After reviewing the operator's adequacy response submitted on May 17, 2019, the Division has identified adequacy items requiring clarification or additional information. These items are identified below under their respective exhibit heading, and are numbered sequentially. The item numbers referenced in this letter correlate with the Division's adequacy items identified in its review letter sent on January 14, 2019.

Exhibit C – Mining Plan (Rule 6.3.3):

1) The operator's response to item no. 7 refers to the Technical Memorandum regarding the Times Mine Bulkhead Evaluation prepared by Christoph Goss PhD, P.E. of Deere & Ault Consultants, Inc., dated May 15, 2019 (bulkhead evaluation). The Division accepts this bulkhead evaluation as demonstration the bulkhead is designed to impound water as proposed in the application, but only if the operator commits to the recommendations made in the evaluation.

   Please submit the following:

   a) A mine pool drawdown plan to rapidly lower water levels in the mine workings in an emergency situation where bulkhead failure is imminent. This plan should include lowering water levels, at a minimum, below the collar elevation of the winze connecting the Times Mine to the Wynona Mine, 8,347.7 feet. The plan should include details such as the type and location of equipment to be used, pump/flow rate capacities, estimated water volume to be removed, estimated length of time to drawdown the required water volume, and how the operation will manage water pumped from the workings (i.e., Will a discharge permit be required from the CDPHE, WQCD? If so, include in Exhibit F). The mine pool drawdown plan should also

include procedures for evaluating the bulkhead after the mine pool has been lowered to a safe level.

Please commit to the following:

b) Installing stainless steel sleeves on the bulkhead pipes and replacing the PVC valves with stainless steel to protect this equipment from cracking. This should be done when there is no water behind the bulkhead.

c) Investigating the existing pump and top of casing in the Wynona Mine shaft and replacing this equipment if necessary to obtain accurate water level measurements and water quality samples from this mine.

d) Maintaining water levels in the mine workings below the design standard for the bulkhead, 17.6 feet of head (water level behind bulkhead invert) or an elevation of 8,360 feet. This will include monitoring water levels in the mine workings on a weekly basis during operations. The Division strongly recommends the installation of a pressure transducer and datalogger in the drill hole(s) for monitoring water levels during periods where mine staff is unavailable to obtain manual measurements. If water levels are observed to exceed 8,360 feet at any time, the operator must immediately implement the mine pool drawdown plan to get water levels below this elevation.

e) Maintaining the bulkhead pressure below the design standard for the bulkhead, 7.6 psi (with 17.6 feet of head). This will include installing a stainless steel liquid filled pressure gauge (0-50 psi range) on the bulkhead pipes, on a tee between the two valves, and monitoring the gauge on a weekly basis. If bulkhead pressure is observed to exceed 7.6 psi at any time, the operator must immediately implement the mine pool drawdown plan to get bulkhead pressure below this amount.

f) Inspecting the bulkhead on a weekly basis to document conditions, including any increases in seepage or the development of any concentrated areas of flow. Any change in conditions from that observed in the bulkhead evaluation, including any measurable and/or concentrated flows from the bulkhead, would require immediate implementation of the mine pool drawdown plan to lower water levels to, at a minimum, below the collar elevation of the winze.

g) Monitoring water quality in the Times Mine on a quarterly basis (for the sampling parameters approved in this application) to evaluate potential concrete degradation of the bulkhead. The monitoring results shall be submitted to the Division quarterly with other site monitoring data. If water quality results for the Times Mine indicate sulfate concentrations above 150 ppm, the bulkhead evaluation suggests conducting a mortar bar test (ASTM C1038) using the mine water and standard Type-I cement to evaluate the reactivity. The results of such a study, including any proposed mitigation measures must be reviewed and accepted by the Division prior to implementation.

h) Maintaining all monitoring records on site, to be made readily available for Division review during an inspection.

i) Notifying the Division, as soon as reasonably practicable, but no later than 24 hours, after the operator has knowledge of a failure or imminent failure of the Times Mine bulkhead, in accordance with Rule 8.1(a). The operator's general notification responsibilities for reporting emergency conditions are described in Rule 8.2. Please be advised, the Division would consider an exceedance of the water level standard or bulkhead pressure standard, stated in item nos. 1(d) and (e) above, or a change in bulkhead conditions as described in item no. 1(f) above, to be an imminent failure situation requiring notification in accordance with Rules 8.1(a) and 8.2.

j) Obtaining Division approval for any proposed change in the monitoring plans (e.g., frequencies, parameters, locations, equipment) prior to implementation of these changes. This may require submittal of a Technical Revision or Amendment application.

2) The operator's response to item no. 11 did not clarify the error in the estimated annual water usage for mill operations. Pursuant to Rule 6.3.3(1)(h), please specify how much water will be used in conjunction with the operation (as proposed in this application – not as may be proposed in a future application).

Exhibit E – Map (Rule 6.3.5):

3) The operator's response to item no. 14 included revised Exhibit E maps. However, some of these maps do not include all of the required information.

Please submit the following:

a) A revised Mining Plan Map(s) (Figure E-1) which clearly outlines and labels the permit boundaries described in Exhibit A – Legal Description as required by Rule 6.3.5(2)(a), particularly the permit boundaries proposed near Left Hand Creek.

b) A revised Reclamation Plan Map(s) (Figure E-5) which includes the following information required by Rule 6.3.5(3), particularly for the mill site:

i. Show the gradient of all reclaimed slopes (horizontal:vertical) sufficient to describe the post mine topography.

ii. Indicate where vegetation will not be established and the general area(s) for shrub or tree planting.

iii. State the average thickness of replaced overburden by reclamation area or phase.

iv. State the average thickness of replaced topsoil by reclamation area or phase.

Additional Item(s):

4) The Division has calculated the required financial warranty for the proposed operation to be in the amount of $77,546.00, which is $21,346.00 more than the currently held financial warranty. Please review the enclosed bond estimate and provide any comments to the Division by the decision date. The additional required financial warranty will be due within 60 days of application approval.

5) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

This completes the Division's fourth adequacy review of your amendment application. Pursuant to Rule 1.4.1(10), the operator has the burden of demonstrating that the application meets the minimum requirements of the Act, Rules, and Regulations. Therefore, all adequacy items identified by the Division must be sufficiently addressed in order for the application to be approved.

As mentioned above, the application decision date of **May 21, 2019** was set by the Board Order mailed on March 7, 2019. Therefore, if you are unable to address all remaining adequacy items by this date, an extension request must be submitted to our office. Such a request would need to be scheduled for consideration by the Mined Land Reclamation Board at an upcoming meeting.

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger

Amy Eschberger
Environmental Protection Specialist

Encl: Division's Bond Estimate

Cc: Mike Bynum
Colorado Milling Company, LLC
50 West 100 South St.
Moab, UT 80342

Michael Cunningham, DRMS

COST SUMMARY WORK

Task description: **Cost Summary**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-000
User: AME

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Rip consolidated mill tailings	RIPPER	1	2.80	$628
002	Replace topsoil	DOZER	1	4.09	$848
003	Remove fence around tailings impoundment	DEMOLISH	1	8.00	$3,127
004	Puncturing tailings impoundment liner	AIRTOOLS	1	8.00	$580
005	Revegetate areas outside of tailings impoundment	REVEGE	1	8.00	$3,643
006	Revegetate tailings impoundment	REVEGE	1	8.00	$26,899
007	Mobilization/Demobilization	MOBILIZE	1	2.98	$1,132
008	Purchase 624 cy of topsoil at $18/cy	NA	0	0.00	$11,232
009	4 quarters of water sampling	NA	0	10.00	$3,000
010	Remove pump station structures	DEMOLISH	1	10.00	$586
011	Remove water pipeline	DEMOLISH	1	40.00	$7,696
012	Reclaim Times Mine adit	DEMOLISH	1	10.00	$820
		SUBTOTALS:		**111.87**	**$60,191**

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	$1,216
Performance bond:	1.05	Total =	$632
Job superintendent:	40.00	Total =	$2,922
Profit:	10.00	Total =	$6,019
		TOTAL O & P =	$10,789
		CONTRACT AMOUNT (direct + O & P) =	$70,980

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	$0	Total =	$0
Engineering work and/or contract/bid preparation:	4.25	Total =	$3,017
Reclamation management and/or administration:	5.00		$3,549
CONTINGENCY:	0.00	Total =	$0
		TOTAL INDIRECT COST =	$17,355
		TOTAL BOND AMOUNT (direct + indirect) =	**$77,546**

BULLDOZER RIPPING WORK

Task description: **Rip consolidated mill tailings**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-001
User: AME

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU Horsepower: 310
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	$93.62	NA
Operating Cost/Hour:	$73.35	100
Ripper Ownership Cost/Hour:	$8.93	NA
Ripper Operating Cost/Hour:	$7.78	100
Operator Cost/Hour:	$40.23	NA
Total Unit Cost/Hour:	$223.91	

Total Fleet Cost/Hour: **$223.91**

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 1.80 acres Rip Depth (ft): 2.00 Volume: 5,808 BCY or CCY

Source of estimated quantity: DRMS Estimate

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	2.56	feet/pass
Average Ripping Width:	7.08	feet/pass
Average Ripping Length:	200.00	feet/pass
Average Dozer Speed:	88.00	feet/minute
Average Maneuver Time:	0.25	minutes/pass
Production per unit area:	0.773	acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production:	0.773	Acres/hr
Site Altitude:	8,290	feet
Altitude Adj:	1.00	(CAT HB)
Job Efficiency:	0.83	(1 shift/day)
Net Correction:	0.83	multiplier

Adjusted Hourly Unit Production: 0.64 Acres/hr
Adjusted Hourly Fleet Production: **0.64** Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: **2.81** Hours

Unit cost: $348.931 Per acre Total job cost: **$628**

BULLDOZER WORK

Task description: **Replace topsoil**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 002 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-002
User: AME

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU
Horsepower: 310
Blade Type: Semi-Universal
Attachment: NA
Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	$93.62	NA
Operating Cost/Hour:	$73.35	100
Ripper own. Cost/Hour:	$0.00	NA
Ripper op. Cost/Hour:	$0.00	0
Operator Cost/Hour:	$40.23	NA

Total unit Cost/Hour: $207.20
Total Fleet Cost/Hour: **$207.20**

MATERIAL QUANTITIES

Initial Volume: 1,000
Swell factor: 1.000
Loose volume: **1,000** LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 250 feet
Unadjusted hourly production: 377.8 LCY/hr

Materials consistency description: Consolidated stockpile 1.0

Average push gradient: 5 %
Average site altitude: 8,290 feet

Material weight: 1,600 lbs/LCY

Weight description: Top Soil

Job Condition Correction Factor Source

Operator Skill:	0.750	(AVG.)
Material consistency:	1.000	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	0.903	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6467

Adjusted unit production: 244.32 LCY/hr

Adjusted fleet production: **244.32** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: $0.848/LCY

Total job time: **4.09** Hours
Total job cost: **$848**

DEMOLITION WORK

Task description: **Remove fence around tailings impoundment**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 003 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-003
User: AME

Agency or organization name: DRMS

UNIT COSTS **Location adjustment: 102.20 %**

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Fence around tailings impoundment	1000	Fencing, chain link, including posts and fabric - 8 ft. to 10 ft. high	1,000.00	LF	$3.06	$3,060.00

Job Hours: 8.00 **Subtotal (unadjusted): $3,060.00** **Total Cost (adjusted for location): $3,127.32**

AIR TOOLS AND EQUIPMENT

Task description: **Puncturing tailings impoundment liner**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #:	004	State:	Colorado	Abbreviation:	None
Date:	5/21/2019	County:	Boulder	Filename:	M117-004
User:	AME				

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Air Tool:	Atlas Copco LM100A/YD90	Horsepower:	32
Compressor:	Air compressor, diesel - 100 cfm	Shift Basis:	1 per day
Labor Unit 1:	Laborer - General Air Tools	Weight:	3.54
Labor Unit 2:			(US Tons)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	$25.27	NA
Operating Cost/Hour:	$18.92	100
Operator Cost/Hour:	$28.35	NA
Total Unit Cost/Hour:	$72.55	

Total Fleet Cost/Hour: $72.55

JOB TIME AND COST

Fleet size: 1 Equipment Set(s) Total job time: **8.00** Hours

Unit cost: $72.55 /Hour Total job cost: **$580**

REVEGETATION WORK

Task description: **Revegetate areas outside of tailings impoundment**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 005 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-005
User: AME

Agency or organization name: DRMS

FERTILIZING

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
0-20-20, 4-8-12, 10-10-10	400.00	pound	$0.21	$84.00
			Total Fertilizer Materials Cost/Acre	**$84.00**

Application

Description	Cost /Acre
Hand spread (MEANS 32 01 90.13 0100)	$579.35
Total Fertilizer Application Cost/Acre	**$579.35**

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	$106.29
Total Tilling Cost/Acre	**$106.29**

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Arizona Fescue - Redondo	2.80	32.14	$33.94
Meadow Brome - Paddock	2.00	1.84	$10.24
Little Bluestem - Native	6.40	38.20	$103.23
Slender Wheatgrass - Native	8.80	32.12	$25.34
Western Wheatgrass - Native	16.80	42.42	$120.46
Totals Seed Mix	36.80	146.72	**$293.21**

Application

Description	Cost /Acre

Broadcast seeding [DMG]	$267.22
Total Seed Application Cost/Acre	**$267.22**

MULCHING and MISCELLANEOUS

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	$288.00	$576.00
Total Mulch Materials Cost/Acre				**$576.00**

Application

Description	Cost /Acre
Power mulcher (MEANS 32 91 13.16 0350)	$92.78
Weed spray, hand, non-aquatic area, nox. [DMG]	$184.32
Weed spray, hand, non-aquatic areas, ann. [DMG]	$120.01
Total Mulch Application Cost/Acre	**$397.11**

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
Juniper, Rocky Mountain	30	Tubling, 3 cu. in. container (MEANS)	$1.22	$0.00	$36.60
Pine, Ponderosa	30	Tubling, 3 cu. in. container (MEANS)	$1.17	$0.00	$35.10
Totals Nursery Stock Cost / Acre					**$71.70**

JOB TIME AND COST

No. of Acres:	1.18	Cost /Acre:	$2,374.88
Estimated Failure Rate:	30%	Cost /Acre*:	$2,374.88
*Selected Replanting Work Items:	FERTILIZING,TILLING,SEEDING,NURSERY,MULCHING		

Initial Job Cost:	**$2,802.36**
Reseeding Job Cost:	**$840.71**
Total Job Cost:	**$3,643**
Job Hours:	**8.00**

REVEGETATION WORK

Task description: **Revegetate tailings impoundment**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 006 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-006
User: AME

Agency or organization name: DRMS

FERTILIZING

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
0-20-20, 4-8-12, 10-10-10	500.00	pound	$0.21	$105.00
Hydrated lime (MEANS 04 05 13.20 0020)	15.00	ton	$448.00	$6,720.00
			Total Fertilizer Materials Cost/Acre	**$6,825.00**

Application

Description	Cost /Acre
Hand push spreader (MEANS 32 91 13.16 0850)	$629.20
Total Fertilizer Application Cost/Acre	**$629.20**

TILLING

Description	Cost /Acre
Chisel plowing {DMG}	$92.77
Total Tilling Cost/Acre	**$92.77**

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Creeping Red Fescue - Cindy	4.00	50.51	$9.08
Orchardgrass - Paiute	12.00	148.76	$44.52
Smooth Brome - Lincoln	10.00	33.29	$43.60
Hard Fescue - Discovery	8.00	103.76	$30.40
Intermediate Wheatgrass - Rush	16.00	34.16	$61.44
Slender Wheatgrass - Native	16.00	58.40	$46.08
Thurber's Fescue	4.00	41.32	$251.60
Spike Muhly	4.00	146.92	$39.44
Timothy, Alpine - Native	4.00	119.38	$99.00

Totals Seed Mix	78.00	736.50	**$625.16**

Application

Description	**Cost /Acre**
Hydro seeding (MEANS 32 92 19.14 0200)	$919.12
Total Seed Application Cost/Acre	**$919.12**

MULCHING and MISCELLANEOUS

Materials

Description	**Units / Acre**	**Unit**	**Cost / Unit**	**Cost /Acre**
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	$288.00	$576.00
Total Mulch Materials Cost/Acre				**$576.00**

Application

Description	**Cost /Acre**
Power mulcher (MEANS 32 91 13.16 0350)	$92.78
Total Mulch Application Cost/Acre	**$92.78**

NURSERY STOCK PLANTING

Common Name	**No / Acre**	**Type and Size**	**Planting Cost**	**Fertilizer Pellet Cost**	**Cost /Acre**
					$
Totals Nursery Stock Cost / Acre					**$0.00**

JOB TIME AND COST

No. of Acres: 2.12 Cost /Acre: $9,760.03
Estimated Failure Rate: 30% Cost /Acre*: $9,760.03
*Selected Replanting Work Items: FERTILIZING,TILLING,SEEDING,NURSERY,MULCHING

Initial Job Cost: **$20,691.26**
Reseeding Job Cost: **$6,207.38**
Total Job Cost: **$26,899**
Job Hours: **8.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description: **Mobilization/Demobilization**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 007 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-007
User: AME

Agency or organization name: DRMS

EQUIPMENT TRANSPORT RIG COST

Shift basis: 1 per day
Cost Data Source: CRG Data

Truck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED, 400 HP (2ND HALF, 2006)

Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT TRAILER (25T, 50T, AND 100T)

Cost Breakdown:

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	$16.63	$18.37	$22.33
Operating Cost/Hour:	$44.38	$46.13	$50.07
Operator Cost/Hour:	$27.66	$27.66	$27.66
Helper Cost/Hour:	$0.00	$25.39	$25.39
Total Unit Cost/Hour:	$88.67	$117.55	$125.45

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D8T - 8SU	53.08	$102.55	$125.45	1	$228.00	$125.45	$250.00
Subtotals:					**$228.00**	**$125.45**	**$250.00**

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	$19.39	1	$19.39	$19.39
Power Mulcher (Bowie LD-90)	$24.07	1	$24.07	$24.07
Subtotals:			**$43.46**	**$43.46**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	BOULDER	
Total one-way travel distance:	12.50	miles
Average Travel Speed:	30.00	mph
Total Non-Roadable Mob/Demob Cost * '* two round trips with haul rig:	$1,095.50	
Total Roadable Mob/Demob Cost ** ** one round trip, no haul rig:	$36.22	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.42	0.42
Return Time (Hours):	0.42	0.42
Loading Time (Hours):	0.33	NA
Unloading Time (Hours):	0.33	NA
Subtotals:	1.49	0.83

JOB TIME AND COST

Total job time:	**2.99**	Hours
Total job cost:	**$1,132**	

DEMOLITION WORK

Task description: **Remove pump station structures**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 010 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-010
User: AME

Agency or organization name: DRMS

UNIT COSTS **Location adjustment: 101.20 %**

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Remove pump station connex	8' x 10'	CAT 938H	1.00	EA	$94.58	$94.58
Remove fuel tank	300 gallon	CAT 938H	1.00	EA	$94.58	$94.58
Truck	1	Flatbed Truck, 4x2, 15K GVW	1.00	EA	$20.88	$20.88
Haul to Western Disposal Yard in Boulder	15 miles	Hauling only, per mile, 12-18 CY truck - 30 mph average speed	15.00	MI	$7.04	$105.60
Laborers	2	Loader	2.00	EA	$29.89	$59.78
Driver/Operator for Flatbed Truck	1	MiscTruck	1.00	EA	$23.63	$23.63
Disposal Costs	1	USER PROVIDED ITEM	1.00	load	$150.00	$150.00
Remove buried portion of pipeline	15' L x 3' depth	USER PROVIDED ITEM	15.00	LF	$2.00	$30.00

Job Hours: 10.00 **Subtotal (unadjusted): $579.05** **Total Cost (adjusted for location): $586.00**

DEMOLITION WORK

Task description: **Remove water pipeline**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 011 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-011
User: AME

Agency or organization name: DRMS

UNIT COSTS **Location adjustment: 101.20 %**

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Remove lower 2,000' galvanized steel pipeline	2,000' x 2" diameter	Pipe, steel, welded connections - 4 in. diameter pipe	2,000.00	LF	$1.67	$3,340.00
Remove 2,700' HDPE pipeline	2,700' x 2" diameter	USER PROVIDED ITEM	2,700.00	LF	$0.80	$2,160.00
Remove pipeline	1	CAT 938H	1.00	EA	$94.58	$94.58
Remove pipeline	1	Flatbed Truck, 4x2, 15K GVW	1.00	EA	$20.88	$20.88
Haul to Western Disposal Yard in Boulder	1	Hauling only, per mile, 12-18 CY truck - 30 mph average speed	15.00	MI	$7.04	$105.60
Laborers	2	Loader	2.00	EA	$29.89	$59.78
Operator/Driver	1	MiscTruck	1.00	EA	$23.63	$23.63
Disposal Costs	1	USER PROVIDED ITEM	12.00	load	$150.00	$1,800.00

Job Hours: **40.00** **Subtotal (unadjusted):** **$7,604.47** **Total Cost (adjusted for location):** **$7,695.72**

DEMOLITION WORK

Task description: **Reclaim Times Mine adit**

Site: **Gold Hill Mill** Permit Action: AM-01 bond estimate Permit/Job#: M1994117

PROJECT IDENTIFICATION

Task #: 012 State: Colorado Abbreviation: None
Date: 5/21/2019 County: Boulder Filename: M117-012
User: AME

Agency or organization name: DRMS

UNIT COSTS **Location adjustment: 101.20 %**

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Removal of 100' of pipeline to bulkhead	100' L x 2" diameter	USER PROVIDED ITEM	100.00	LF	$0.75	$75.00
Cement 3 PVC pipes extending through 3' thick bulkhead	9' L x 3" diameter	USER PROVIDED ITEM	2.00	bags	$30.00	$60.00
Laborer	1	USER PROVIDED ITEM	5.00	hour	$18.00	$90.00
Miner	1	USER PROVIDED ITEM	5.00	hour	$40.00	$200.00
Haul materials to Western Disposal Yard in Boulder	100' L x 2" diameter	Hauling only, per mile, 12-18 CY truck - 30 mph average speed	15.00	MI	$7.04	$105.60
Metal door welding at portal	5' diameter	USER PROVIDED ITEM	2.00	hour	$65.00	$130.00
Disposal costs	1	USER PROVIDED ITEM	1.00	load	$150.00	$150.00

Job Hours: 10.00 **Subtotal (unadjusted): $810.60** **Total Cost (adjusted for location): $820.33**

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 3

From: "Eschberger - DNR, Amy" <amy.eschberger@state.co.us>
Date: May 21, 2019 at 4:21:19 PM MDT
To: Mark Steen <goldtontine@gmail.com>
Cc: "Cunningham - DNR, Michael" <michaela.cunningham@state.co.us>
Subject: M1994-117 / Gold Hill Mill / AM-1 / Adequacy Review No. 4

Mark,

I'm attaching my 4th adequacy review for AM-1. Hard copies were also mailed today to you and Mike Bynum.

Given that the Board-Ordered decision date was today, 5/21, I strongly recommend you submit an extension request as soon as possible. We would need to set your request for consideration by the Board, most likely the June 26th meeting.

Feel free to contact me with any questions.

Thanks,

Amy Eschberger
Environmental Protection Specialist
O: 303.866.3567 x 8129 | F: 303.832.8106 | C: 303.945.9014
1313 Sherman Street, Room 215, Denver, CO 80203
Amy.Eschberger@state.co.us | http://www.mining.state.co.us

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 4

From: "Eschberger - DNR, Amy" < amy.eschberger@state.co.us>
Date: May 29, 2019 at 11:31:18 AM MDT
To: Mark Steen < goldtontine@gmail.com>
Subject: AM-1 / Gold Hill Mill / M-1994-117

Mark,

I sent you and Mike Bynum my 4th adequacy letter for Gold Hill Mill AM-1 on May 21, 2019, but haven't heard back from you guys.

As you know, we are past the decision date for AM-1 which was set in the Board Order sent on March 7, 2019. Therefore, in order for the Division to continue reviewing your application, you must submit an extension request to the Board.

Currently, we have an enforcement hearing scheduled for the June 26-27, 2019 Board meeting for failure to comply with the conditions of a Board Order (as detailed in the RTB letter sent to you on January 11, 2019). At this hearing, we will be recommending the Board issue civil penalties, revoke the permit, and find the financial warranty subject to forfeiture.

However, if you submit an extension request for AM-1 by close of business next Thursday, **June 6, 2019**, we could revise the Board agenda for this matter to consider your extension request rather than failure to comply with a Board Order.

I'm attaching the RTB letter sent on January 11, 2019 and the Notice of Rescheduled Board Hearing letter sent on March 29, 2019 for reference.

Thanks,

Amy Eschberger
Environmental Protection Specialist

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

O: 303.866.3567 x 81 29 | F: 303.832.8106 | C: 303.945.9014
1313 Sherman Street, Room 215, Denver, CO 80203
Amy.Eschberger@state.co.us | http://www.mining.state.co.us

- M1994-117_RTB-Letter_Signed_20190111.pdf (101 KB)
- M1994-117_RTB_Notice-of-Rescheduled-Board-Hearing_20190329.pdf (361 KB)

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 5

From: "Eschberger - DNR, Amy" < amy.eschberger@state.co.us>
Date: June 5, 2019 at 3:23:02 PM MDT
To: Mark Steen < goldtontine@gmail.com>
Cc: "Cunningham - DNR, Michael" < michaela.cunningham@state.co.us>
Subject: Re: I shared "LTR to MLRB.docx" with you in OneDrive

Mark,

I received your 30-day extension request for AM-1 for a new decision date of June 20, 2019.

As you know, the operator is currently out of compliance with the March 7, 2019 Board Order which ordered all AM-1 materials be submitted in an approvable form to the Division no later than May 14, 2019, with a new decision date set for May 21, 2019. Accordingly, the Division has suspended its adequacy review of AM-1. Given the handful of adequacy items remaining, most of which require only a commitment, we believe the remaining items could be addressed quickly. If you can submit a response **no later than close of business tomorrow, June 6**, that addresses all remaining adequacy items outlined in the Division's May 21, 2019 adequacy letter, then we could be in a position to inform the Board (during the June meeting) that AM-1 is in approvable form.

We also discussed this matter with Mr. Bynum earlier today.

Thanks,

Amy Eschberger
Environmental Protection Specialist

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

O: 303.866.3567 x 81 29 | F: 303.832.8106 | C: 303.945.9014
1313 Sherman Street, Room 215, Denver, CO 80203
Amy.Eschberger@state.co.us | http://www.mining.state.co.us

On Wed, Jun 5, 2019 at 1:26 PM Mark Steen < goldtontine@gmail.com> wrote:

LTR to MLRB

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 6

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Colorado Mined Land Reclamation Board
1313 Sherman Street – Room 215
Denver, Colorado 80203

June 5, 2019

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application

Dear Board Members:

At this time, pursuant to Rule 1.4.1(9) of the Rules and Regulations of the Colorado Mined Land Reclamation Board, the Colorado Milling Company, LLC is requesting an extension of the review time and decision date for its Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. This will allow the Colorado Milling Company's consultants additional time to properly address the new adequacy review items contained in the DRMS's Fourth Adequacy Review Letter dated May 21, 2019.

The Colorado Milling Company, LLC's representatives and consultants have been working to address the DRMS's Fourth Adequacy Review questions and believes they can all be answered before the Mined Land Reclamation Board's next hearing on June 26, 2019. However, in order to deal with the possibility that there will be more adequacy review items received before the Mined Land Reclamation Board's next hearing, the Colorado Milling Company, LLC is now requesting an additional thirty days to address any new adequacy review questions that may arise during the next twenty days.

Thank you for considering this request for an extension of the decision date for this Application for an Amendment to the Gold Hill Mill's Limited Impact Permit.

Sincerely,

Mark A. Steen
Colorado Milling Company, LLC

cc. Michael Cunningham, Amy Eschberger

STATE OF COLORADO

Eschberger - DNR, Amy <amy.eschberger@state.co.us>

I shared "LTR to MLRB.docx" with you in OneDrive

Mark Steen <goldtontine@gmail.com> Wed, Jun 5, 2019 at 1:26 PM
To: "amy.eschberger@state.co.us" <amy.eschberger@state.co.us>

LTR to MLRB

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Free online storage for your files. Check it out.
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Microsoft Corporation, One Microsoft Way, Redmond, WA, 98052

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 7

STATE OF COLORADO

Eschberger - DNR, Amy <amy.eschberger@state.co.us>

CMC RESPONSE LETTER TO EMAIL FROM AMY ESCHBERGER

1 message

Mark Steen <goldtontine@gmail.com> Thu, Jun 6, 2019 at 5:40 PM
To: "michaela.cunningham@state.co.us" <michaela.cunningham@state.co.us>, Amy.Eschberger@state.co.us
Cc: Mike Bynum <mike@bzrez.com>, Mark Steen <goldtontine@gmail.com>

Sent from my iPad

Document 8.docx
21K

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Colorado Division of Reclamation, Mining and Safety
Michael Cunningham & Amy Eschberger
Environmental Protection Specialists
1313 Sherman Street – Room 215
Denver, Colorado 80203

June 6, 2019

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM 01), Adequacy Review No. 4

Attention: Michael Cunningham & Amy Eschberger:

This is the Colorado Milling Company, LLC's Response Letter to the Amy Eschberger's email letter dated June 5, 2019.

On May 21, 2019, the Colorado Milling Company, LLC (CMC) received Amy Eschberger's Adequacy Review No. 4. This was transmitted to CMC via an email that contained the following statements:

" I'm attaching my 4th adequacy review for AM-1. Hard copies were also mailed today to you and Mike Bynum."

" Given that the Board-Ordered decision date was today, 5/21, I strongly recommend you submit an extension request as soon as possible. We would need to set your request for consideration by the Board, most likely the June 26th meeting."

The Adequacy Review Letter No. 4 contained the following paragraph near the end of page 4:

"As mentioned above, the application decision date of **May 21, 2019** was set by the Board Order mailed on March 7, 2019. Therefore, if you are unable to address all remaining adequacy items by this date, an extension request must be submitted to our office. Such a request would need to be scheduled for consideration by the Mined Land Reclamation Board at an upcoming meeting."

On May 29, 2019, CMC received an email letter from Amy Eschberger that contained the following statement:

"As you know, we are past the decision date for AM-1 which was set in the Board Order sent on March 7, 2019. Therefore, in order for the Division to continue reviewing your application, you must submit an extension request to the Board."

This communication further stated:

" However, if you submit an extension request for AM-1 by close of business next Thursday, **June 6, 2019**, we could revise the Board agenda for this matter to consider your extension request rather than failure to comply with a Board Order."

Accordingly, on June 5, 2019, CMC submitted a request to the Mined Land Reclamation Board for an extension of the review time and decision date for its Application for an Amendment to the Gold Hill Mill Limited Impact Permit 110 (2) Permit No. 1994-117. This was submitted on June 6, 2019, before Amy Eschberger sent her email letter directing CMC to submit its Response Letter to the DRMS "**no later than close of business tomorrow, June 6,** that addresses all remaining adequacy items outlined in the Division's May 21, 2019 adequacy letter, then we could be in a position to inform the Board (during the June meeting) that AM-1 is in approvable form."

This June 5, 2019, email letter from Amy Eschberger refers to the adequacy items requiring clarification or additional information in the Adequacy Review Letter No. 4 as only being a "handful of adequacy items remaining, most of which require only a commitment" from CMC to obtain the Division's approval of CMC's Permit Amendment Application. However, most of the adequacy review items raised in the May 21, 2019, Adequacy Review Letter No. 4 concern the Times Mine Bulkhead Evaluation prepared by Christop Goss PhD, P. E. of Deere & Ault Consultants, Inc. dated May 15, 2019. CMC has been in communication with Christop Goss since it received the May 21, 2019 Adequacy Review Letter, and he has prepared a plan to test the monitoring and control of the Times and Wynona Mines underground water storage to determine and safely control the quantity of process water that will be stored in these two mines. CMC has been preparing to conduct a pump test of the Times & Wynona Mines to determine how much water is affecting the Times Mine Bulkhead. This pump test will determine if the Wynona Mine's one-hundred (100) foot level has any influence on the water stored behind the Times Mine Bulkhead. CMC expects that this pump test will be conducted sometime next week once the water flow meter and pressure gauges have been installed according to the test plan. Until this test has been conducted and evaluated by Deere & Ault Consultants, Inc., CMC cannot commit to any of the adequacy items related to the Times & Wynona Mines underground water storage plan.

The request for more information regarding how much water will be used in conjunction with the operation (as proposed in this application – not as may be proposed in a future application) is the same as when the Gold Hill Mill was originally permitted by the Mined Land Reclamation Board on September 26, 1985. The Gold Hill Mill will require four (4) tons of water for every ton of ore that is processed in the mill. The amount of ore that will be processed and the amount of process water that will be used in this application will be determined when the mill is finally back in operation. However, CMC will be using the water from Left Hand Creek it owns the right to consume under the Water Court Decree when it processes ore in the Gold Hill Mill.

With regard to most of the information that was requested to be included on the revised Exhibit E Maps, this was the first time that this information has been requested by the DRMS of this Applicant. All of this information is already on file with the DRMS under the ITEC Environmental Technical Revisions to the Gold Hill Mill Permit No. 1994-117. CMC will forward this information to the DRMS as soon as it is able to access the Laserfiche Weblink.

CMC has requested a survey from Carl Swift, Registered Mineral Surveyor, that includes a Legal Description of the permit boundaries proposed near Left Hand Creek. CMC will forward that to the DRMS as soon as it is received.

CMC accepts the required financial warranty for the proposed operation in the amount of $77,546.00, which is an increase of $21,346.00 of the currently held financial warranty.

CMC has requested an additional thirty days extension from the Mined Land Reclamation Board to address the new adequacy review questions that were first raised in the May 21, 2019 Fourth Adequacy Review Letter. CMC is requesting the DRMS's assistance and cooperation with this request while it completes the work outlined above.

Sincerely,

Mark A. Steen
Colorado Milling Company, LLC

cc. Mike Bynum

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 8

COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

June 12, 2019

Mike Bynum
Colorado Milling Company, LLC
50 West 100 South St.
Moab, UT 80342

Re: Gold Hill Mill, Permit No. M-1994-117, Decision to Deny a 110(2) Hard Rock Reclamation Permit Amendment Application (Revision No. AM-1)

Dear Mr. Bynum:

The amendment application (Revision No. AM-1) for the Gold Hill Mill, Permit No. M-1994-117, was filed for review with the Division of Reclamation, Mining and Safety (Division or Office) on January 4, 2018. During the application review period, the Division issued a total of four adequacy review letters. The application decision date was extended at the operator's request a total of six times past the original decision date of February 5, 2018 to January 4, 2019, the 365th day from the application filing date. The operator submitted a seventh extension request on January 5, 2019 to extend the application decision date past the 365th day from the application filing date. This request was scheduled for consideration by the Mined Land Reclamation Board (Board) in accordance with Rule 1.4.1(9). The Board approved the operator's extension request in the Board Order issued on March 7, 2019, setting the new application decision date for May 21, 2019, and ordering the operator to submit all materials in an approvable form no later than one week prior to the decision date, by May 14, 2019.

On May 17, 2019, the operator submitted a response to the Division's 3rd adequacy review letter (sent January 14, 2019). After reviewing this response, the Division determined the application had outstanding adequacy issues that had not been sufficiently addressed by the operator. These adequacy issues were detailed in the Division's 4th adequacy review letter sent to the operator on May 21, 2019. Therefore, the operator failed to submit all materials in an approvable form by the May 14, 2019 Board-Ordered deadline, and the operator failed to address the outstanding adequacy issues by the application decision date of May 21, 2019. The unresolved adequacy issues include the following:

1. The operator did not adequately demonstrate how disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quantity or quality of water in surface and groundwater systems both during and after the mining operation and during reclamation will be minimized, as required by C.R.S 34-32-116(7)(g) and Rule 3.1.6(1); or how areas outside of the affected land will be protected from slides or damage occurring during the mining operation and reclamation, as required by C.R.S. 34-32-116(7)(h). Specifically, the operator has not specified how the Times Mine Bulkhead will be managed and operated to prevent any unauthorized discharges from the mine, which would have the potential to impact downgradient landowners and Left Hand Creek.

2. The operator did not specify how much water will be used in conjunction with the operation, as required by Rules 3.1.6(1)(a) and 6.3.3(1)(h) and (j). The operator's estimated annual water usage for the mill greatly exceeds the maximum volume of water the operator is authorized (per Court approved Water Decree) to withdraw from Left Hand Creek during irrigation season, by 10,599,670 gallons. The operator acknowledged the discrepancy, but did not further clarify how much water will be used in conjunction with the operation.

3. The mining plan map submitted with the application did not fully meet the requirements of Rule 6.3.5(2)(a), which requires the operator to outline and label on the map the permit boundaries described in Exhibit A – Legal Description. Additionally, in the operator's response to this item (received on June 6, 2019), a new adequacy issue pertaining to this matter was introduced. The operator stated a survey had been requested from a registered mineral surveyor, which would include a legal description of the permit boundaries proposed near Left Hand Creek. Therefore, the Division was unable to accurately identify the affected area which corresponds to the application.

4. The reclamation plan map submitted with the application (particularly for the mill site) did not fully meet the requirements of Rule 6.3.5(3), which requires the map to show the gradient of all reclaimed slopes sufficient to describe the post mine topography; to indicate where vegetation will not be established and the general area(s) for shrub or tree planting; to state the average thickness of replaced overburden by reclamation area or phase; and to state the average thickness of replaced topsoil by reclamation area or phase.

Therefore, on June 12, 2019, the Division determined the amendment application submitted for Permit No. M-1994-117 did not satisfy the requirements of C.R.S. 34-32-115(4)(c) and (g), and 34-32-116(7)(g) and (h), and denied the application.

Filing and obtaining Division approval of the amendment application was a corrective action required for Violation No. MV-2017-036 in the Board Order issued on October 30, 2017, with the application deadlines extended in the Board Order issued on March 7, 2019. Therefore, the operator's failure to complete the corrective actions by the deadlines specified in the Board Order is considered a failure to comply with the conditions of an order, permit or regulation pursuant to C.R.S. 34-32-124(1). Accordingly, this matter has been set for consideration by the Board at its June 26-27, 2019 meeting, as detailed in the notices sent to the operator on January 11, 2019 and March 29, 2019.

The Cease and Desist Order issued for the operation in the October 30, 2017 Board Order is still in effect given that Violation No. MV-2017-036 has not been resolved. The cease and desist applies to all activities outside the approved affected land boundary of the Gold Hill Mill, with the exception of activities necessary to protect the environment and public safety and authorized by the Division in writing, and specifically applies to the installation, replacement, maintenance, or use of any off-site infrastructure intended to convey or store water for the operation. Please be advised, the Division would consider pumping water into or out of the mine workings (including any pump tests) to be a violation of the Cease and Desist Order at this time, as all aspects of the underground water storage proposal submitted in the amendment application are considered "off-site" given the application was denied.

In accordance with Rule 1.4.11, if you wish to appeal the Office's decision on your amendment application, you must petition for a hearing before the Board within sixty (60) days of the date of the Office decision (by August 11, 2019). Such a petition for a hearing must state how you are directly and adversely affected or aggrieved by the Office's decision, and how your interests are entitled to protection under the Act. The petition must list and explain any issues you believe should be considered by the Board at the Hearing on the matter. The petition for a hearing must specifically state the application or file number assigned by the Office (M-1994-117).

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,



Amy Eschberger
Environmental Protection Specialist

Attachment: Certificate of Service

CC: Michael Cunningham, DRMS
Russ Means, DRMS
Scott Schultz, AGO

CERTIFICATE OF SERVICE

I, Amy Eschberger, hereby certify that on this 12th day of June, 2019, I deposited a true copy of the foregoing document, Re: Gold Hill Mill, Permit No. M-1994-117, Decision to Deny a 110(2) Hard Rock Reclamation Permit Amendment Application (Revision No. AM-1), in the U.S. Mail, postage prepaid, addressed to all entities listed below with a mailing address provided. On the same date, an electronic copy of said document was sent via email to all entities listed below with an email address provided.

Mike Bynum Colorado Milling Company, LLC 50 West 100 South St. Moab, UT 80342 Sent via Certified Mail: 7014 2120 0001 7871 0885	Boulder County Parks & Open Space Attn: Tina Burghardt 5201 St. Vrain Road Longmont, CO 80503
Mark A. Steen Colorado Milling Company, LLC P.O. Box 1523 Longmont, CO 80502	Boulder County Land Use Department Attn: Denise Grimm P.O. Box 471 Boulder, CO 80306
Veruska Trask 1627 Gold Run Road Boulder, CO 80302	City of Boulder Public Works 1739 Broadway Boulder, CO 80306
Norman Skarstad & Cynthia Michaels 10180 Lefthand Canyon Drive Jamestown, CO 80455	Colorado Division of Water Resources Attn: Sarah Brucker 1313 Sherman Street, Room 821 Denver, CO 80203
Chris and Leslie Finn 960 Pine Gold Hill Boulder, CO 80302	Office of Archaeology and Historic Preservation Attn: Steve Turner 1200 Broadway Denver, CO 80203
Gretchen Diefenderfer 9147 Sunshine Canyon Drive Boulder, CO 80302	U.S. Army Corps of Engineers Attn: Eric A. Laux 1616 Capitol Avenue Omaha, NE 68102
Amy Fortunato & James McCumber 4891 Lickskillet Rd. Jamestown, CO 80455	Kory MacFarlane Only via email at: macrockarms@gmail.com
Joe Grant 855 Main St. Gold Hill, CO 80302	Tony Vrba Gold Hill Town Meeting Community Only via email at: tonyvrba@gmail.com
Robert de Haas Pine Brook Water District 1903 Linden Drive Boulder, CO 80304	Dick Cole Only via email at: goldhillcole@gmail.com

Amy Eschberger — June 12, 2019

Amy Eschberger **Date**

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 9

DEERE & AULT
CONSULTANTS, INC.

June 14, 2019

Colorado Mined Land Reclamation Board
1313 Sherman Street – Room 215
Denver, Colorado 80203

Re: Times Mine Bulkhead at Gold Hill Mill Site
Permit No. M-1994-117
D&A Job No. CG-0788.001.00

Dear Members of the Colorado Mined Land Reclamation Board:

This letter is written in response to a request by Colorado Milling Company, LLC (CMC) to have Deere & Ault Consultants Inc, (D&A) comment on Colorado Division of Reclamation, Mining, and Safety's (DRMS) letter denying the permit amendment for the Gold Hill Mill site (MLRD Limited Impact 110(2) Permit No. M-1994-117).

D&A was first contacted by CMC on March 7, 2019 to discuss the Gold Hill Mill project with a specific focus on the Times Mine and associated bulkhead. On March 18, CMC provided D&A with background information which D&A subsequently reviewed. On April 17, 2019 D&A was contractually engaged by CMC on to evaluate the Times Mine Bulkhead, a structure on the site used to store process water in the Times and Wynona Mines. This evaluation was in response to concerns raised by DRMS in their adequacy review. D&A staff visited the site on April 22, 2019 to make observations, document conditions, and take measurements. D&A performed the evaluation and presented the results in a technical memorandum dated May 15, 2019.

On May 21, 2019, DRMS issued Adequacy Review No. 4. The primary issue raised by DRMS in that letter (review item 1a) concerns a mine pool drawdown plan should the water level rise above the design pressure elevation of the bulkhead (8360 ft). Specifically, the letter requests that CMC submit:

> *A mine pool drawdown plan to rapidly lower water levels in the mine workings in an emergency situation where bulkhead failure is imminent. This plan should include lowering water levels, at a minimum, below the collar elevation of the winze connecting the Times Mine to the Wynona Mine, 8,347.7 feet. The plan should include details such as the type and location of equipment to be used, pump/flow rate capacities, estimated water volume to be removed, estimated length of time to drawdown the required water volume, and how the operation will manage water pumped from the workings (i.e., Will a discharge permit be required from the CDPHE, WQCD? If so, include in Exhibit F). The mine pool drawdown plan should also include procedures for evaluating the bulkhead after the mine pool has been lowered to a safe level.*

D&A agrees with DRMS on the need to have a mine pool drawdown plan. The first step in preparing such a plan is to evaluate the quantity of water in the mine pool at a given elevation above the

600 S. Airport Road, Building A, Suite 205
Longmont, CO 80503
Phone: 303-651-1468 • Fax: 303-651-1469

Wynona Winze collar (8347.7). Once the quantity of water is known, an appropriate control plan can be developed. Estimating the water quantity on this site is difficult because the extents and exact elevations of the Wynona Mine are unknown and the mine is not accessible. To the best of our knowledge, pump testing is the only technique available to develop a reliable estimate of water volume, pumping rates, and drawdown time.

In response to the DRMS request, D&A worked with CMC to prepare a pumping test that would be used to develop a mine pool drawdown plan. This recommended test consists of using the existing equipment and piping to pump water from the Wynona Shaft through a totalizing flow meter at a constant rate into the existing mill and/or pond while water levels are measured in both the Times Well and Wynona Shaft on a regular frequent basis. The data from the pump test would then be used to create a mine pool elevation to capacity curve. This curve would be used to develop a mine pool control plan and a monitoring plan that is tied to mine pool elevations. Depending on the progress of the test and available storage on site, the pump test may have to be conducted in several stages.

On June 12, 2019, D&A met with CMC to discuss the detailed logistics of the pumping test including flow meter placement, measurement techniques, potential quantities, and drawdown stages. On the same day, DRMS issued a letter denying the permit amendment. This letter states that "*...the Division would consider pumping water into or out of the mine workings (including any pump tests) to be a violation of the Cease and Desist Order at this time...*". D&A concurs with DRMS's position that a mine pool drawdown plan is necessary and thereby strongly recommends that a pump test as described above be allowed to proceed. Preparing a mine pool drawdown plan prior to performing the pump test would be preliminary and result in an inaccurate document.

Sincerely,

DEERE & AULT CONSULTANTS, INC.

Christoph Goss PhD, P.E.
Mining/Civil Engineer, Principal

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 10

Dr. Christoph Goss, P.E.

Civil Engineer, Principal



EDUCATION AND SPECIAL TRAINING

Ph.D., Mining and Earth Systems Engineering, Colorado School of Mines, 2000
B.S., Engineering (Civil), Colorado School of Mines, 1997
Continuing education in Geology, University of Colorado at Denver, 2003-2004
Short courses in Tunneling, Microtunneling, Surveying, and Shotcrete
Project Management Certificate, Colorado State University, 2016

REGISTRATIONS / CERTIFICATIONS

Professional Engineer - Colorado (#38427)
Professional Engineer - Illinois (#062.069275)
PMI Project Management Professional – PMP (#1988259)
MSHA 40-Hour Underground Certification with annual renewals
American Shotcrete Association - Shotcrete Nozzleman Trainer
American Concrete Institute - Shotcrete Nozzleman Certification Program Examiner

AWARDS

American Society of Civil Engineers:2007 Edmund Friedman Young Engineer Award for Professional Achievement
American Institute of Mining, Metallurgical, and Petroleum Engineers: 1999 Henry DeWitt Smith Scholarship

PROFESSIONAL ORGANIZATIONS / ASSOCIATIONS

American Society of Civil Engineers
- Colorado Section Past-President 2006-2007
- Colorado Section President 2005-2006
- Colorado Section Vice-President 2004-2005
- Colorado Section Secretary 2003-2004
- Colorado Section Geotechnical Group Chair 2002-2004
- Colorado Section Treasurer 2000-2002
- Steering Committee of the biennial Rocky Mountain Geo-Conference 2004- 2018
- Chair of the biennial Rocky Mountain Geo-Conference 2004, 2014, 2016, 2018
- Geo Institute Zone 3 Sections and Branches Council 2004

Rapid Excavation and Tunneling Conference Session Chair 2005
Society for Mining, Metallurgy and Exploration – Underground Construction Association
Association of Environmental and Engineering Geologists
American Concrete Institute
American Shotcrete Association
Association of State Dam Safety Officials
Project Management Institute
Tau Beta Pi National Engineering Honor Society

LANGUAGES
Fluent English
Fluent German

QUALIFICATIONS

Dr. Goss has worked in the mining and heavy civil construction field from labor to engineering both in the United States and internationally. His field expertise is in construction engineering, monitoring, and quality assurance. Dr. Goss has also worked on the investigation, analysis, and design of numerous tunnels, mines, abandoned mines, mine bulkheads, quarries, dams, and reservoirs in both hard rock and soft ground. His formal education included significant coursework in soil mechanics, rock mechanics, engineering geology, tunnel investigations, surface and underground mine design, tunneling, engineering mathematics, and geotechnical modeling.

Dr. Goss has served as resident engineer on various types of tunnel and pipe jacking projects including roadheader, microtunnel, hard rock rehabilitation, digger shield, and wheel excavator. Dr. Goss has served in other capacities, including claims analysis on subway, road, hydro-electric, and utility tunnels constructed via drill & blast, earth pressure balance shield, and slurry shield methods. He has also been involved in the support evaluation of various mine tunnels and adits. His experience in quarries/surface mines includes geological investigations, volume estimating/modeling, slope stability, seepage, and mine layout. Dr. Goss has also been involved in the investigation, design, and construction of numerous dam and reservoir projects. His work in this field includes site evaluation, geotechnical analysis, project layout, specification writing, construction engineering, and dam monitoring. In the field of abandoned mine clean up, Dr. Goss has been involved in geologic investigations along with the design and evaluation of ground support, mine water flow control, grouting, and bulkheads.

RELEVANT EXPERIENCE

Tunnels, Mines, and Underground Bulkheads

Times Mine Bulkhead: Gold Hill, Colorado 2019. Evaluation of existing bulkhead for process water storage.

St Louis Tunnel: Rico, Colorado 2019. Evaluation of options to control flow and surges in mine drainage tunnel.

Rio Grande Reservoir Rehabilitation Phase 2, Creede, Colorado 2014-2015, 2018-2019. Design of outlet tunnel rehabilitation. Resident engineer for outlet tunnel rehabilitation with shotcrete and rock bolts.

Nelson Tunnel/Commodore 5 Mine: Creede, Colorado, 2016-2019. Evaluation of alternatives to reduce potential blowout from mine pool behind several collapses. Design of ground support rehabilitation on Commodore 5 level.

Federal Quarry Decline and Shaft: McCook, Illinois, 2016-2019. Shotcrete evaluation, geotechnical evaluation, and ground support design for 25'x 23'x 1000-foot-long decline tunnel at bottom of existing limestone quarry. Onsite resident engineer during rehabilitation of tunnel after original contractor was dismissed.

Walker Recharge Crossing, Orchard, Colorado 2018. Geotechnical evaluation of proposed 48" microtunnel crossing under South Platte River

London Mine: Alma, Colorado 2017-2018. Geotechnical and ground evaluation of mine workings in support of purchase agreement.

Grey Eagle/Queen Adit: Barker Hughesville, Montana 2018. Geotechnical and ground evaluation of mine adit and collapsed mine workings, alternatives analysis and design of bulkhead.

Sunbeam Adit: Bonanza, Idaho 2017-2018. Geotechnical and ground evaluation of collapsed mine workings, design of horizontal drains.

Morning 6 Adit: Mullan, Idaho 2017. Geotechnical evaluation of collapsed mine workings and sinkhole.

American Tunnel: Silverton, Colorado 2015-2019. Geotechnical evaluation, ground support design, piping design, bulkhead evaluation, and portal design for opening and rehabilitation of historic mine drainage tunnel. Evaluation of

adit flows and impact from closing adjacent bulkhead. Evaluation of design, capacity, and potential failure modes of existing bulkheads. Design of drilled piezometer into tunnel behind bulkhead.

Mogul Mine: Silverton, Colorado 2016-2018. Geotechnical evaluation, mine mapping, and bulkhead evaluation of historic mine adit. Evaluation of adit flows and impact from closing adjacent bulkhead. Evaluation of design, capacity, and potential failure modes of existing bulkhead. Saddle tap of existing bulkhead bypass pipe.

Gold King Mine: Silverton, Colorado 2014, 2015-2019. Geotechnical evaluation, ground support design review, and portal support review for exploration of historical mine adit. Design of slope stabilization, ground support, horizontal drain, and flow control in caved portal area after 2015 uncontrolled release. Onsite resident engineer during rehabilitation.

Red & Bonita Mine: Silverton, Colorado 2013, 2015-2018. Geotechnical evaluation, ground support design review, and ventilation review for exploration of historical mine. Evaluation of adit flows and impact from closing new bulkhead. Evaluation of design, capacity, and potential failure modes of adjacent American Tunnel bulkheads.

Everist Reservoir Interconnect Tunnels: Fort Lupton, Colorado 2008-2016. Project Manager for investigation and design of interconnect tunnels from pump station wet well to new reservoir cells. Resident geotechnical engineer during construction.

Esti Hydropower Project, Panama 2012-2013. Geologic evaluation and claims analysis for 4.5 km of headrace tunnel. Work included litigation support.

Easterly Pump Station, Cleveland, OH, 2012-2013. Geologic evaluation and shotcrete analysis of underground pump chamber excavation in shale.

Crenshaw/LAX Transit Corridor: Los Angeles, California, 2012. Geotechnical evaluation and preparation of pre-bid geotechnical report for tunneling contractor on Underground Guideway No. 4.

Needle's Eye Tunnel: Rollins Pass, Colorado, 2012-2013. Geotechnical evaluation of ground conditions and existing support. Feasibility study for possible tunnel rehabilitation.

Eglinton-Scarborough Crosstown Twin Tunnels: Toronto, Canada, 2012. Geotechnical evaluation and preparation of pre-bid geotechnical report for tunneling contractor.

ACI Shotcrete Nozzleman Certifications, Various locations 2003-Present . Teach ASA shotcrete classes and conduct ACI shotcrete nozzleman certification sessions. Sessions include test panel shooting and core evaluation.

Jewell-Horner Mine: Aguilar, Colorado, 2012-2013. Preparation of plans, specifications, cost estimate, and construction observation for mine drainage improvements.

Eagle Mine – Liberty Drift: Gilman, Colorado 2011-2012. Seepage evaluation and analysis for a proposed remotely placed plug to reduce water flow into the mine workings.

Bulldog Decline: Creede, Colorado 2011-2012. Geotechnical evaluation and ground support design for new access tunnel into old mine workings.

Reynolds Adit Rehabilitation: Summitville Mine Superfund Project, Summitville Colorado, 2010-12. Designer and Resident Engineer for bulkhead rehabilitation, adit drainage, ground support, and mine pool control system.

Argo Tunnel: Idaho Springs, Colorado, 2010-11. Tunnel investigation and design of flow through bulkhead to protect existing treatment plant from surges.

Brightwater Central Contract, King County, WA, 2010-12. Third party review of numerous claims on a deep soft ground sewer tunnel with very high water head.

Koehler Tunnel, Red Mountain Pass, Colorado, 2009-2010. Site investigation and design of grouting program for leaks around an existing bulkhead.

Laramie-Poudre Water Tunnel, Tunnel Water Company, Larimer County, Colorado, 2000-2017. Resident engineer for the rehabilitation of a two-mile long water tunnel. Work included mining through a collapse, shotcreting, rock bolting, pipe placement, and cellular concrete grouting. Recent work includes evaluation of support and minor rehabilitation.

Lower Clear Creek Ditch Pipe Evaluation, Thornton, Colorado, 2010. Evaluation and documentation of existing conditions in lined and unlined pipe sections of ditch under residential area.

States Mine Subsidence Project, Cedaredge, Colorado, 2010. Project manager for drilling and compaction grouting program to reduce subsidence of road above burning coal mine.

Eveline Mine, Silverton, Colorado, 2010. Project Manager for design of external water treatment system for abandoned mine adit.

Phantom Canyon (South Slope) Pumped Storage Project near Canon City, Colorado, 2009. Evaluation of excavation and tunneling conditions for underground facilities, including intake shafts and tunnel, penstocks, power silos, and discharge tunnels.

Hough Mine, Engineer Pass, Colorado, 2009. Site investigation for rehabilitation options of abandoned mine, shaft, adit, and waste rock piles in high alpine environment.

Sprat-Platte Reservoir Interconnect, Thornton, Colorado, 2008-2009. Project Engineer for the independent review and engineering consultation on a microtunneled interconnect pipe under the South Platte River. Services included design review and construction engineering.

Cheyenne Mountain Air Force Station: Hoist Extension Design, Colorado Springs, Colorado, 2007. Design for hanging a new hoist from the roof of a large underground chamber. The design included an enlargement of the chamber roof to accommodate the new hoist. Tasks included wedge analysis, rock bolt design and layout, and preparation of plans and specifications.

Big 5 Tunnel, Captain Jack Site: Rehabilitation Support Analysis, Boulder County, Colorado, 2006-2007. Site investigation and ground support design for a tunnel to an old mine complex. Tasks included geotechnical mapping, creation of a geotechnical report, preparation of plans and specifications, and construction engineering services.

Yuncan Hydropower Project, Huallamayo, Peru 2002 & 2005-2006. Geologic evaluation and claims analysis for 26km of rock tunnels, two concrete gravity dams, and an underground powerhouse. Work included litigation support.

Shoshone Hydroelectric Facility, Xcel Energy, Glenwood Springs, Colorado, 2006. Inspected and recommended repairs to 16-foot diameter, 2-mile long tunnel.

Cheyenne Mountain Air Force Station: Pedestrian Adit Feasibility Study, Colorado Springs, Colorado, 2004. Feasibility study for the construction of a new pedestrian adit. The study included construction methods, geology, ventilation, and vibration analysis.

Standley Lake Dam Improvement Project, Westminster, Colorado 2002-2003. Resident Engineer for a valve shaft, two microtunneled lake taps, and a shotcrete/lattice girder outlet tunnel driven with a roadheader.

Summitville Mine Superfund Project, Summitville Colorado, 2001-2005. Annual adit and bulkhead inspections for old underground mine workings.

Wooster Pike Area Sewer, Cincinnati, Ohio 2002. Geotechnical investigation, microtunneling specifications, and plan revision for proposed 7,600 feet of 54-inch and 36-inch microtunneled sewer pipe.

Braintree-Weymouth Tunnel Project, Boston, Massachusetts, 2002. Advance rate modeling, geotechnical analysis, and claims investigation for two miles of the Nut Island Tunnel.

Parker North Waterline, Parker, Colorado 2001-2002. Geotechnical investigation, specifications, and construction engineering for a 30-inch diameter auger bore underneath a major highway.

Oak Street Outfall Tunnel, City of Fort Collins, Colorado, 2001-2002. Design and construction engineering of an 8.5-foot diameter urban soft ground storm sewer tunnel.

South Platte Reservoir Raw Water Transmission Pipeline, Phase 2, Littleton, Colorado, 2001-2002. Geotechnical investigation and construction engineering for a six-foot diameter waterline tunnel underneath a major road and two railroad tracks.

Sheppard Subway, Toronto Transit Commission, Ontario, Canada, 1997 and 1998. Shift engineer for construction of 6.4 km of 5.9 m diameter subway tunnels in soft ground using an EPB machine.

N5 Tunnel de Sauges, Canton of Neuchatel, Switzerland, 1996. Miner on national road bypass of towns along the shore of Lac de Neuchatel.

Dams and Reservoirs

Rio Grande Reservoir Rehabilitation Phase 2, Creede, Colorado 2014-2015, 2018-2019. Design of outlet tunnel rehabilitation. Resident engineer for outlet tunnel rehabilitation with shotcrete and rock bolts.

Everist Reservoir Complex: Fort Lupton, Colorado 2008-2016. Project Manager for feasibility study and design of multi- cell reservoir complex along the South Platte River. Design includes pump station wet well, breach repair, and interconnect tunnels. Resident engineer during construction.

Quincy Reservoir Spillway Repairs, Aurora, Colorado 2012-2013. Construction engineering for concrete spillway repair. Work includes drain repairs, new training wall, and concrete overlay.

Fuchs Dam: Del Norte, Colorado 2011-2013. Geotechnical evaluation, maintenance design, Emergency Action Plan, and new monitoring plan for a high mountain reservoir.

Walker Reservoir, Brighton, Colorado 2008. Geotechnical analysis of gravel pit to reservoir conversion. Tasks included stability and seepage analysis of existing berm, layout of cell interconnects, bedrock surface mapping, site survey evaluation, capacity calculation, and cost estimate.

James Tingle Reservoir, Park County, Colorado 2007. Preparation of specifications and design report for a 400 acre-foot high altitude reservoir in South Park.

Stonewall Springs Central Reservoir, Pueblo County, Colorado 2007. Preparation of specifications and design report for a 5,000 acre-foot gravel pit to reservoir conversion.

Reservoir Feasibility Study, Denver Metro Area, Colorado, 2007-2008. Geotechnical site investigation and feasibility level design of potential reservoir.

South Platte Reservoir, Littleton, Colorado, 2005-2008, ongoing. Resident Engineer for the construction of a 6480 acre-ft reservoir including a 3.5 million cubic yard 11,400 foot long earth embankment dam/slope liner, PMF channel, spillway, outlet works, and associated structures. Work also included vibration analysis for sheet pile installation near a residential area, material volume estimating, preparation of as-built plans, and on-going post construction monitoring and analysis.

Dobbins Air Force Base: Big Lake Dam Rehabilitation, Marietta, Georgia, 2004. Design of a mechanically stabilized earth (MSE) retaining wall and slope stability analysis on a deteriorating dam.

Empire Reservoir, Weld and Morgan Counties, Colorado, 2004. Rehabilitation design report, slope stability analysis, and seepage analysis for a large reservoir on the eastern plains.

Erie Reservoir Rehabilitation, Erie, Colorado, 2004. Construction engineering and quality assurance for the installation of an upstream shotcrete liner and reinforced concrete spillway.

Standley Lake Dam Improvement Project, Westminster, Colorado 2002-2003. Resident Engineer for a valve shaft, two microtunneled lake taps, and a shotcrete/lattice girder outlet tunnel driven with a roadheader.

Quarries and Surface Mining

Shores Mine, Firestone, Colorado, 2014. Feasibility study to evaluate existing and future water storage potential including pump stations and piping.

Three Bells-Ditullio Site, Windsor, Colorado, 2013. Feasibility study to evaluate gravel resources and future water storage potential.

Three Bells-Veldman Site, Windsor, Colorado, 2013. Geotechnical evaluation and mine reclamation design.

Great Western Property, Windsor, Colorado, 2013. Feasibility study to evaluate gravel resources and future water storage potential.

Hazeltine Reservoir, Adams County, Colorado, 2013-2015. Geotechnical investigation into leaking slurry wall, design of replacement slurry wall, leak test.

Colorado Division of Reclamation, Mining, and Safety, 2013. On call engineering for Mine Subsidence Protection Program

Speer Pit, Henderson, Colorado, 2009. Design of perimeter drain along upstream side of gravel mine.

Cat Reservoir, Adams County, Colorado, 2006. Groundwater modeling to evaluate the effects of lining a gravel pit to construct a reservoir.

Bald Ridge Site, Annette Island, Alaska, 2004. Analyzed the potential blasting effects of a proposed mine on nearby structures including a pipeline, tunnel, house, and fish hatchery. Effects studied included vibration, air blast, and fly rock.

Mann Lakes, Adams County, Colorado, 2004. Road embankment design and slope stability analysis for a proposed road through an existing gravel mine/future reservoir site.

Dunes Reservoir, Adams County, Colorado, 2004. Seepage and dam slope stability analysis at the Dunes Reservoir.

Tanabe Pit Gravel Mine, Adams County, Colorado, 2004. Seepage and slope stability analysis for an existing gravel mine/future reservoir.

Hazeltine Gravel Mine, Adams County, Colorado, 2003-2004. Groundwater modeling, seepage analysis, and mine layout, material quantity estimates for the design and permitting of proposed gravel mine with a slurry wall.

Tucson South Gravel Mine, Adams County, Colorado, 2003-2004. Groundwater modeling, material quantity estimates, mine layout, and slope stability calculations for the design and permitting of proposed gravel mine with a slurry wall.

Fort Lupton Pit Gravel Mine, Weld County, Colorado, 2004. Slope stability analysis for mine highwalls and reclaimed reservoir slopes.

PUBLICATIONS

Goss, Christoph, 2019: Shotcrete Use in the Gold King Mine Rehabilitation. American Shotcrete Association. Shotcrete Magazine Vol. 20, No. 4, pp 12-14.

Goss, Christoph, 2016: An Overview of Underground Mine Bulkheads in a Fractured Mountain Setting. Geological Society of America Annual Meeting, Denver, Colorado (presentation only), GSA Abstracts with Programs Vol. 48, No. 7

Strickland, Jere, Wiltshire, Richard, and, Goss, Christoph (editors). 2016. Rocky Mountain Geo-Conference 2016: Proceedings of the Biennial Rocky Mountain Geo-Conference. ASCE Geo Institute Geotechnical Practice Publication No. 10.

Strickland, Jere, Wiltshire, Richard, and, Goss, Christoph (editors). 2014. Rocky Mountain Geo-Conference: Proceedings of the Biennial Denver Geotechnical Symposium. ASCE Geo Institute Geotechnical Practice Publication No. 9.

Goss, Christoph, Wiltshire, Richard, and Strickland, Jere, (editors). 2012. Rocky Mountain GeoChallenges: Rising to Geotechnical Challenges in Colorado-Proceedings of the Biennial Denver Geotechnical Symposium. ASCE Geo Institute Geotechnical Practice Publication No. 7.

Goss, Christoph, Wiltshire, Richard, McCarron, William, Kerrigan , Joseph, and Malama, Joels, (editors). 2010. GeoTrends: The Progress of Geological and Geotechnical Engineering in Colorado at the Cusp of a New Decade - Proceedings of the Biennial Denver Geotechnical Symposium. ASCE Geo Institute Geotechnical Practice Publication No. 6.

Goss, Christoph, Wiltshire, Richard, Malama, Joels, and, Parekh, Minal, (editors). 2008. GEO-velopment: The Role of Geological and Geotechnical Engineering in New and Re-development Projects -Proceedings of the Biennial Denver Geotechnical Symposium. ASCE Geo Institute Geotechnical Practice Publication No. 5

Wiltshire, Richard L., Parekh, Minal, and Goss, Christoph, (editors). 2006. GEO-volution: The Evolution of Colorado's Geological and Geotechnical Engineering -Proceedings of the Biennial Denver Geotechnical Symposium. ASCE Geo Institute Geotechnical Practice Publication No. 4

Goss, Christoph. 2006, *"Rehabilitation at Standley Lake,"* Tunnels and Tunnelling International. March 2006, pp. 25-27

Deere, D.W., Goss, C.M., and Church, G. 2005, *"Roadheader Tunneling and Microtunneling in Low Strength Claystone at Standley Lake, Colorado*," Rapid Excavation and Tunneling Conference, Seattle, Washington. Society for Mining, Metallurgy and Exploration, Littleton, CO

Wiltshire, Richard L., Goss, Christoph, and Olsen, Harold (editors). 2004. H_2GEO: Geotechnical Engineering For Water Resources-Proceedings of the Biennial Denver Geotechnical Symposium. ASCE Geo Institute Geotechnical Practice Publication No. 2

Goss, Christoph. 2003. *"Rehabilitation of the Laramie-Poudre Tunnel*". Engineering Geology in Colorado: Contributions, Trends, and Case Histories. Association of Engineering Geologists.

Goss, Christoph. 2002. *"Rehabilitation in the Rocky Mountains".* Tunnels and Tunnelling International. September 2002, Vol. 34, No. 9. pp. 22-24.

Goss, C. M., 2002, "*Predicting Boulder Cutting in Soft Ground Tunneling*," Proceedings of North American Tunneling 2002, Ozdemir (ed.), A.A. Balkema, Rotterdam.

Goss, Christoph., 2001, "*Ground Conditioning for Earth Pressure Balance Machine Tunneling*," Environmental and Engineering Geoscience, Vol. VII, No. 1.

Goss, C., and Griffiths, D.V., 2001, "*Discussion on: Rigorous Plasticity Solutions for the Bearing Capacity of Two-Layered Clays*," by R.S. Merifield, et.al., Geotechnique, 51, No. 2, pp. 179-183.

Goss, Christoph Michael. 2000. "*Finite Element Modeling of Boulder Excavation in Soft Ground Tunneling by Earth Pressure Balance and Slurry Machines Using Disc Roller Cutters".* Colorado School of Mines PhD Dissertation #T-5437.

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 11

M-1994-117- AM01
Complied!
AME, WHE

APPLICATION FOR AN AMENDMENT TO MLRD LIMITED IMPACT 110(2) PERMIT NO. M-1994-117

GOLD HILL MILL
Boulder County, Colorado

7 Violations: MV-
1995-078, 1997-027, 2002-024
2002-032, 2011-033, 2012-005
2017-036

RECEIVED
DEC 19 2017
DIVISION OF RECLAMATION
MINING AND SAFETY

* Hand-delivered!

Submitted to:

Colorado Division of Minerals and Geology
Mined Land Reclamation Division
1313 Sherman Street – Room 215
Denver, Colorado 80203

Prepared by:

Colorado Milling Company, LLC
50 West 100 South Street
Moab, Utah 80342

December 2017

APPLICATION FOR AN AMENDMENT TO MLRD LIMITED IMPACT 110(2) PERMIT NO. M-1994-117

GOLD HILL MILL
Boulder County, Colorado

RECEIVED

DEC 19 2017

DIVISION OF RECLAMATION, MINING AND SAFETY

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Application for an Amendment
to
GOLD HILL MILL, BOULDER COUNTY, COLORADO
MLRD Limited Impact 110(2) Permit No. M-1994-117

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1. **Applicant Name** Colorado Milling Company, LLC
50 West 100 South Street
Moab, Utah 80342

1.1 Type of Organization: Limited Liability Company

1.2 IRS Tax ID Number: 90-0927762

2. **Operation Name** Gold Hill Mill

3. **Permitted Acreage** Currently Permitted: 8.390 acres
As Proposed: 9.187 acres

Pursuant to an Order dated October 30, 2017, by the Colorado Mined Land Reclamation Board, the Colorado Milling Company, LLC is filing this Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117 to ensure that all lands affected by the mining reclamation activities, including the Times Mine adit and all aspects of the water pipeline from Left Hand Creek to the Gold Hill Mill, are located within an approved affected land boundary and addressed by a reclamation plan and appropriate performance and financial warranties.

4. **Fees** $661.00

5. **Primary Commodities to be Mined/Milled**

No change: Gold and silver ores

6. **Name of Owner(s) to the Surface of Affected Lands**

Colorado Milling Company, LLC
U.S. Department of the Interior-Bureau of Land Management
U.S. Forest Service (Unpatented Mining Claim Administered by the BLM)
Boulder County Parks and Open Space (Pipeline Easement)

7. **Name of the Owner(s) to the Subsurface Rights of the Affected Lands**

Colorado Milling Company, LLC
Boulder County Parks and Open Space

8. Type of Mining Operation

No change: Mineral Processing

9. Correspondence Information

Applicant/Operator:
Mr. Mike Bynum, Manager
Colorado Milling Company, LLC
50 West 100 South Street
Moab, Utah 80342
Phone Number: (303)588-1119

Permitting Contact:
Mr. Mark A. Steen
P.O. Box 1523
Longmont, Colorado 80502
Phone Number: (303)651-2985 (Office)

Inspection Contact:
Mr. Mark A. Steen
P.O. Box 1523
Longmont, Colorado 80502
Phone Numbers: (303)651-2985 (Office)
(303)440-0633 (Millsite)

10. Location Information

County: Boulder
Principal Meridian: 6th Principal Meridian (Colorado)
Center of Activity: Sections 2/11/12, T-1-N, R-72-W

General Description: The proposed (amended) permit area formally adds the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline. A total of 0.797 acres will be added to the Permitted acreage with this Amendment.

For purposes of this Amendment, the proposed (added area) of the Gold Hill Mill Permit is generally divided into three contiguous sub-areas, as follows:

Left Hand Creek Pump Station: The amended permit area will be enlarged by 0.256 acres to incorporate the sub-area affected by the pump station located on the South side of Left Hand Creek.

Gold Hill Mill Pipeline Easement: The amended permit area will be enlarged by 0.539 acres to include the sub-area affected by the two (2) inch diameter pipeline and a five (5) foot area of disturbance along the length of the Gold Hill Mill Pipeline.

Times Mine Adit Portal: The amended permit area will be enlarged by 0.002 acres to include the sub-area affected by the land surface necessary to gain access to the Times Mine adit.

11. Primary Future (Post-Mining/Milling) Land Use

No Change: Forestry (FR) and Open Space

12. Primary Present Land Use

No Change: Forestry (FR) and Open Space

13. Designated Chemicals and/or Acid Mine Drainage

Not Applicable to this Amendment

14. Description of Project

The Gold Hill Mill is a permitted mineral processing facility, constructed to process ores from certain mines authorized by the DRMS located in the Gold Hill Mining District. The Gold Hill Mill's Waterline was initially installed in 1987, with a three (3) inch pipeline that extended from Left Hand Creek to the Times Mine adit portal. Water was pumped from Left Hand Creek on numerous occasions by the then permitted operator, Gold Hill Ventures, Limited Partnership. During the period that COM, Inc. was the permitted operator of the Gold Hill Mill, the lower portion of the water pipeline was replaced with a two (2) inch pipeline, and water was pumped to the Times Mine on several occasions during the period when the mill was controlled by that operator. A portable Bean pump was used to pump the water from Left Hand Creek to the Times Mine. The pipeline from these initial pumping operations is still in place, and will be removed when the new pipeline is installed.

The Colorado Milling Company, LLC (CMC) will draw water from a point of diversion on the Gold Gulch No. 3 unpatented mining claim located on the South bank of Left Hand Creek at an elevation of 7,613 feet. The Gold Gulch No. 3 unpatented mining claim is owned by CMC. The pumping station will be situated in a 10 by 8 foot metal "conex" container, where a three-stage Bean pump and a generator will be housed. CMC is including 11,151 feet of surface disturbance on the North and South sides of the "conex" for service access to the pumping station. The total amount of

land affected by the installation of the pumping station is approximately 11,151 square feet, or 0.256 acres. Water will be pumped 4,699 feet up Akins Gulch in a high-strength two (2) inch diameter, High Density Polyethylene (HDPE) pipeline that has a one-half (1/2) inch wall thickness. The HDPE pipe will be connected with heat-fusion welding in the field. Four check valves and an anti-siphon valve will be installed in the water pipeline. The Gold Hill Mill Pipeline will be placed on the ground on the East side of an existing historic mine access road for a distance of approximately 3,250 feet. The Gold Hill Mill Pipeline will follow this road until it reaches a point beneath the Gold Ring Mine dump. From this point, the Gold Hill Mill Pipeline extends approximately 1,450 feet up the hillside before it reaches an elevation of 8,360 feet, where it will enter the Times Mine's adit. Except for two short intervals, the pipeline will not be buried, and its assembly and operation will not disturb the land surface.

The Gold Hill Mill Pipeline crosses property retained for this purpose in a deeded Easement over the land surface. CMC is using a five (5) foot area of surface disturbance to install the two (2) inch pipeline along the length of the deeded Easement. The total amount of land that will be affected by the installation of the pipeline on the Gold Hill Mill Pipeline Easement is 23,495 square feet, or 0.539 acres. At a location 45 feet below the North side of County Road No. 52, the Gold Hill Mill Pipeline will enter the portal of the Times Mine's adit, which passes beneath the County Road. The Times Mine adit is located on the patented Comet Lode, MS 318, which is owned by CMC. The Times Mine portal consists of a five (5) foot diameter galvanized steel culvert with a locking metal gate to prevent unauthorized access. Assuming that an area 10 x 10 feet will be utilized during the periods when the Times Mine is being entered to monitor water pumping, the total amount of land surface affected by the use of this portal site is 100 square feet, or 0.002 acres. Including the Left Hand Creek pump station, the Gold Hill Mill Pipeline, and the Times Mine portal site, the total amount of land affected by the installation and operation of the Gold Hill Mill Waterline amounts to 0.797 acres of surface land.

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106

COLORADO DIVISION OF RECLAMATION MINING & SAFETY

HARD ROCK / METAL MINING

LIMITED IMPACT OPERATION (110(2))

RECLAMATION PERMIT APPLICATION PACKAGE

APPLICABILITY:

This application package is for a mining operation that is NOT a Designated Mining Operation, affecting LESS than 10 acres and extracting LESS than 70,000 tons of mineral, overburden or combination of the two per calendar year. If you plan to conduct a mining operation which meets these criteria, please follow the instructions provided in this package, in the Mineral Rules and Regulations, and in the Mined Land Reclamation Act, as required. Please see Rule 1.1(12) for the definition of "Designated Mining" operation.

FILING REQUIREMENTS:

The Mineral Rules and Regulations (the Mined Land Reclamation Act, Section 34-32-101, et seq., C.R.S., and 2 CCR 407-1) of the Colorado Mined Land Reclamation Board (the "Board") regulate the permitting, operational and reclamation requirements for all non-coal mining operations in Colorado. It is your obligation to comply with the Act and Regulations. You are encouraged to obtain and review a copy of the Rules, available for $8.00 from the Division of Reclamation, Mining, and Safety (the "Office") or at the Division's Web Page at www.mining.state.co.us. In order to submit your application properly, it is recommended that you review the Act, and;

Rule 1.1	Definitions;
Rule 1.4	Application Review and Consideration Process;
Rule 1.5	Fees;
Rule 1.6	Public Notice Procedures;
Rule 3.1	Reclamation Performance Standards;
Rule 3.3.1	Operating without a Permit - Penalty;
Rule 4	Performance Warranties and Financial Warranties;
Rule 6	Permit Application Exhibit Requirements;
Rule 6.2	General Requirements of Exhibits;
Rule 6.3	Specific Permit Application Exhibit Requirements;
Rule 6.4.19	Exhibit S (as required); and,
Rule 6.5	Geotechnical Stability Exhibit;

To apply for a Reclamation Permit for a Limited Impact Operation, one (1) signed and notarized original and one (1) copy of the Limited Impact Operation (110(2)) Application Form, two (2) copies of Exhibits A-J, any required sections of Exhibit S and Geotechnical Stability Exhibit, as required, and outlined in Rules 6.1, 6.2, 6.3, 6.4.19 and 6.5, and an application fee MUST be submitted to the Office. The thirty (30) day period for review of the application and exhibits will NOT begin until all required information is submitted. The Office will then review the submitted information for adequacy.

It is recommended that you contact the agencies listed under "Compliance With Other Laws" prior to submitting the application to the Office. You must send a notice, on a form approved by the Board, to the local board of county commissioners and, if the mining operation is within the boundaries of a soil conservation district, to the board of supervisors of the soil conservation district, prior to filing the application. A copy of these "Notice of Filing Application" forms have been attached for your use. You must include proof of such mailings with the application at the time the application is submitted to the Office for filing (Rules 1.6.2 and 1.6.3).

Upon filing the application, place for public review a copy of the application, less confidential items, with the clerk and recorder of the county or counties in which the affected land is located. Any changes or additions made to an application following submittal must be filed with the county clerk and recorder. You must also provide the Office with an affidavit or receipt demonstrating that the change was filed with the county clerk and recorder no later than the close of business on the day the change was filed with the Office (Rule 1.8.1). The copy of the application and any changes or additions placed at the office of the county clerk and recorder shall not be recorded, but shall be retained there for at least sixty (60) days after a decision on the application by the Office and be available for inspection during this period. At the end of this period, the application may be reclaimed by the applicant or destroyed (Rule 1.6.2(2)).

Prior to the Office making an approval decision (consideration of the application), you must submit proof of publication and proof of all required notices. Proof of notice may be by submitting return receipts of a certified mailing or by proof of personal service (Rule 1.6.1(f)).

APPLICATION REVIEW PROCEDURES:

The Office shall approve or deny the application within thirty (30) days of filing unless the date for consideration by the Office is extended pursuant to Rule 1.8. The time for consideration shall not be extended beyond thirty (30) days after the last such change submitted. For complex applications, the review period may be extended an additional sixty (60) days. Please see Rule 1.1(9) for the definition of what may constitute a complex application.

If the requirements of the Act and Mineral Rules have been satisfied, the Office will approve the application. The Act also provides for automatic approval if no action is taken by the Office by the end of the review period.

If the Act and Regulation requirements have not been satisfied, the Office will deny the application. If the Office denies the application, you may appeal to the Board for a final determination by submitting a written request for administrative appeal to the Board within 60 days of the decision date. (Rule 1.4.7)

PERFORMANCE AND FINANCIAL WARRANTIES:

A performance warranty and a financial warranty, in an amount determined as a part of the application review, must be submitted and approved by the Office prior to permit issuance. If the applicant is a unit of state or county government, then only a performance warranty is required. Several different types of financial warranties are allowed by the law. Please review Rule 4.0 to determine which type of financial warranty you desire to use. You may obtain the appropriate forms from the Office during the application review period. A financial warranty should not be submitted until a decision on the application has been made. Please note that an application approval does not convey a right to begin operations. You must submit, and have approval of your performance and financial warranties, and receive your copy of the signed permit document prior to beginning on-site mining activity.

COMPLIANCE WITH OTHER LAWS:

Compliance with the Act and Rules and Regulations of the Mined Land Reclamation Board does not relieve you of your responsibility to comply with all other applicable state and federal laws (Sections 34-32-115(4)(c) and 34-32-109(5), C.R.S. 1984, as amended). At a minimum, you MUST contact the following agencies to determine whether you need to comply with their legal requirements:

- The Colorado State Historical Preservation Office regarding properties of historical significance including the need for an archeological survey, procedures for requesting a file search, and inventory forms to identify structures.

- Colorado Division of Water Resources with regard to the administration of water rights;

- Colorado Department of Public Health and the Environment, Water Quality Control Division, with regard to the discharge of pollutants into the waters of the State;

- Colorado Department of Public Health and the Environment, Air Pollution Control Division, with regard to the need for a fugitive dust permit;

- U.S. Bureau of Land Management or the U.S. Forest Service if the proposed operation will occur on federal lands;

- U. S. Army Corps of Engineers regarding a dredge and fill (404) permit; and

- The County Planning Department for the county or counties in which your proposed operation is located. Section 34-32-109(6), C.R.S. requires a mining operator to be responsible for assuring that the mining operation and the post-mining land use comply with local land use regulations and any master plan for extraction adopted pursuant to Section 34-1-304, C.R.S.

PERMIT APPROVAL:

An applicant will not be issued a reclamation permit until notified by the Office that this application and the required performance and financial warranties have been approved. Alternatively, an automatic approval will occur where the Office fails to notify the applicant/operator that the application has been denied. This decision must be made thirty (30) calendar days from the date the application was submitted. However, the performance and financial warranties must be submitted and approved by the Office before the permit will be issued even if you receive an automatic approval. NO MINING OPERATIONS SHALL BEGIN UNTIL A PERMIT IS ISSUED (Rule 4.1(2)).

NOTICE REQUIREMENTS:

Within ten (10) days after filing, mail or personally serve a copy of the notice described in Rule 1.6.2(1)(c) to all owners of record of surface rights to the affected land and all owners of record of lands that are within 200 feet of the boundary of the affected land (Rule 1.6.2(1)(d)(i) and (ii). In addition, you must publish once in a newspaper of general circulation, in the locality of the proposed mining operation, the notice described in Rule 1.6.2(1)(c). A copy of a form which includes all required information for the notice has been attached for your use. You will need to provide the Office proof of notice prior to the decision date. Proof of notice may be by submitting return receipts of a certified mailing or by proof of personal service (Rules 1.4.1(4), 1.4.2(4)(c) and 1.6.2(1)(d)).

NOTE TO COMMENTORS/OBJECTORS:

It is likely there will be additions, changes, and deletions to this document prior to final decision by the Office. Therefore, if you have any comments or concerns you must contact the applicant or the Office prior to the decision date so that you will know what changes may have been made to the application document.

The Office is not allowed to consider comments, unless they are written, and received prior to the end of the public comment period. You should contact the applicant for the final date of the public comment period.

If you have questions about the Mined Land Reclamation Board and Office review and decision or appeals process, you may contact the Office at (303) 866-3567.

COMPLETION OF MINING:

Upon completion of any phase of reclamation, you should consult Rule 3.1 for reclamation standards and 4.16 for details on how to request a reclamation responsibility release from the Board.

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY
Department of Natural Resources

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COLORADO DIVISION OF RECLAMATION MINING & SAFETY

LIMITED IMPACT OPERATION (110(2))
RECLAMATION PERMIT
APPLICATION FORM

CHECK ONE: ☐ New Application (Rule 1.4) ☐ Conversion Application (Rule 1.11) Amendment (Rule 1.10(2))

Permit # M-1994-117 (provide for conversions of existing permits)

The application for a Limited Impact Designated Mining Operation Reclamation Permit contains three major parts: (1) the application form; (2) Exhibits A-J, any required sections of Exhibit S and Geotechnical Stability Exhibit, as required by the Office, and outlined in Rules 6.1, 6.2, 6.3, 6.4.19 and 6.5; and (3) the application fee. When you submit your application, be sure to include one (1) signed and notarized original and one (1) copy of the application form, two (2) copies of Exhibits A-J, appropriate sections of 6.4.19 Exhibit S and 6.5 (Geotechnical Stability Exhibit), as required, and a check for the application fee described under (4) below. Exhibits should **not** be bound or in a 3-ring binder; maps should be folded to 8 1/2" X 11" or 8 1/2" X 14" size. To expedite processing, please provide the information in the format and order described in this form.

GENERAL OPERATION INFORMATION
Type or print clearly, in the space provided, all information described below

Applicant/operator or company name (name to be used on the permit): Colorado Milling Company, LLC

1.1 Type of organization (corporation, partnership, etc.): Limited Liability Company

2. **Operation name (pit, mine or site name):** Gold Hill Mill

3. **Permitted acreage (new or existing site):** 8.390 permitted acres

4. **Fees:**

4.1	New Application	$1,006.00 application fee
4.2	Amendment Application (from 1.10(2))	$661.00
4.3	Conversion Fee (from 110d to 110(2), (Rule 1.11.2(2))	$1,725.00 conversion fee

5. **Primary commoditie(s) to be mined:** Gold and Silver Ores

6. **Name of owner to the surface of affected land:** Colorado Milling Company, LLC

7. **Name of owner to the subsurface rights of affected land:** Colorado Milling Company & Boulder County

8. **Type of mining operation:** ☑ Surface ☐ Underground ☐ In-situ

9. **Correspondence Information:**

APPLICANT/OPERATOR (name, address, and phone of name to be used on permit):

Contact's Name: Mike Bynum Title: Manager
Company Name: Colorado Milling Company, LLC
Street: 50 West 100 South Street P.O. Box:
City: Moab
State: Utah Zip Code: 80342
Telephone Number: (303) - 588-1119
Fax Number: ( ) -

PERMITTING CONTACT (if different from applicant/operator above):

Contact's Name: Mark A. Steen Title: Project Manager
Company Name: Colorado Milling Company, LLC
Street: P.O. Box: 1523
City: Longmont
State: Colorado Zip Code: 80502
Telephone Number: (303) - 651-2985
Fax Number: ( ) -

INSPECTION CONTACT:

Contact's Name: Mark A. Steen Title: Project Manager
Company Name: Colorado Milling Company, LLC
Street: P.O. Box: 1523
City: Longmont
State: Colorado Zip Code: 80502
Telephone Number: (303) - 651-2985 Office or (303)440-0633 Millsite
Fax Number: ( ) -

CC: STATE OR FEDERAL LANDOWNER (if any):

Agency: Bureau of Land Management
Street: 3028 East Main Street
City: Canon City
State: Colorado Zip Code: 81212
Telephone Number: (719) - 269-8551

CC: STATE OR FEDERAL LANDOWNER (if any):

Agency: U.S. Forest Service
Street: 5625 Ute Highway
City: Longmont
State: Colorado Zip Code: 80503
Telephone Number: (303) - 823-5774

10. **Location information:** The center of the area where the majority of mining will occur lies in:

COUNTY: Boulder

PRINCIPAL MERIDIAN (check one): ☑ 6th (Colorado) ☐ 10th (New Mexico) ☐ Ute

SECTION (write number): S 2,11,12

TOWNSHIP (write number and check direction): T 1 ☑ North ☐ South

RANGE (write number and check direction): R 72 ☐ East ☑ West

QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☐ SW

QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☐ SW

GENERAL DESCRIPTION (miles and direction from nearest town and approximate elevation):

9 6 Miles from Boulder, Colorado - Elevation. 8,591 feet

11. **Primary Mine Entrance Location** (report in either Latitude/Longitude OR UTM).

Latitude/Longitude:

Example: (N) 39° 44′ 12.98″
(W) 104° 59′ 3.87″

Latitude (N): deg 40 min 03 sec 55.74 (2 decimal places)

Longitude (W): deg 105 min 29 sec 12.11 (2 decimal places)

OR

Example: (N) 39.73691°
(W) -104.98449°

Latitude (N) _____._____ (5 decimal places)

Longitude (W) -_____.11_____ (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) WGS 84 Zone 12

Easting _____

Northing _____

12. **Primary future (Post-mining) land use (check one):**

☐ Cropland(CR) ☐ Pastureland(PL) ☐ General Agriculture(GA)
☐ Rangeland(RL) ☑ Forestry(FR) ☐ Wildlife Habitat(WL)
☐ Residential(RS) ☐ Recreation(RC) ☐ Industrial/Commercial(IC)
☐ Developed Water Resources(WR) ☐ Solid Waste Disposal(WD)

13. **Primary present land use (check one):**

☐ Cropland(CR) ☐ Pastureland(PL) ☐ General Agriculture(GA)
☐ Rangeland(RL) ☑ Forestry(FR) ☐ Wildlife Habitat(WL)
☐ Residential(RS) ☐ Recreation(RC) ☐ Industrial/Commercial(IC)
☐ Developed Water Resources(WR) ☐ Mining(MN)

14. If this operation will use designated chemicals, or will result, or presently has acid mine drainage - you cannot use this application form. You must submit a either a 110d or 112d application form for Designated Mining Operations. In either case, you must list any acidic or toxic-forming materials, exposed or disturbed as a result of the mining operation, and whether the operation will result in or presently has acid mine drainage:

Not applicable

15. **Description of Conversion:** If you are converting an existing operation, provide a brief narrative describing the proposed change(s):

This is an amendment to an existing 110(2) permit.

16. **Maps & Exhibits:** Submit **two (2) complete, unbound copies** of the following application exhibits:

6.3.1 EXHIBIT A - Legal Description and Location Map

6.3.2 EXHIBIT B - Site Description

6.3.3 EXHIBIT C - Mining Plan

6.3.4 EXHIBIT D - Reclamation Plan

6.3.5 EXHIBIT E - Map

6.3.6 EXHIBIT F - List of Other Permits and Licenses Required

6.3.7 EXHIBIT G - Source of Legal Right-to-Enter

6.3.8 EXHIBIT H - Municipalities Within a Two-mile Radius

6.3.9 EXHIBIT I - Proof of Filing with County Clerk

6.3.10 EXHIBIT J - Proof of Mailing Notices of Permit Application

6.3.12 EXHIBIT L - Permanent Man-Made Structures

6.4.19 EXHIBIT S - (as required)

6.5 Geotechnical Stability Exhibit (as required)

Responsibilities as a Permittee:

Upon application approval and permit issuance, this application becomes a legally binding document. Therefore, there are a number of important requirements which you, as a permittee, should fully understand. These requirements are listed below. Please read and initial each requirement, in the space provided, to acknowledge that you understand your obligations. If you do not understand these obligations then please contact this Office for a full explanation.

1. Your obligation to reclaim the site is not limited to the amount of the financial warranty. You assume legal liability for all reasonable expenses which the Board or the Office may incur to reclaim the affected lands associated with your mining operation in the event your permit is revoked and financial warranty is forfeited;

2. The Board may suspend or revoke this permit, or assess a civil penalty, upon a finding that the permittee violated the terms or conditions of this permit, the Act, the Mineral Rules and Regulations, or that information contained in the application or your permit misrepresent important material facts;

3. If your mining and reclamation operations affect areas beyond the boundaries of an approved permit boundary, substantial civil penalties, to you as permittee can result;

4. Any modification to the approved mining and reclamation plan from those described in your approved application requires you to submit a permit modification and obtain approval from the Board or Office;

5. It is your responsibility to notify the Office of any changes in your address or phone number;

6. Upon permit issuance and prior to beginning on-site mining activity, you must post a sign at the entrance of the mine site, which shall be clearly visible from the access road, with the following information (Rule 3.1.12):

   a. the name of the operator;

   b. a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and,

   c. the permit number.

7. The boundaries of the permit boundary area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries prior to site disturbance;

8. It is a provision of this permit that the operations will be conducted in accordance with the terms and conditions listed in your application, as well as with the provisions of the Act and the Mineral Rules and Regulations in effect at the time the permit is issued.

9. Annually, on the anniversary date of permit issuance, you must submit an annual fee (**$259**), and an annual report which includes a map describing the acreage affected and the acreage reclaimed to date (if there are changes from the previous year), any monitoring required by the Reclamation or Environmental Protection Plans to be submitted annually on the anniversary date of the permit approval. Annual fees are for the previous year a permit is held. For example, a permit with the anniversary date of July 1, 1995, the annual fee is for the period of July 1, 1994 through June 30, 1995. Failure to submit your annual fee and report by the permit anniversary date may result in a civil penalty, revocation of your permit, and forfeiture of your financial warranty. It is your responsibility, as an operator, to continue to pay your annual fee to the Office until the Board releases you from your total reclamation responsibility.

10. For joint venture/partnership operators: the signing representative is authorized to sign this document and a power of attorney (provided by the partner(s)) authorizing the signature of the representative is attached to this application.

NOTE TO COMMENTORS/OBJECTORS:

It is likely there will be additions, changes, and deletions to this document prior to final decision by the Office. Therefore, if you have any comments or concerns you must contact the applicant or the Office prior to the decision date so that you will know what changes may have been made to the application document.

The Office is not allowed to consider comments, unless they are written, and received prior to the end of the public comment period. You should contact the applicant for the final date of the public comment period.

If you have questions about the Mined Land Reclamation Board and Office review and decision or appeals process, you may contact the Office at (303) 866-3567.

Certification:

As an authorized representative of the applicant, I hereby certify that the operation described has met the minimum requirements of the following terms and conditions:

1. All necessary approvals from local government have been applied for (Rule 1.6.2(1) and (2));

2. This entire mining operation will not extract more than 70,000 tons of mineral, overburden, or combination thereof in any calendar year (defined in **C.R.S. 34-32-110(2)(a)**);

3. This mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structure(s) located within two hundred (200) feet of the affected lands. (However, where there is an agreement between the applicant/operator and the persons having an interest in the structure that damage to the structure is to be compensated for by the applicant/operator (Section 34-32-115(4)(d), C.R.S. 1984, as amended), then mining may occur within 200 feet. Proof of an agreement must be submitted to the Office prior to the decision date.)

4. No mining operation will be located on lands where such operations are prohibited by law (Section 34-32-115(4)(f), C.R.S. 1984, as amended);

5. As the applicant/operator, I do not have any mining/prospecting operations in this state of Colorado currently in violation of the provisions of the Mined Land Reclamation Act (Section 34-32-120, C.R.S. 1984, as amended) as determined through a Board finding.

6. I understand that statements in the application are being made under penalty of perjury and that false statements made herein are punishable as a Class 1 misdemeanor pursuant to Section 18-8-503, C.R.S 1984, as amended.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-110,C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any permit issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to section 34-32-123, C.R.S.

Signed and dated this 14th day of December, 2017.

Applicant/Operator

By: Colorado Milling Co. LLC

Title: Managing Member

If Corporation Attest (Seal)

By: _____

Corporate Secretary or Equivalent
Town/City/County Clerk

State of UTAH)
) ss.
County of GRAND)

ELIZABETH DANA
Notary Public State of Utah
My Commission Expires on:
January 10, 2021
Comm. Number: 692859

The foregoing instrument was acknowledged before me this 14th day of December, 2017,
by Michael H. Bynum as Managing Member of Colorado Milling Co. LLC.

Notary Public
My Commission expires: 01/10/21

SIGNATURES MUST BE IN BLUE INK

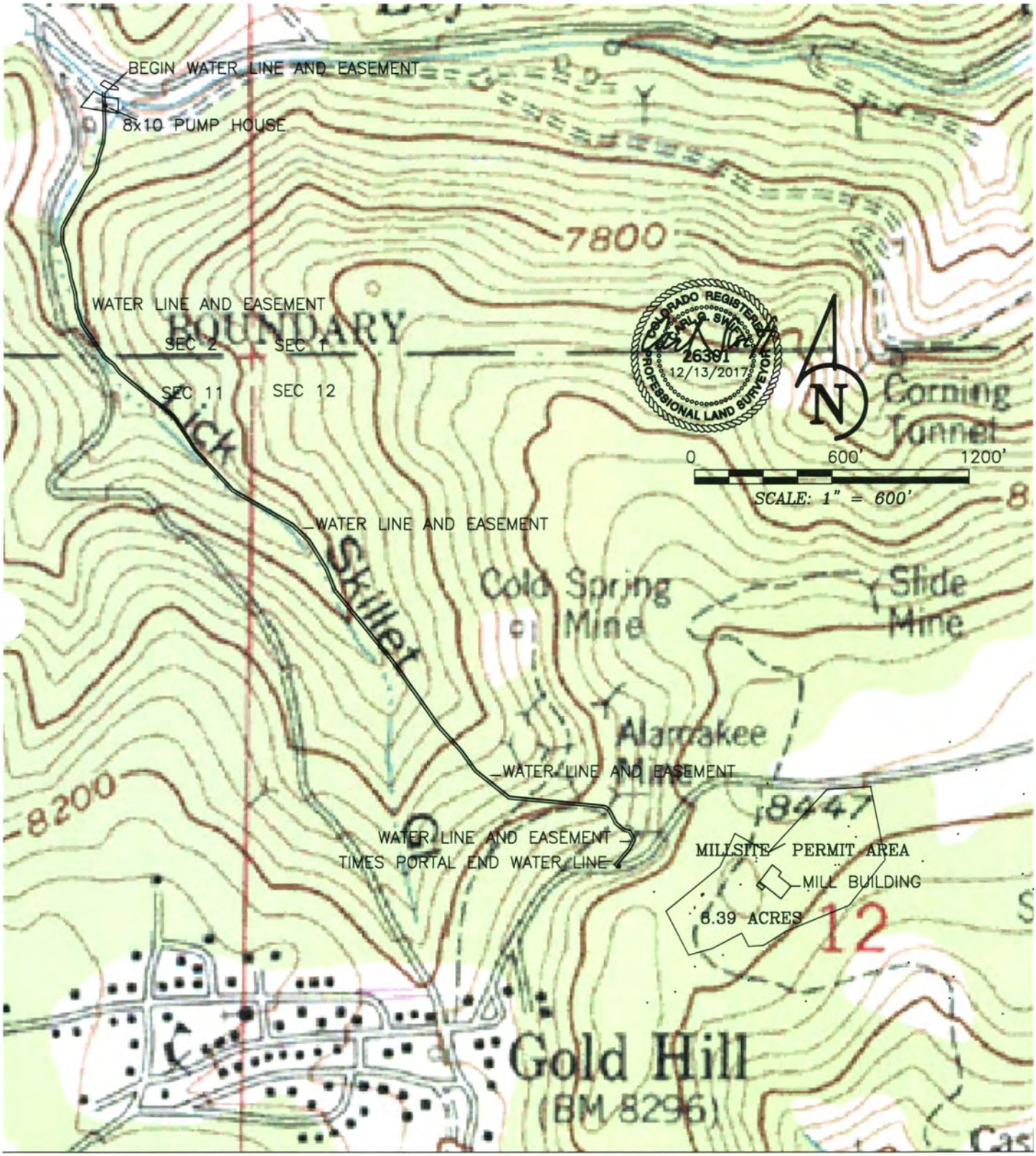
EXHIBIT A – LEGAL DESCRIPTION AND LOCATION

The legal description of the proposed (amended) Permit Area is provided as follows, and is based upon field confirmation/location of the permit area boundary as performed by a registered Colorado land surveyor. All locations are described with respect to the 6th Principal Meridian, Boulder County, Colorado.

Left Hand Creek Pump Station	SE 1/4 Section 2 Township 1 North Range 72 West
Gold Hill Mill Pipeline	SE 1/4 Section 2 NE 1/4 NE 1/4 Section 11 NW 1/4 Section 12 Township 1 North Range 72 West
Times Mine Adit Portal	SW 1/4 SE 1/4 NW 1/4 Section 12 Township 1 North Range 72 West

The general site location for the Gold Hill Mill project area is depicted in Figure 1, following.

COLORADO MILLING CO.- PERMIT NO. N-1994-117 - LOCATION MAP- GOLD HILL QUAD
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



BASE MAP: GOLD HILL QUADRANGLE

FIGURE 1
A-2

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DIVISION OF RECLAMATION
MINING AND SAFETY

EXHIBIT B – SITE DESCRIPTION

The following site description information is generally contained within the existing MLRD Permit No. M-1994-117 file and the original Cash Mine Permit No. M-83-141.

(1) Vegetative Cover and Soils Description

Vegetation

The native vegetation found in the Juget-Rock Outcrop is mainly Ponderosa pine, Douglas fir, Blue spruce, and Rocky Mountain juniper trees, which are growing along with scattered scrubs and a sparse understory of grasses. Juget soils have a rapid permeability, a low available water capacity, and a shallow effective rooting depth. Because of these soil characteristics, and the granite rock outcrops, the Soil Conservation Service has classified the vegetation growing on the Juget-Rock Outcrop Complex as being native woodlands suitable for wildlife habitat.

No rare, threatened, or endangered plant species have been identified on or near to any of the Permit Area(s) or in the Gold Hill area in general. The existing vegetation has been classified as a coniferous forest consisting of mixed cone-bearing trees of the pine family, including various species of pines (pinus), and Douglas for (pseudotsuga). These trees are resinous evergreens, with a straight axis and a narrow crown, and are characteristically present in acidic soils, often sprouting after fire. The coniferous forest is widespread and extensive throughout the general area, and can be found throughout the general area, and can be found at elevations between 6,000 and 10,000 feet. It encompasses the lower and upper montane zones, and includes Lodgepole and Ponderosa pine. Engelmann and Blue spruce, Douglas fir, and thickets of broad-leaved trees (i.e., aspen, alder, and maple) and shrubs along stream banks. These zones are often referred to as the transitional zone between the foothill and sub-alpine zones. These zones overlap and telescope into each other, and one zone may be present on a south slope while another will be found across the valley on the opposite (north) slope at the same elevation. Plants that are characteristically found in one zone can sometimes be found in favorable areas in the neighboring zone above or below their usual habitat.

Douglas fir, Lodgepole pine, and Engelmann spruce are found at higher elevations, while Ponderosa pine are generally found at lower elevations scattered stands of pure and mixed trees. Douglas fir is considered the climax or original forest type present in this area before the boom days of mining in the 1870s, when the trees were either extensively cut or

destroyed by forest fire. The present stands of Ponderosa and Lodgepole pine as well as the Engelmann and Blue spruce generally came in after 1900. The pine trees in this area are greatly overgrown, with as many as five and six hundred Ponderosa and Lodgepole pine trees per acre on most of the southern hillsides of Left Hand Creek.

Limber pine and Blue spruce are also present in isolated trees or in small stands. Scattered stands Rocky Mountain juniper and Quaking Aspen can be found in the areas between Left Hand Creek and the Times Mine. Quaking Aspen, Narrowleaf cottonwood, Mountain Alder, and Rocky Mountain maple are found along the banks of Left Hand Creek and Akins (Lick Skillet) Gulch.

In addition to the trees found in this area of the Gold Hill Mining District, various species of grasses are present, including Slender Wheat-grass, Mountain Mulhy, Parry Oat-grass, and Thurber fescue. A complete listing of the native vegetative species — grasses, forbs, and shrubs — known to exist in the Gold Hill area is contained within the Permit No. M-1983-141 file. The present surface vegetation at or near the Gold Hill Mill Pipeline is relatively undisturbed, aside from several relatively small areas where trees have been cut for forestry management near the access road to the Alamakee Mine.

Soils

The U.S. Department of Agriculture's Soil Conservation Service has mapped this area as the Junget-Rock Outcrop Complex. Small areas of Peyton soils near drainage-ways and a few small areas of Allens Park soils are included in this soil series and rock outcrop complex. A detailed description of the Juget-Rock Complex and the Peyton and Allens Park soils was contained within the previously submitted application for a limited impact permit for the Cash Mine operation. The majority of the land surface affected by the Gold Hill Mill Pipeline consists of Juget-Rock Outcrop Complex on gentle to steep mountain slopes.

(2) Man-Made Structures near Permit Area

There are three structures within two hundred (200) feet of the Pump Station location on the South side of Left Hand Creek. All three of these are located on the patented Mammoth Millsite. They are small wooden frame structures apparently built for seasonal use. One of the three is believe to be an outhouse. None of them are shown on the Boulder County Assessor's list as improvements. The occupied residence on this property is situated 408 feet from the site of the Pump Station. There is a single home, several sheds, and a small barn with a wooden fenced enclosure located on the Eureka patented millsite. The home is located

136 feet from the Gold Hill Mill Pipeline. There are no other man-made structures within two hundred (200) feet of the proposed amended permit area boundaries.

(3) Description of Water Resources of Area

Surface Water Resources

The surface water drainage on the affected lands is generally ephemeral, consisting almost entirely of runoff originating as rainfall and/or melting snow which flows into Akins (Lick Skillet) Gulch. Most of the year this flow is intermittent, and it only reaches Left Hand Creek during the spring runoff and periods of high precipitation. There is a difference in altitude of 737 feet between the Times Mine portal and Left Hand Creek. Any intermittent surface water flowing from the Times Mine area must progress a distance of at least 4,627 feet to reach Left Hand Creek.

Left Hand Creek is the only significant perennial water feature in the Gold Hill area.

Water quality sampling and analytical data from sampling the water in Left Hand Creek is contained within the MLRD Permits No. M-1994-117 and No. M-1983-141.

Groundwater Resources

Groundwater present in the Gold Hill area of Boulder County is typified by fracture zone occurrences. Due to the crystalline nature of the Boulder Creek granite, groundwater is found only in bedrock areas where the granite has been fractured. Generally, the openings of these fractures (joints and faults) decrease in size with increasing depth, and the probability of encountering significant water bearing zones is greatly reduced at depths generally in excess of 300 feet.

The crystalline bedrock has a very limited storage capacity, and most of the water that is received through precipitation is returned to the atmosphere through evapotranspiration. The groundwater that is present within the Boulder Creek granite tends to migrate downward and laterally through a northeast to southwest trending fracture system towards the general area north of Akins (Lick Skillet) Gulch. Nothing associated with the installation of the Left Hand Creek Pump Station, Gold Hill Mill Pipeline, or the Times Mine adit portal will affect the groundwater resources in this area.

(4) Wildlife Habitat and Species

No rare, threatened, or endangered wildlife species have been identified in the surrounding area or on the land that will be affected by the installation of the Pump Station, Gold Hill Mill Pipeline, or the use of the Times Mine portal site. The major wildlife habitat in the general area is that of a coniferous forest wildlife habitat. The most common mammalian species that can be observed in the area are mule deer, cottontail rabbits, squirrels, and chipmunks. Raccoons, skunks, foxes, black bear, mountain lions, and bobcats are also known to inhabit the Gold Hill area. The occurrence of these species is generally year-round, with some seasonal migration of mule deer down from the mountainous areas during periods of heavy snowfall accumulation. Lists of the mammal and bird species that have been identified in the Gold Hill area were included in the previously submitted Cash and Who Do Mine Permit Application No. M-1983-141.

The general effect of the proposed operations on the existing wildlife in the area is not expected to be significant or permanent. The coniferous forest wildlife habitat is widespread and extensive throughout the general area, and none of the wildlife presently inhabiting the areas where the Pump Station, Gold Hill Mill Pipeline, and Times Mine portal will be located are expected to suffer a permanent loss of food or habitat. Perhaps the best proof of this assertion is that the Gold Hill Mill Pipeline was first installed in 1987, and it has remained in place since that time without any noticeable effect on the wildlife species found in this area.

C

EXHIBIT C – MINING/MILLING PLAN

Per Rule 6 requirements, the Gold Hill Mill Waterline operations will substantively conform to the following described mining plan.

(1) MINING/MILLING PLAN

Colorado Milling Company, LLC proposes to install the Left Hand Creek Pump Station and the Gold Hill Mill Pipeline during the earliest time period when the weather permits the heat-fusion welding to connect the HDPE two (2) inch pipeline. Because this task can only be accomplished during warm weather, the installation will likely occur between the months of April and October.

(a) Period of Mining/Milling

Colorado Milling Company, LLC proposes to commence pumping operations upon receipt of applicable permits and applications. It is anticipated that this can be accomplished by approximately mid-2018. Ultimate project life will be dependent upon precious metal prices.

(b) Topsoil Management Plan

There are no areas containing appreciable amounts of topsoil that will be disturbed during the installation of the Left Hand Creek Pump Station, the Gold Hill Mill Pipeline, or the use of the Times Mine adit portal. The "conex" containing the pump and generator will not disturb the land surface on the South side of Left Hand Creek, because it will be resting on the surface of the ground, which is composed entirely of gravel deposited by the fluvial action of the creek. The Gold Hill Mill Pipeline will also be resting on the surface of the land along the length of the Pipeline Easement, except for a few areas where it will be buried to permit foot traffic on historic mine access roads. There is no topsoil present in the area in front of the Times Mine portal.

(c) Overburden/Waste Rock Management Plan

There are no areas where overburden or waste rock will be disturbed during the installation of the Left Hand Creek Pump Station, the Gold Hill Mill Pipeline, or the use of the Times Mine adit portal.

(d) Thickness of the Deposit to be Mined

Not applicable to this Permit Amendment Application.

(e) Mine Operations

Not applicable to this Permit Amendment Application.

(f) Significant Disturbance

There will not be any significant surface disturbances associated with the installation of the Left Hand Creek Pump Station, the Gold Hill Mill Pipeline, or the use of the Times Mine adit portal. Existing roadways will be maintained in their current configuration.

(g) Existing and Proposed Roadways

As stated above, the installation of the Gold Hill Mill Waterline will be carried out using existing historic mine access roads which will be maintained in their current configuration to accommodate the installation, maintenance, replacement and operation of the Left Hand Creek Pump Station, the Gold Hill Mill Pipeline, and the use of the Times Mine adit portal.

(h) Water Consumption

There will be no consumptive use of groundwater by the activities of the Colorado Milling Company, LLC during the operation of the Gold Hill Mill Waterline.

(i) Groundwater/Surface Water Impacts and Controls

Groundwater impacts are not anticipated by the installation and use of the Left Hand Creek Pump Station, the Gold Hill Mill Pipeline, or the use of the Times Mine adit portal.

Surface water impacts are anticipated to be negligible, since these have already been mitigated by the use of culverts and berming on existing roads near any areas affected by the installation of the Gold Hill Mill Waterline.

(j) Water Rights

Water rights for the Gold Hill Mill were obtained by the purchase of 20 shares of stock in the Left Hand Ditch Company, which entitles the Colorado Milling Company to a pro-rata share of the water available from Left Hand Creek. Based upon the historic diversions associated with these water shares, the milling complex will be entitled to a minimum of 10.4 acre feet of water per year in a dry year, and a maximum of 22.53 acre feet of water in a wet year. The Colorado Milling Company, LLC will divert

the water associated with these shares from a point of diversion located on the South bank of Left Hand Creek, on property that it owns for this purpose. These diversions will be made at a maximum rate of 50 gallons per minute during the irrigation season, which extends from April 1 to October 31. A continuous measuring device will be installed at the point of diversion. Access will be granted to the Left Hand Creek Ditch Company's representatives to enable them to monitor the amount of water being diverted for milling operations.

(k) Refuse, Acid, or Toxic Producing Materials

There will be no refuse, acid, or toxic producing materials associated with the installation and operation of the Gold Hill Mill Waterline. No waste rock, vein material (ore), wall rock material, or toxic materials are expected to be disturbed as a result of the installation, operation, maintenance, or future replacement of any segment of the Gold Hill Mill Waterline.

(l) Hydrologic Balance

The Gold Hill Mill Waterline will not have any effect on the site specific or regional hydrological balance due to the nature of the proposed activities.

(m) Ore Processing

The installation, operation, and maintenance of the Gold Hill Mill Waterline will not directly involve ore processing. This Permit Amendment is submitted to conform with the October 30, 2017 Order of the Mined Land Reclamation Board to ensure that all lands affected by the mining/milling activities of the Colorado Milling Company, LLC are located within an approved affected land boundary and addressed by a reclamation plan and appropriate performance and financial warranties. The Gold Hill Mill (MLRD Permit No. M-1994-117) is currently permitted to process gold and silver ores from the Cash and Who Do Mines (MLRD Permit No. M-1983-141).

(n) Primary Commodities

As previously indicated, the installation, operation, and maintenance of the Gold Hill Mill Waterline is associated with the operation of the Gold Hill Mill, which was constructed and permitted to process gold and silver ores from mines situated in the Boulder County Telluride Belt and mines located in the Gold Hill Mining District.

(o) Explosives Use

Explosives will not be used during the installation, operation, or maintenance of the Gold Hill Mill Waterline.

(2) MILLING PROCESSES/TAILINGS FACILITIES

(a) Plant Facilities

There will not be any milling processes or tailings facilities on any of the surface lands directly associated with the installation, operation, or maintenance of the Gold Hill Mill Waterline. The Gold Hill Mill has been repaired, rehabilitated, improved and restored to its original flow sheet in anticipation of resuming mineral processing operations. It includes a permitted tailings storage facility.

(b) Tailings

Item not applicable. See "(a)", above.

(c) Drainage Control

Item not applicable. See "(a)", above.

(d) Maps and Plans

Item not applicable. See "(a)", above.

EXHIBIT D – RECLAMATION PLAN

(1) RECLAMATION PLAN

Permit No. M-1999-117 already has an approved reclamation plan for areas of disturbance associated with the original permit area of the Gold Hill Milling facility. Reclamation of the subject incremental surface disturbances will be consistent with the approved plan at the Gold Hill Mill.

Left Hand Creek Pump Station

The Left Hand Creek Pump Station will consist of a foot bridge across the creek and a metal "conex" containing the Bean pump and the generator to power the pump. Both of these structures can be moved with a fork lift and transported on a flatbed truck or trailer. Neither of these structures will be placed on a permanent concrete foundation, so there will not be any excavation involved in the final reclamation of this site. Removing the foot bridge and the "conex" will involve an equipment operator and two workers to guide and assist the equipment operator. This can be accomplished in one working day.

Gold Hill Mill Pipeline

Removing the Gold Hill Mill Pipeline will involve two workers cutting the two (2) inch pipeline into manageable lengths, and hauling these sections to a vehicle for removal to a licensed disposal site. The disposal of the pipeline using a flatbed truck will require four roundtrips to the Boulder disposal site per day for three days. This will involve an additional worker driving to and from the disposal site for three days.

Times Mine Adit Portal

The Times Mine adit portal culvert has a secure metal door that is locked to prevent unauthorized access. The five (5) foot diameter galvanized steel culvert will not collapse from the weight of the overlying material, and the mine workings do not produce any acid mine drainage. When the Gold Hill Mill Waterline is decommissioned the pipeline into the Times Mine adit will be capped to prevent water flowing from the mine workings. Other than permanently securing the metal door on the culvert, there is nothing that will need to be reclaimed at this site. This work can be accomplished in less than two hours.

(2) Reclamation Cost Estimate

Left Hand Creek Pump Station

Fork Lift Rental - $350/day x 1 day	$350
Flat Bed/Trailer Rental - $50/hour x 8 hours/day x 1 day	$400
Operator - $65/hour x 8 hours/day x 1 day	$520
2 Laborers - $18/hour/laborer x 8 hours	$288
Cost Estimate Based on Previous Experience	**$1,558**

Gold Hill Mill Pipeline Removal

2 Laborers - $18/hour/laborer x 8 hours/day x 5 days	$1,440
Flat Bed/Trailer Rental - $50/hour x 8 hours/day x 5 days	$2,000
Operator - $20/hour x 8 hours/day x 3 days	$480
Landfill Disposal Charges - $150/load x 12 loads	$1,800
Cost Estimate Based on Previous Experience	**$5,720**

Times Mine Adit Portal

Metal Door Welding to Prevent Entry - $65/hour X 2 hours	$130
Cost Estimate Based on Previous Experience	**$130**

SUBTOTAL	**$7,408**

Additional Estimated Expenses

Engineering – 10% of Subtotal	$741
Contract/Overhead – 20% of Subtotal	$1,482
Administration Cost – 5% of Subtotal	$370
Estimated Expenses	**$2,593**

GRAND TOTAL	**$10,001**

Gold Hill Mill Reclamation Bond Estimate

Gold Hill Mill

Existing Bond Amount – Proportional from Total $56,200

$56,200 / 8.39 acres = $6,698 / acre

Incremental Bond Amount (Incremental Acreage Increase)

0.797 acres x $6,698 / acre = $5,338.65

EXHIBIT E – MAPS

The following exhibits (maps) are provided as part of this Application for an Amendment to the Gold Hill Mill, Boulder County, Colorado—MLRD Limited Impact 110(2) Permit No. M-1994-117.

(1) **Map E-1:** Mine Plan and Permit Area at Left Hand Creek Map

(2) **Map E-2:** Gold Hill Mill Pipeline From Left Hand Creek Pump Station to Times Mine Adit Portal Showing Property Ownership Map

(3) **Map E-3:** Mine Reclamation Plan Map

OWNERS OF RECORD

All owners of record of surface land immediately adjacent to the Pump Station, the Gold Hill Mill Pipeline, and the Times Mine adit portal are shown on Map E-2 and listed below:

1. Patented Comet Lode, MS 318; Gold View No. 2 unpatented lode mining claim, CMC-209848; Gold Gulch No. 1 unpatented lode mining claim, CMC-210863; Gold Gulch No. 2 unpatented lode mining claim, CMC-210864; Gold Gulch No. 3 unpatented lode mining claim, CMC-210865. With the exception Gold Gulch No. 3 lode mining claim, all of these unpatented mining claims are located on U.S. Bureau of Land Management property. The Gold Gulch No. 3 is located on U.S. Forest Service land managed by U.S. Bureau of Land Management. Owner:

Colorado Milling Company, LLC
50 West 100 South
Moab, Utah 80342

2. Patented Golden Gate Lode, MS No. 5149-A; Paris Lode, MS No. 5149-A; Mucho Lode, MS No. 5149-A; Minnie Lode, MS No. 466; Sadie Lode, MS No.18056; Lillie Lode, MS No. 18056; Cold Spring Lode, MS No. 363-A; Mystic Lode, MS No. 317; Gay Deceiver Millsite, MS No. 6336-B; Hog Back Lode, MS No. 4559-E; and the Alamakee Lode, MS No. 111. Owner:

Boulder County Parks and Open Space Department
5201 St. Vrain Road
Longmont, Colorado 80503

3. Patented Keystone Millsite, MS 69B, and New Discovery Millsite, MS 585B. Owners:

James and Julie Rouse
6861 South Clayton Way
Centennial, Colorado 80122

4. Patented Mammoth Millsite, MS No. 17576. Owners:

James K. Macumber
Amy Fortunato
4891 Lick Skillet Road
Boulder, Colorado 80455

5. Patented Eureka Millsite, MS No. 601 B, and Paris Millsite, MS No. 5149B. Owners:

Gene Sapp
Dene Sapp
4801 Lick Skillet Road
Boulder, Colorado 80455

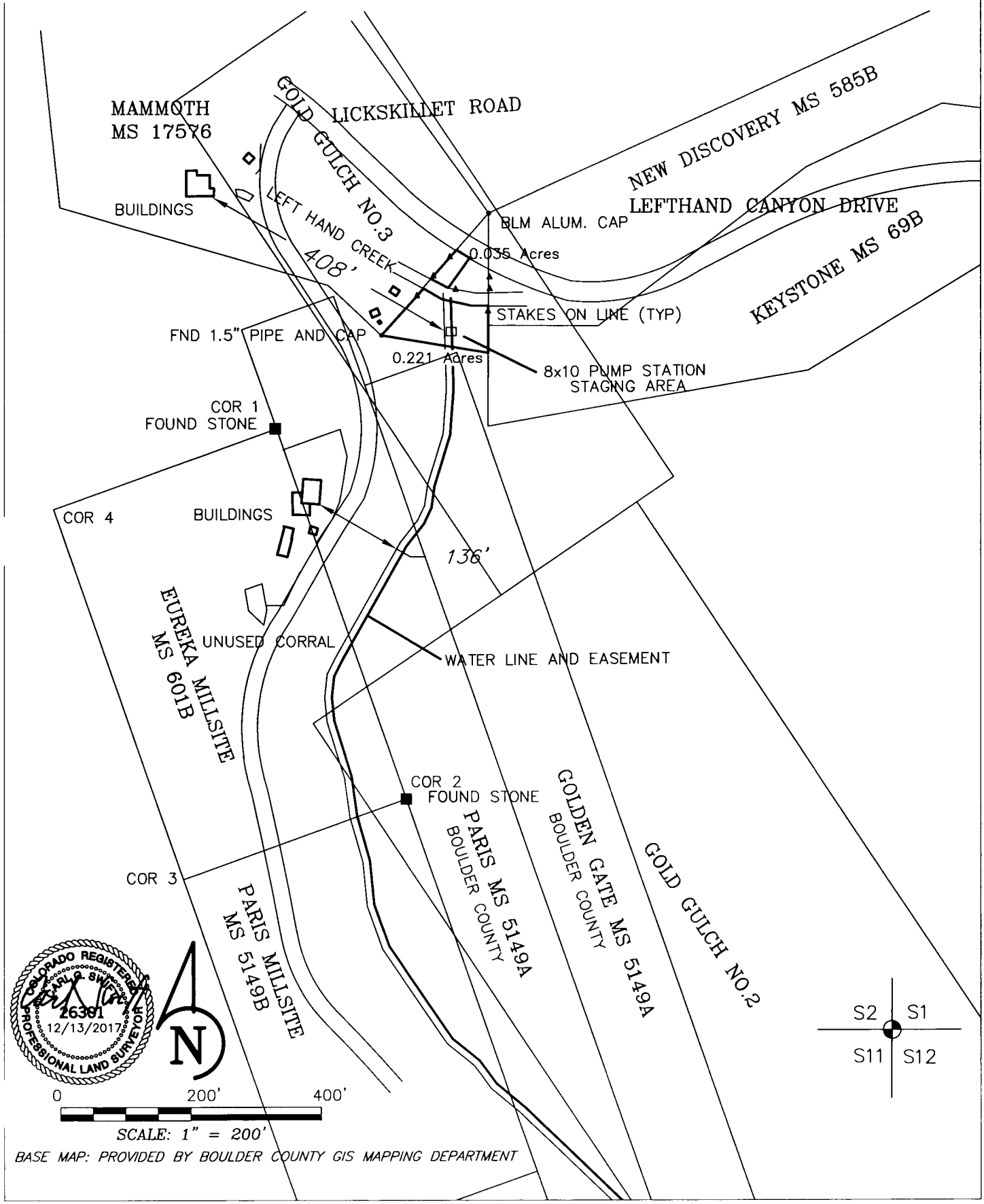
6. Patented Iron Lode, MS No. 390, and Cohen Lode, MS No. 300. Owners:

Finlandia Minerals, LLC
960 Pine Street
Gold Hill, Colorado 80302

7. U.S. Bureau of Land Management property:

U.S. Department of the Interior
Bureau of Land Management
Royal Gorge Field Office
3028 East Main Street
Canon City, Colorado 81212

E-1 MINE PLAN - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT

Colorado Milling Company, LLC
M-1994-117
Exhibit 11

E-2 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. – GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOUNDER, STATE OF COLORADO

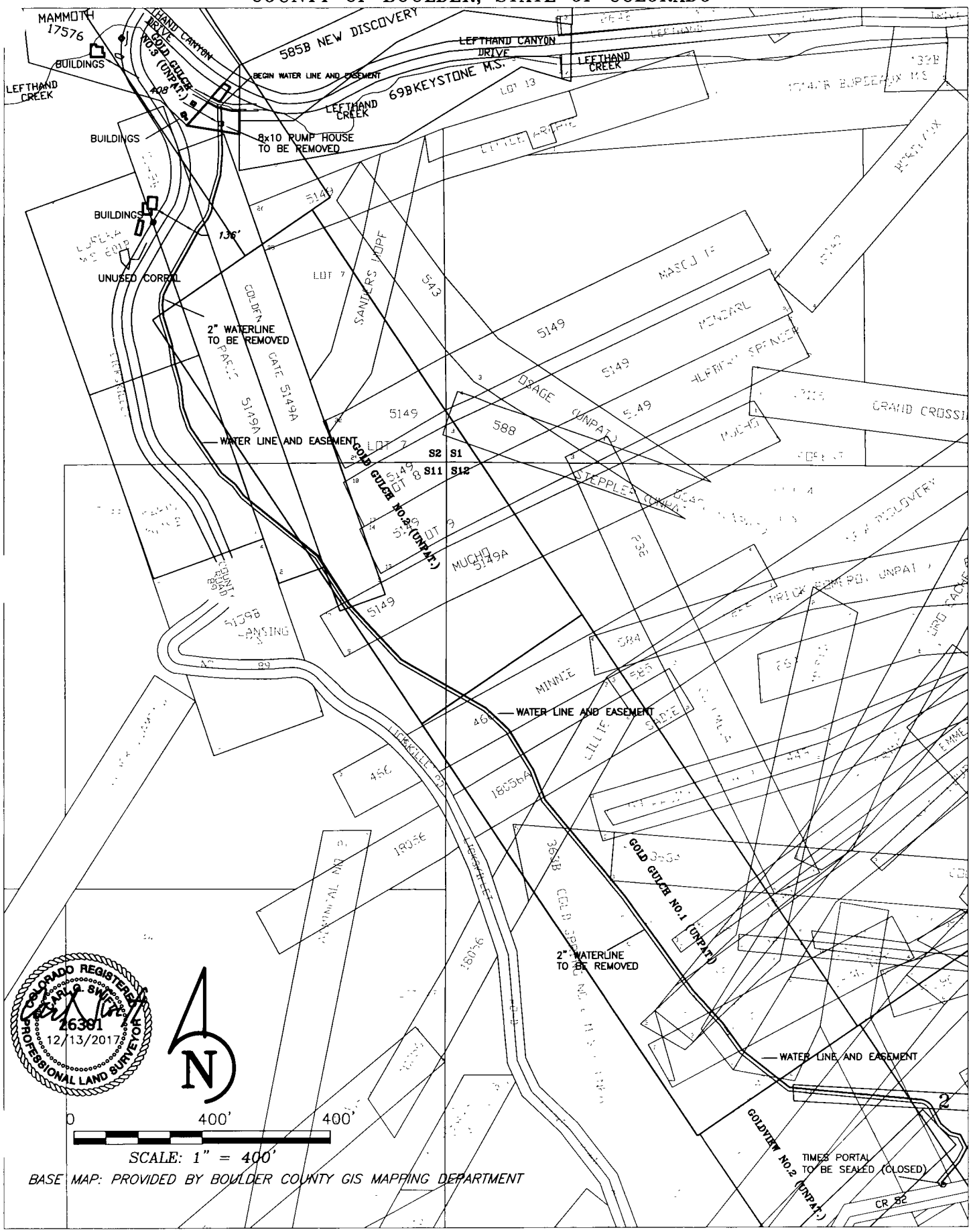


SCALE: 1" = 400'

BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT

Colorado Milling Company, LLC
M-1994-117
Exhibit 11

E-3 MINE RECLAMATION PLAN
COLORADO MILLING CO.- GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



Colorado Milling Company, LLC
M-1994-117
Exhibit 11

EXHIBIT F – LIST OF OTHER PERMITS AND LICENSES REQUIRED

The Colorado Milling Company, LLC has identified the following other permits, licenses, and approvals, which are held or will be sought in order to conduct the proposed mining/milling and reclamation operations.

Existing Reclamation Permit: Permit No. M-1994-177
Issued by: State of Colorado
Department of Natural Resources
Division of Minerals and Geology

Other Permits/Licenses/Approvals Potentially Required:

U.S. Bureau of Land Management – Plan of Operations

U.S. Forest Service – Plan of Operations

Boulder County Land Use Department – Building Permit for Structures

Boulder County Parks and Open Space – Plans for Improvement of the Gold Hill Mill Pipeline

Boulder County Transportation Department – Utility Construction Permit

G

EXHIBIT G – SOURCE OF LEGAL RIGHT TO ENTER

The following Notarized Statement is provided as evidence of the Source of Legal Right to Enter and is herein entered as part of this Application For an Amendment to the Gold Hill Mill, Boulder County, Colorado, MLRD Limited Impact 110(2) Permit No. M-1994-177.

Affidavit of Mark A. Steen Concerning Right to Enter Mining Claims

Dated December 16, 2017

Affidavit of Mark A. Steen
Concerning Right to Enter Mining Claims

State of Colorado)
) ss.
County of Boulder)

MARK A. STEEN, being first duly sworn, states as follows:

1. This affidavit concerns the legal right of Colorado Milling Company, LLC, a Colorado Limited Liability Company, to enter into and mine upon various patented and unpatented lode mining claims and a millsite situated in the Gold Hill Mining District in Boulder County, Colorado. This statement is submitted in compliance with Rule 6 adopted under the authority of the Colorado Mined Land Reclamation Act, C. R. S. 34-32-108.

2. I am a principal member of the Colorado Milling Company, LLC. I have personal knowledge of the rights acquired by said Limited Liability Company in the patented and unpatented mining claims owned by said company. In particular I have personal knowledge of terms and conditions of each document of record in regard to such Properties including, but not limited to, various agreements, notices, easements, warranty deeds, quit claim deeds, covenants, consents, and conservation easements. This knowledge is based in part, upon my review and execution of most of said documents.

3. I hereby attest, certify, and confirm that the Colorado Milling Company, LLC, a Colorado Limited Liability company has acquired the legal right to enter and to operate upon and within such Properties including without limitation the claims and mill site located within the said Gold Hill Mining District which are owned by Boulder County that are subject to a Water Pipeline Easement Deed dated May 4, 2001. Said Deed granted a permanent non-exclusive easement on and under said Property for the purposes of :

" Access to and to maintain, repair and improve the existing water pipeline along Lick Skillet Road for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for Mining and Processing Ore." *(Affidavit Exhibit A)*

4. I hereby attest, certify, and confirm that the Colorado Milling Company, LLC, has acquired the legal right to enter and to access the patented mining claims and millsites now owned by Boulder County and the Colorado Milling Company, LLC, under a Specific Performance Contract dated July 14, 1982, and a Deed of Trust dated July 30, 1982, which included the right to all "improvements, easements, licenses, rights of way and other interests appurtenant thereof"

These rights inured to the benefit of and are binding upon the successors and assigns of the Sellers and Buyer of these patented mining claims and mill sites.

5. I am unaware of any limitations in the deeds or other documents transferring title which limit the right of entry to such Properties for the purpose of installing and utilizing the Left Hand Creek Pump Station, the Gold Hill Mill Water Pipeline, and the Times Mine adit portal for the purpose of providing the Gold Hill Mill with water pumped from Left Hand Creek, other than as specifically set forth in the Water Pipe Line Easement granted by Boulder County.

DATED this 16th day of December, 2017.

Mark A. Steen

Mark A. Steen

Subscribed and sworn to before me this 16th day of December, 2017.

Notary Public

DANIEL ARMOUR-BARRETT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164020385
MY COMMISSION EXPIRES MAY 27, 2020

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Page: 1 of 4
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WATER PIPELINE EASEMENT DEED

This Water Pipeline Easement Deed is made this 4th day of May, 2001, by and between the County of Boulder, State of Colorado, a body politic and corporate, whose address is 2045 13th Street, P.O. Box 471, Boulder, Colorado 80306 ("Grantor"), and Gold Hill Mines, Inc., a Colorado corporation, whose address is P.O. Box 1523, Longmont, CO 80502 ("GRANTEE").

GRANTOR, for and in consideration of the sum of One Hundred and no/00 DOLLARS ($100.00) paid by the GRANTEE to the GRANTOR, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by this Water Pipeline Easement Deed does grant, bargain, sell, convey and confirm to the GRANTEE, its successors and assigns forever, a permanent non-exclusive easement on and under the property described on Exhibit A attached hereto and incorporated herein by this reference, located in Boulder County, Colorado ("Property"); for the purposes of:

Access to and to maintain, repair and improve the existing water pipeline along Lick Skillet Road for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for MINING AND PROCESSING ORE.

During the term of this Water Pipeline Easement GRANTOR shall not place, erect, install or permit any above or below ground building, structure or other obstruction on the Property that may interfere with the GRANTEE's activities on the Property hereunder.

Prior to undertaking any improvement of the pipeline, Grantee shall submit plans to Grantor for approval, which approval shall not be unreasonably withheld. The plans shall identify the improvements with specificity and shall also contain provisions for reclamation of the surface of the property to substantially the same condition in which the property existed prior to Grantee's work or in better condition. Grantee also agrees to use best efforts to avoid interfering with public use of County trails and shall reclaim all trails to County standards.

BOARD OF COUNTY COMMISSIONERS OF BOULDER COUNTY

SEAL OF BOULDER COUNTY, COLORADO

By: Jana L. Mendez
Jana L. Mendez, Chair

(EXCUSED) 4-7
Paul D. Danish, Vice Chair

Ronald K. Stewart
Ronald K. Stewart, Commissioner

ATTEST:
Wife Ryder
BOULDER COUNTY CLERK

COUNTY OF BOULDER)
) ss.
STATE OF COLORADO)

Subscribed and sworn to before me this 3rd day of May, 2001, by Jana L. Mendez, Chair; ~~Paul D. Danish, Vice Chair~~; and Ronald K. Stewart, Commissioner; Boulder County Commissioners.

(SEAL)
SUSAN M. ASHCRAFT NOTARY PUBLIC STATE OF COLORADO
My Commission Expires 10/17/2001

Susan M. Ashcraft
Notary Public

My Commission Expires: 10-17-2001

(K)
2

2147722
Page: 3 of 4
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Exhibit A
Legal Description

LEGAL DESCRIPTION-12' WIDE WATERLINE AND ACCESS EASEMENT

A WATERLINE AND ACCESS EASEMENT 12.00 FEET IN WIDTH LOCATED IN THE NW 1/4 SECTION 12, AND THE NE 1/4 SECTION 11, SE 1/4 SECTION 2, TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, SAID EASEMENT BEING 2.00 FEET ON THE EASTERLY SIDE OF THE FOLLOWING DESCRIBED LINE, AND 10.00 FEET ON THE WESTERLY SIDE OF THE FOLLOWING DESCRIBED LINE, SAID LINE BEING AN EXISTING WATERLINE, SIDELINES TO BE EXTENDED OR SHORTENED TO ELIMINATE GAPS AND OVER LAPS:

4-3

COMMENCING AT THE NW CORNER OF SECTION 12, TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, FROM WHICH POINT CORNER NO.1 OF THE COMET LODE MINERAL SURVEY NO. 318
BEARS S 42°35'04" E A DISTANCE OF 1834.25 FEET;
THENCE S 35°23'54" E A DISTANCE OF 2705.84 FEET
TO THE PORTAL OF THE TIMES TUNNEL AND
TO THE TRUE POINT OF BEGINNING OF THIS EASEMENT DESCRIPTION;

THENCE N 37°42'29" W A DISTANCE OF 11.19 FEET;
THENCE N 41°00'07" E A DISTANCE OF 85.27 FEET;
THENCE N 28°22'20" E A DISTANCE OF 48.08 FEET;
THENCE N 28°01'54" W A DISTANCE OF 44.21 FEET;
THENCE N 75°24'30" W A DISTANCE OF 29.65 FEET;
THENCE N 50°10'04" W A DISTANCE OF 41.56 FEET;
THENCE N 27°11'40" W A DISTANCE OF 49.09 FEET;
THENCE N 04°00'36" W A DISTANCE OF 68.93 FEET;

THENCE ALONG AN ARC OF A CURVE TO THE LEFT
HAVING AN ARC LENGTH OF 90.30 FEET,
WITH A DELTA ANGLE OF 86°13'38",
WITH A RADIUS OF 60.00 FEET,
WITH A CHORD BEARING OF N 47°07'25" W,
AND A CHORD LENGTH OF 82.01 FEET;

THENCE N 86°45'59" W A DISTANCE OF 157.44 FEET;
THENCE S 79°28'24" W A DISTANCE OF 57.26 FEET;
THENCE S 71°55'18" W A DISTANCE OF 176.87 FEET;
THENCE N 51°57'31" W A DISTANCE OF 185.35 FEET;
THENCE N 36°08'52" W A DISTANCE OF 107.26 FEET;
THENCE N 42°49'18" W A DISTANCE OF 135.81 FEET,
THENCE N 35°50'13" W A DISTANCE OF 357.75 FEET;
THENCE N 39°52'57" W A DISTANCE OF 387.17 FEET;
THENCE N 21°24'36" W A DISTANCE OF 97.29 FEET;
THENCE N 31°47'55" W A DISTANCE OF 146.15 FEET;
THENCE N 46°57'44" W A DISTANCE OF 97.57 FEET;
THENCE N 60°22'18" W A DISTANCE OF 302.44 FEET;
THENCE N 45°58'56" W A DISTANCE OF 241.27 FEET;
THENCE N 36°38'23" W A DISTANCE OF 171.69 FEET;
THENCE N 46°21'24" W A DISTANCE OF 237.60 FEET TO POINT "A";

(P)
3

Exhibit A
Legal Description

(EASEMENT DESCRIPTION CONTINUES)
THENCE N 50°49'13" W A DISTANCE OF 56.85 FEET;
THENCE N 36°46'37" W A DISTANCE OF 43.37 FEET;
THENCE N 51°20'58" W A DISTANCE OF 53.33 FEET;
THENCE N 34°46'28" W A DISTANCE OF 171.19 FEET;
THENCE N 19°52'50" W A DISTANCE OF 67.17 FEET;
THENCE N 05°38'08" W A DISTANCE OF 67.46 FEET;
THENCE N 16°11'40" W A DISTANCE OF 71.07 FEET;
THENCE N 08°05'07" W A DISTANCE OF 59.65 FEET;
THENCE N 17°31'35" W A DISTANCE OF 88.51 FEET;
THENCE N 06°01'36" W A DISTANCE OF 34.97 FEET;
THENCE N 06°05'35" E A DISTANCE OF 32.69 FEET;
THENCE N 26°57'09" E A DISTANCE OF 28.76 FEET;
THENCE N 29°42'01" E A DISTANCE OF 197.80 FEET;
THENCE N 38°32'38" E A DISTANCE OF 43.46 FEET;
THENCE N 25°42'03" E A DISTANCE OF 27.15 FEET;
THENCE N 08°06'45" E A DISTANCE OF 32.05 FEET;
THENCE N 17°06'59" E A DISTANCE OF 81.25 FEET;
THENCE N 04°21'05" E A DISTANCE OF 70.16 FEET;
THENCE N 01°47'42" W A DISTANCE OF 140.22 FEET
TO THE APPROXIMATE CENTERLINE OF LEFT HAND CREEK AND
TO THE POINT OF TERMINUS OF THIS EASEMENT DESCRIPTION.

4-4

TOGETHER WITH,
AN ACCESS EASEMENT 12.00 FEET IN WIDTH LOCATED IN THE NE 1/4 SECTION 11, TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, SAID EASEMENT BEING 6.00 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE, SIDELINES TO BE EXTENDED OR SHORTENED TO ELIMINATE GAPS AND OVER LAPS:

BEGINNING AT POINT "A" IN THE ABOVE DESCRIPTION;
THENCE S 39°10'47" W A DISTANCE OF 4.00 FEET;
THENCE N 71°15'15" W A DISTANCE OF 86.48 FEET;
THENCE N 56°14'21" W A DISTANCE OF 60.53 FEET;
THENCE S 62°07'05" W A DISTANCE OF 12.00 FEET
TO THE APPROXIMATE CENTERLINE OF COUNTY ROAD 89,
COMMONLY KNOWN AS "LICK SKILLET ROAD", AND
TO THE POINT OF TERMINUS OF THIS EASEMENT DESCRIPTION.

(R)
4

H

EXHIBIT H – LIST OF MUNICIPALITIES WITHIN A TWO-MILE RADIUS

The Colorado Milling Company, LLC has determined that there are no incorporated towns within a two-mile radius of the Gold Hill Mill Waterline.

EXHIBIT I – PROOF OF FILING WITH COUNTY CLERK

Executed "Receipts" of Delivery are herein provided as evidence of proof of Filing with the following offices, respectively:

Boulder County Clerk and Recorder;
Boulder County Land Use Department;
Boulder County Parks and Open Space Department; and
Boulder County Board of Commissioners.

RECEIPT OF DELIVERY

OFFICE OF BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street

Boulder, Colorado

CERTIFICATION

I, Rubico O. Tymanich certify that a copy of the Application for an Amendment to MLRD Permit No. M-1994-117 for the Gold Hill Mill was hand-delivered to me on December 19, 2017.

Signed: _____

Dated: 12/19/17

NOTICE TO THE LAND USE DEPARTMENT
BOULDER COUNTY, COLORADO

RECEIVED
DEC 19 2017
Boulder County
Land Use Department

In the Matter of:
Gold Hill Mill, Boulder County, Colorado
MLRD Permit No. M-1994-117

Colorado Milling Company, LLC (the "Applicant/Operator") has applied for an Amendment to the Limited Impact (110) Reclamation permit No. M-1994-117 from the Colorado Mined Land Reclamation Board ("the Board") to increase the affected surface area associated with the mining/milling operations at the existing permitted Gold Hill Mill located in Boulder County, Colorado. The attached information is being provided to notify you of the location and nature of the proposed Gold Hill Mill Waterline project. Similar notice and information has been provided to the Boulder County Board of Commissioners and the Boulder County Parks and Open Space Department. The entire application is on file with the Division of Reclamation, Mining and Safety ("the Division") and the Office of the Boulder County Clerk and Recorder.

The Applicant/Operator proposes to reclaim the affected land to "Forestry" use. Pursuant to Section 34-32-109(6) C.R.S., the Applicant/Operator is responsible for assuring that the mining operation and the post-mining land use comply with local land use regulations and any master plan for extraction adopted pursuant to Section 34-1-304 C.R.S. Accordingly, the Board would appreciate your comments on the proposed operation. Please note that, in order to preserve your right to a hearing before the Board on this Application, you must submit your written comments on the application within ten (10) days after the date of the Applicant's newspaper publication.

If you would like to discuss the proposed post-mining/milling land use, or any other issue regarding this Application, please contact the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, Colorado 80203; telephone (303) 866-3567.

Certification of Receipt

I, Jennifer Swerson, certify that a copy of the Application for an Amendment to MLRD Permit No. M-1994-117 for the Gold Hill Mill was hand-delivered to me on December 19, 2017.

Signed: Jennifer Swerson

Dated: 12/19/17

County Commissioners Office
RECEIVED
DEC 19 2017
RECD BY
TIME

NOTICE TO THE BOULDER COUNTY BOARD OF COMMISSIONERS

In the Matter of:
Gold Hill Mill, Boulder County, Colorado
MLRD Permit No. M-1994-117

Colorado Milling Company, LLC (the "Applicant/Operator") has applied for an Amendment to the Limited Impact (110) Reclamation permit No. M-1994-117 from the Colorado Mined Land Reclamation Board ("the Board") to increase the affected surface area that is associated with the mining/milling operations at the existing permitted Gold Hill Mill located in Boulder County, Colorado. The attached information is being provided to notify you of the location and nature of the proposed Gold Hill Mill Waterline project. Similar notice and information has been provided to the Boulder County Land Use Department and the Boulder County Parks and Open Space Department. The entire application is on file with the Division of Reclamation, Mining and Safety ("the Division") and the Office of the Boulder County Clerk and Recorder.

The Applicant/Operator proposes to reclaim the affected land to "Forestry" use. Pursuant to Section 34-32-109(6) C.R.S., the Applicant/Operator is responsible for assuring that the mining operation and the post-mining land use comply with local land use regulations and any master plan for extraction adopted pursuant to Section 34-1-304 C.R.S. Accordingly, the Board would appreciate your comments on the proposed operation. Please note that, in order to preserve your right to a hearing before the Board on this Application, you must submit your written comments on the application within ten (10) days after the date of the Applicant's newspaper publication.

If you would like to discuss the proposed post-mining/milling land use, or any other issue regarding this Application, please contact the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, Colorado 80203; telephone (303) 866-3567.

Certification of Receipt

I, SHEREE STROUD, certify that a copy of the Application for an Amendment to MLRD Permit No. M-1994-117 for the Gold Hill Mill was hand-delivered to me on December 19, 2017.

Signed: Sheree Stroud

Dated: 12/19/17

EXHIBIT J – PROOF OF MAILING NOTICES TO BOULDER COUNTY BOARD OF COUNTY COMMISSIONERS AND SOIL CONSERVATION DISTRICT

An executed "Receipt of delivery" is herein provided as Evidence of Proof of Filing with the Boulder County Board of County Commissioners.

The Gold Hill Mill is not located within a designated Soil Conservation District. As such, Evidence of Proof of Filing is not applicable.

K

EXHIBIT K – RESERVED (Per 6.3.11)

EXHIBIT L – PERMANENT MAN-MADE STRUCTURES

There are seven (7) permanent man-made structures located within two hundred (200) feet of the operation or affected land, as well as an Excel Energy Corporation pole-mounted utility line extending east-west along the northern boundary of the Pump Station area.

The Gold Hill Mill Waterline's mining/milling and reclamation activities are anticipated to have "no negative effect" on these man-made structures.

M

EXHIBIT M – DRMS AND COLORADO MILLING COMPANY COMMUNICATIONS RECORD

Colorado Milling Company, LLC
Mark A. Steen
P.O. Box 1523
Longmont, Colorado 80502

RECEIVED

DEC 19 2017

DIVISION OF RECLAMATION,
MINING AND SAFETY

December 19, 2017

Amy Eschberger & Wally Erickson, Inspectors
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, Colorado 80203

RE: AMENDMENT FOR GOLD HILL MILL PERMIT NO. M-1994-117

Amy Eschberger & Wally Erickson:

Pursuant to an Order dated October 30, 2017, by the Colorado Mined Land Reclamation Board, the Colorado Milling Company, LLC is filing this Application for an Amendment to the Gold Hill Mill's Limited Impact 110 (2) Permit No. M-1994-117. The Colorado Milling Company's check numbered 1258 in the amount of $661.00 is attached to this letter in payment of the filing fees for this Amendment Application.

Sincerely,

Mark A. Steen

Mark A. Steen
For: Colorado Milling Company, LLC

NOTICE

This site is the location of a proposed mining operation. The Colorado Milling Company, LLC, whose address and phone number is 50 West 100 South, Moab, Utah 80342, (303) 588-1119, has applied for an Amendment to Reclamation Permit No. M-1994-117 with the Colorado Mined Land Reclamation Board. Anyone wishing to comment on the application may view the application at the Boulder Clerk and Recorder's Office, 1750 33rd Street, Boulder Colorado 80301, and should send comments prior to the end of the public comment period to the Division of Reclamation, Mining, and Safety, 1313 Sherman Street, Room 215, Denver, Colorado 80203.

Certification

I, Mark A. Steen, hereby certify that I posted a sign containing the above notice for the proposed permit area known as the Gold Hill Mill on December 19, 2017.

Mark A. Steen — December 19, 2017

Mark A. Steen — Date

This Notice was posted at the Gold Hill Mill, the Times Mine adit, and the access to the Left Hand Creek Pump Station.



Colorado Milling Company, LLC
M-1994-117
Exhibit 11

EXHIBIT N – LETTER – COLORADO DIVISION OF WILDLIFE

The Colorado Milling Company, LLC has requested that the Colorado Division of Wildlife perform a site inspection and provide a written response pertaining to the findings and recommendations with respect to the wildlife resources along the Gold Hill Mill Waterline. A copy of the Division's letter will be provided as soon as it is received.



W

Division of Reclamation, Mining, and Safety

Fee Receipt for M1994117

Colorado Milling Company, LLC
Mike Bynum
50 West 100 South Street

Moab UT 803420000

Receipt #: 25725
Date: 12/20/2017
Permit: M1994117

Payment Method	Revenue Code	Fee Description/Notes	Amount
Check #1258	4300-MAMD	Minerals Amendment Fees User: sdt Payer: Colorado Milling Company, LLC Operating Account AM01	$661.00
		Receipt Total:	**$661.00**

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 12

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

1313 Sherman Street, Room 215
Denver, CO 80203

January 26, 2018

Mark Steen
Colorado Milling Company, LLC
P.O. Box 1523
Longmont, CO 80502

RE: Gold Hill Mill; DRMS File No. M-1994-117; Adequacy Review No. 1 (AM01)

The Division of Reclamation, Mining and Safety has completed its preliminary adequacy review of your 110(2) Hard Rock Reclamation Permit Amendment Application. The application was received on December 19, 2017 and called complete for review on January 4, 2018. The Decision date for this application is February 5, 2018. **Please be advised that if you are unable to satisfactorily address any concerns identified in this review before the decision date, it will be your responsibility to request an extension of the review period. If there are outstanding issues that have not been adequately addressed prior to the end of the review period, and no extension has been requested, the Division will deny this application.**

In general the application was substantially adequate; however, as with most applications there are a few items that will require the submittal of additional information or clarification of the existing information. Inadequacies are identified under the respective exhibit heading along with suggested actions to correct them.

1. The Division received comments from Boulder County Parks and Open Space, Boulder County Land Use Department, Colorado Historical Society, Division of Water Resources and Pine Brook Water District. The comments have been attached for your review, please make any changes to the application as necessary.

2. As required by Rule 1.6.2(d) and 1.6.5(2), please submit proof of publication in a newspaper of general circulation in the locality of the proposed mining operation.

3. As required by Rule 1.6.2 (e), please submit proof of the notice to all owners of record of surface and mineral rights of the affected land and the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement holders located on the affected land and within 200 feet of the boundary of the affected land. Proof of notice may be return receipts of a Certified Mailing or by proof of personal service.

4. Pursuant to Rule 1.10(2), a 110 Amendment Application is not required to contain information which duplicates applicable previous submittals. However, the Applicant shall clearly describe where, in the original Application and supporting documents, the information not included in the Amendment Application , but necessary to render the Amendment technically adequate, may be found. The Amendment Application contains several references to the approved Reclamation Permit. The Applicant shall revise the Application Exhibits which reference the approved Reclamation Permit, to include the specific document name(s) and date(s) in which the existing information may be found.

Application

5. The latitude/longitude coordinates provided on page 3 of the Application Form do not correspond to the primary mine entrance location. Please review and revise the latitude/longitude coordinates on page 3 of the Application Form to correspond with the primary entrance to the Gold Hill Mill.

6.3.1 Exhibit A – Legal Description and Location Map

6. Pursuant to Rule 6.3.1(1), the legal description must identify the affected land, specify affected areas and be adequate to field locate the property. The legal description provided under Exhibit A only describes the affected land of the 0.797 acres which are being added to the existing permit area of 8.4 acres. Please revise the legal description to include the entire affected area of the Gold Hill Mill operation.

7. Pursuant to Rule 6.3.1(2), the latitude and longitude coordinates of the main entrance to the mine must be labeled. Please revise the Location Map to include the coordinates of the mine entrance.

8. Pursuant to Rule 6.3.1(3), the Location Map must show the names of all immediately adjacent surface owners of record. Please revise the Location Map to show the names of all immediately adjacent surface owners for the entire affected area of the Gold Hill Mill operation. In addition, the Location Map must contain a label with the mine site name.

6.3.2 Exhibit B – Site Description

9. Pursuant to Rule 6.3.2(b), all permanent man-made structures within 200 feet of the affected area and the owner of each structure must be identified. The list of structures must be revised to include the owners of each structure. In addition, the list must be revised to include any permanent man-made structures within 200 feet of the entire affected area of the Gold Hill Mill operation.

10. Exhibit B states three permanent man-made structures are located within 200 feet of the affected area. This contradicts the statement made under Exhibit L which indicates there are seven permanent man-made structures within 200 feet of the affected area. Please clarify this discrepancy and make the necessary changes to the appropriate Application Exhibit.

11. Exhibit B references the approved Reclamation Permit for a complete list of native vegetative species and wildlife species found at the site, as well as water quality sampling and analytical data from sampling the water in Left Hand Creek. Please revise Exhibit B to include a specific reference to this information. Please see additional comments under Item No. 4.

6.3.3 Exhibit C – Mining Plan

12. Pursuant to Rule 6.3.3(1)(a), the Applicant is to specify the estimated date that mining will end. The Division understands the life of the mine is in part determined by commodity prices. Please provide an estimate of the date that mining will end based on current commodity prices. In addition, provide an estimate of how long the mill can operate at full capacity before the tailings impoundment is full.

13. The Division requests the following information regarding the installation of the Gold Hill Mill Pipeline:

    a) Specify the length of the pipe segments which will be used to construct the Gold Hill Mill Pipeline.
    b) Specify the number of welds required to fuse the pipe segments together.
    c) Specify the QA/QC procedures which will be used to verify the pipe segment welds were performed properly.
    d) Specify the pressure rating of the HDPE pipeline.
    e) Calculate the potential surge pressure within the HDPE pipeline.

12. Specify the depth and total length of each segment of the pipeline to be buried.

13. Identify where the check valves and anti-siphon valves will be installed by labeling these features on a revised Mining Plan Map.

14. Clarify if the pump will have an automatic shut-off system installed or otherwise describe what measures will be used to ensure the pump does not continue to operate in the event there is a failure of the pipeline.

15. The Operator has committed to removing the existing pipeline before installing the new 2” HDPE pipeline. Please clarify if there are any segments of the existing pipeline which must be excavated. If so, provide an estimate of the size of the area which must be excavated and

describe how the land will be stabilized to prevent erosion and siltation of the affected lands and offsite areas.

16. Specify if any trees will need to be removed during installation of the Gold Hill Mill Pipeline. If trees will be removed, specify how the woody materials would be put to a beneficial use as required by Rule 3.1.9(2).

17. Provide a description of the piping and other infrastructure which will be placed directly in Left Hand Creek.

18. Specify the total volume of fuel which will be stored at the pump house, if any. In addition, describe the secondary containment which will be used to contain all stored fuel.

19. Clarify if there is any other existing infrastructure in addition to the PVC pipeline which must be removed before the new HDPE pipeline is installed.

20. The proposed location of the pump house and footbridge is within the floodplain of Left Hand Creek and this area was heavily impacted by the floods of 2013. Pursuant to Rule 3.1.6(1), disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quantity and quality of water in surface and groundwater systems shall be minimized. The Division is concerned the pump house and associated infrastructure has the potential to be mobilized during a flood event. If this were to occur, the generator would likely release fuel or oil into the floodwaters. In addition, there is the potential the pump house could become lodged on the upstream side of any bridges located downstream of the pump house location, causing a further impediment to the passage of floodwaters. Please describe how the Operator intends to minimize these potential impacts during a flood event.

21. The approved Reclamation Permit allows the Operator to store water in the underground working of the Times and Wynona Mines. The Reclamation Permit states there is sufficient capacity within the Times and Wynona Mine to store water to be used in the operation of the mill. The Operator's water right will allow a maximum of 22.53 acre-feet per year to be diverted from Left Hand Creek. The Division requests the following information related to the storage of water in the Times and Wynona Mine:

    a) Specify the total volume of water which can be stored in the underground workings of the Times and Wynona Mines.
    b) Provide a detail drawing which depicts all portions of the Times and Wynona Mines which would be used to store water and which shows how the Times and Wynona Mines are connected.
    c) Provide a description of how water will be discharged into the mine and specify where within the Times Mine the water will be discharged. The description shall account for any supporting infrastructure associated with the delivery of water.

22. The Operator's water right allows for diversion of 10.4 acre-feet of water per dry year and 22.53 acre-feet of water in a wet year. Please clarify how a dry year versus a wet year is determined.

23. The approved Reclamation Permit references a bulkhead within the Times Mine. A review of the permit file found the Division does not have any information about the bulkhead. Please confirm there is a bulkhead within the Times Mine and provide a detail drawing of the bulkhead, a description of the how the bulkhead was constructed, and specify where within the Times Mine portal the bulkhead is located.

24. The Reclamation Plan includes a statement which indicates there is the potential for water to flow from the Times Mine adit. Please verify if the Times Mine currently retains groundwater. In addition, clarify if there have been seasonal discharges of groundwater from the Times Mine during periods when the mine has been inactive and provide the Division with the results of water quality sampling within the Times Mine, if available.

25. The Operator is proposing to store fresh water from Left Hand Creek in the underground workings of the Times and Wynona Mines. As required by Rule 6.3.3(1)(j), specify how the Operator will ensure there is no injury to existing water rights as a result of comingling fresh water with groundwater. The Operator has stated a meter will be installed at the pump to monitor the amount of water diverted from Left Hand Creek. How will the Operator monitor the amount of water which is pumped from the Wynona Mine?

26. As noted above, the Operator will comingle fresh water pumped from Left Hand Creek with groundwater which is currently in the underground mine workings. As required by Rule 6.3.3(1)(i), describe how mining will affect the quality of groundwater and describe the methods used to minimize disturbance to the groundwater systems.

27. The Mining Plan calls for installing a footbridge over Left Hand Creek. Please clarify why a footbridge is necessary if the pump house will be located on the south side of Left Hand Creek.

28. As required by Rule 6.3.3(1)(h), specify how much water will be used in conjunction with the operation. The estimate may be based on annual consumption rates when the mill is operating at full capacity.

29. The Hazel A adit was previously utilized to manage the water balance at the mill. The authorization to use the Hazel A adit was primarily based on a lack of adequate storage capacity within the tailings pond to contain a 100 year – 24 hour storm event. On August 5, 1998, the Division approved Technical Revision No. 3, which addressed the expansion of the tailings pond and eliminated the need to utilize the Hazel A adit for additional water storage capacity. On November 11, 2002, the Division received correspondence from Mr. Steen which confirmed the Hazel A adit would no longer be used to store water. A review of the

permit file found there are a number of unresolved issues relating to water storage within the Hazel A adit. In order for the Division to determine if the Hazel A adit and attending infrastructure should be included in the affected area, the following information must be provided:

a) Clarify if the decant lines, which connected the tailings pond with the Hazel A adit were removed. If so, provide documentation to demonstrate the removal and proper disposal of the decant lines. (*Inspection Report dated May 20, 1999, noted the decant lines were still in place.*)
b) Demonstrate the tailings placed within the Hazel A adit were removed. (*In a letter dated October 10, 1995, the Division informed the Operator the tailings which were deposited behind the bulkhead within the Hazel A adit were to be removed and deposited in the tailings pond. On November 21, 1995, the Division approved a plan for removal of tailings within the Hazel A adit. In a letter dated, December 15, 1995, the Operator submitted a letter which indicated the tailings were removed. In a letter dated December 17, 1997, the Division noted the Operator had not demonstrated the tailings had been removed from the Hazel A adit. On August 14, 1998, the Operator acknowledged the tailings within the Hazel A adit must be removed.*)
c) Clarify if the bulkhead is still present within the Hazel A adit.
d) Clarify if a discharge permit has been obtained for the Hazel A adit. (*In a letter dated December 17, 1997, the Division notified the Operator the adit would not be allowed to free drain until such time as a discharge permit was obtained from the Water Quality Control Division. Alternately, the Operator could petition the Water Quality Control Division for a finding that discharges from the adit do not require a discharge permit.*)

30. Please provide a comprehensive list of the chemicals which will be used at the mill, including total volumes. In addition, provide a comprehensive inventory of all chemicals currently stored at the mill, including the volume of each chemical stored. This information is necessary to evaluate whether this operation meets the definition of a designated mining operation and to calculate the required financial warranty.

31. The approved Reclamation Permit specifies xanthate will be used in the mill. Please specify the type of xanthate which will be used.

6.3.4 Exhibit D – Reclamation Plan

32. Section No. 1 of the Reclamation Plan references an incorrect permit number (M-1999-117). Please correct this section of the Reclamation Plan. In addition, specify where within the permit file the pertinent documents may be found. See additional comments under Item No. 4 of this letter.

33. The Reclamation Plan states the water pipleline within the Times Mine adit will be decommissioned by capping the pipeline to prevent water from discharging from the mine. The Division will require the pipeline to be removed or grouted for its entire length. Please revise the financial warranty estimate to account for this reclamation task.

34. The reclamation cost estimate is structured as an incremental acreage increase, which is based on the cost of the individual reclamation tasks applied on a per acre basis. The Division does not calculate financial warranties solely on the basis of acres disturbed, but rather on the specific reclamation task which must be accomplished. Therefore, any increase over the current financial warranty amount of $56,200.00 must account for the full cost of the identified reclamation tasks. Please revise the financial warranty accordingly. The Division will calculate the required financial warranty once all of the adequacy items have been addressed.

6.3.5 Exhibit E – Map

35. The Mining Plan and Reclamation Plan Maps only depict the affected area of 0.797 acres which are being added through the Amendment Application. Please revise both maps so the entire affected area of the Gold Hill Mill operation is depicted.

36. As required by Rule 6.3.5(2)(e), the Mining Plan Map must note the location of any permanent man-made structures within 200 feet of the affected area. Please ensure the structures on the Mining Plan Map can be correlated with the description of the structure owners in Exhibit B.

37. The Mining Plan Map does not depict the proposed footbridge. Please revise the Mining Plan Map to include an outline and label for the footbridge.

6.3.6 Exhibit F – List of Other Permits and Licenses

38. The permit file for the Gold Hill Mill contains correspondence from the Bureau of Land Management (BLM) dated April 3, 2013, which ordered an immediate, temporary suspension of operations until such time as a Plan of Operations was approved. Please update the Division on the status of the Plan of Operations. If the Plan of Operations has not been approved, explain why and provide a plan for gaining compliance with the BLM.

39. The Applicant listed a U.S. Forest Service Plan of Operations as a permit that is potentially required. Please clarify if this permit has been obtained. If so, provide a copy of the approved Plan of Operations.

40. As noted under Item No. 1, the Division received comments from the Division of Water Resources (DWR) regarding the Operator's water right on Left Hand Creek. As required by DWR, provide a demonstration the 20 shares of water have been changed from the originally

decreed irrigation use to allow for the proposed mining/milling use. If the appropriate approvals have not been secured to use water in the mill, then Exhibit F must be revised to list either a temporary substitute water supply plan or an augmentation plan as permits or approvals which must be obtained.

41. Specify if the Applicant has contacted the Air Pollution Control Division to determine if an Air Pollutant Emission Notice is required.

42. Exhibit F indicates a Utility Construction Permit is required from the Boulder County Transportation Department. Please clarify why this permit is necessary.

43. Specify if the Applicant will need a floodplain development permit to locate the pump house and attending infrastructure within the floodplain of Left Hand Creek.

6.3.7 Exhibit G – Source of Legal Right to Enter

44. The Reclamation Permit for the Gold Hill Mill was issued with a stipulation that no disturbance would occur on the Gold Crown Mining claim until such time as the Operator (Colina Oro Molino) demonstrated a legal right to enter the Gold Crown Mining claim. Please demonstrate Colorado Milling Company, LLC has the legal right to enter the Gold Crown Mining Claim to conduct mining and reclamation.

6.3.8 Exhibit H – Municipalities Within a Two Mile Radius

No comment.

6.3.9 Exhibit I – Proof of Filing with County Clerk

No comment.

6.3.10 Exhibit J – Proof of Mailing of Notices to Board of County Commissioners and Soil Conservation District

No comment.

6.3.12 Exhibit L – Permanent Man-Made Structures

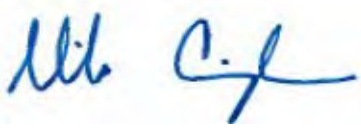
45. The Applicant has stated there are seven permanent man-made structures located within 200 feet of the affected land. Please revise Exhibit L to include a detailed list of all permanent man-made structures for the entire affected area of the Gold Hill Mill.

46. As required by Rule 6.3.12, the Applicant shall provide information sufficient to demonstrate that the stability of any structures located within 200 feet of the affected land will not be adversely affected. A statement that mining/milling activities and reclamation will have 'no negative effect' on the permanent man-made structures is not sufficient to demonstrate the stability of the structures will not be adversely impacted.

As previously mentioned, if you are unable to provide satisfactory responses to any inadequacies prior to August 2, 2013, it will be your responsibility to request an extension of time to allow for continued review of this Amendment Application. If there are still unresolved issues when the decision date arrives and no extension has been requested, the Amendment Application will be denied.

If you have any questions, please contact me at (303)866-3567 x8116.

Sincerely,



Michael A. Cunningham
Environmental Protection Specialist

Enclosures (5)

CC: Wally Erickson, DRMS

STATE OF COLORADO

Cunningham - DNR, Michael <michaela.cunningham@state.co.us>

Colorado Milling Company LLC - MLRD Limited Impact 110(2) Permit No. M-1994-117

1 message

Carson Hatcher, Mindy <mcarsonhatcher@bouldercounty.org> Tue, Jan 23, 2018 at 4:11 PM
To: "michaela.cunningham@state.co.us" <michaela.cunningham@state.co.us>
Cc: "Burghardt, Kristina" <kburghardt@bouldercounty.org>

TO: Michael Cunningham

Environmental Protection Specialist, DRMS

Michaela.cunningham@state.co.us

RE: MLRD Limited Impact 110(2) Permit No. M-1994-117; Colorado Milling Company LLC Gold Hill Mill

Dear Mr. Cunningham,

Boulder County Parks and Open Space (BCPOS) acknowledges receipt of the notice by Colorado Milling Company LLC (CMC) of its application for an amendment to MLRD Limited Impact 110(2) Permit No. M-1994-117. The water pipeline referenced in the application runs across BCPOS property and is subject to an existing easement between Boulder County and CMC. BCPOS staff will ensure that any activity CMC conducts with respect to the pipeline on BCPOS property will be done pursuant to the terms of the easement. Staff will also monitor CMC's activity on Parks and Open Space property to ensure that the property's resources are protected.

Thank you.

Tina Burghardt, Land Officer

Boulder County Parks & Open Space

5201 St. Vrain Road

Longmont, CO 80503

720.864.6533

kburghardt@bouldercounty.org

Boulder County Parks & Open Space

STATE OF COLORADO

Cunningham - DNR, Michael <michaela.cunningham@state.co.us>

Fwd: Permit M-1994-117 Revision AM-01

1 message

Grimm, Denise <dgrimm@bouldercounty.org> Tue, Jan 23, 2018 at 5:57 PM
To: Michael Cunningham <michaela.cunningham@state.co.us>

-------- Original message --------
From: "Grimm, Denise" <dgrimm@bouldercounty.org>
Date: 01/23/2018 3:44 PM (GMT-07:00)
To: michaela.cunnungham@state.co.us
Subject: Permit M-1994-117 Revision AM-01

In response to the request for comments on this project, please keep Boulder County Land Use informed of any changes or progress with this application. We have not fully evaluated this application to determine a complete list of the necessary permits and review processes that may be required by Boulder County.

Please be aware that there may need to be building permits and/or Land Use or County reviews for this project. It crosses land with a Boulder County Conservation Easement and may need specific approval from the county for that as well.

Denise Grimm, AICP

Senior Planner

Boulder County Land Use Department

P.O. Box 471

Boulder, CO 80306

(720) 564-2611

dgrimm@bouldercounty.org



OFFICE *of* ARCHAEOLOGY *and* HISTORIC PRESERVATION

RECEIVED

JAN 25 2018

DIVISION OF RECLAMATION
MINING AND SAFETY

JAN 23 2018

Michael A. Cunningham
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, Colorado 80203

Re: Notice of 110(2) Hard Rock/Metal Mining Materials Reclamation Permit Amendment Application Consideration, Colorado Milling Company, LLC, Gold Hill Mill, Permit No. M-1994-117 – AM01 (HC #21796)

Dear Mr. Cunningham:

We received your correspondence dated January 5, 2018 on January 9, 2018 initiating consultation with our office under the State Register of Historic Places Act (CRS 24-80-1 et seq.) for the above referenced permit application.

A search of our database indicates that no cultural resource inventory has been conducted within the proposed permit area and no properties of historical significance have been recorded therein. As most of Colorado has not been inventoried for cultural resources, our files contain incomplete information. Consequently there is the possibility that as yet unidentified cultural resources exist within the proposed permit area. The requirements under CRS 24-80 part 13 apply and must be followed if human remains are discovered.

We thank you for the opportunity to comment. If we may be of further assistance, please contact Bob Cronk, Section 106 Compliance Manager, at (303) 866-4608 or robert.cronk@state.co.us.

Sincerely,

Holly K. Norton for

Steve Turner, AIA
State Historic Preservation Officer
1200 Broadway
Denver, CO 80203

Colorado Milling Company, LLC
M-1994-117
Exhibit 12

COLORADO
Division of Water Resources
Department of Natural Resources

1313 Sherman Street, Room 821
Denver, CO 80203

Response to 110(2) Hard Rock/Metal Mining Materials Reclamation Permit Amendment Application

DATE: January 25, 2018

TO: Michael A. Cunningham, Environmental Protection Specialist
(michaela.cunningham@state.co.us)

CC: Division 1 Office, District 5 & 6 Water Commissioners

FROM: Sarah Brucker, P.E.

RE: Gold Hill Mill, File No. M-1994-117 – AM01
Applicant/Operator: Colorado Milling Company, (303) 588-1119
Sections 2, 11 & 12, Twp 1 North, Rng 72 West, 6th P.M., Boulder County

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CONDITIONS FOR APPROVAL

☒ The proposed operation does not anticipate exposing groundwater. Therefore, exposure of ground water must not occur during or after mining operations.

☒ The proposed operation will consume surface water by: ☐ evaporation, ☐ dust control, ☐ reclamation, ☐ water removed in the mined product, ☒ processing, ☐ other: _____.

☒ **Prior to initiation of these uses, the applicant will need to obtain either an approved substitute water supply plan or decreed plan for augmentation allowing for such commercial/industrial use of the water.**

☒ If stormwater runoff is intercepted by this operation and is not diverted or captured in priority, it must be released to the stream system within 72 hours. This may require a discharge permit from CDPHE-WQCD. Otherwise, the operator must make replacements for evaporation.

COMMENTS: The Gold Hill Mill is a mineral processing facility located just outside the settlement of Gold Hill, Colorado. The subject application seeks an amendment to add 0.797 acres to the currently permitted 8.390 acres, for a total permitted area of 9.187 acres in order to ensure that all lands affected by the mining reclamation activities are located within the permit boundary. The site is proposed to be reclaimed to its pre-mining use of forestry/open space.

Water for operations at the site is to be provided by 20 shares of stock in the Left Hand Ditch Company purchased by the Colorado Milling Company. The anticipated yield from the subject shares varies from approximately 10.4 acre-feet in a dry year to 22.5 acre-feet in a wet year. The subject shares will be diverted at a point on the south bank of Left Hand Creek. Water will be pumped via the Left Hand Creek Pump Station and conveyed to the site via the Gold Hill Mill Pipeline. The proposed maximum diversion rate is 50 gallons per minute, and diversions will be limited to the irrigation season of April 1 to October 31. A continuous measuring device is proposed to be installed at the point of diversion.

The Left Hand Ditch Company obtained a decree in case no. CA-1284 for a total of 726 cfs in the Left Hand Ditch for irrigation purposes. The Applicant has provided no evidence that the 20 shares they purchased have been changed from the originally decreed irrigation use to allow for the proposed mining/milling use. Unless

previously changed by a decree of the water court, the Applicant will need to obtain either an approved substitute water supply plan or decreed plan for augmentation allowing for such commercial/industrial use of the water.

Based on the lack of evidence that the subject water supply is decreed for mining/milling use, this office objects to the proposed amendment. The applicant may contact the State Engineer's Office with any questions.

STATE OF COLORADO

Cunningham - DNR, Michael <michaela.cunningham@state.co.us>

Permit M-1994-117 Revision AM-01

bob@pinebrookwater.com <bob@pinebrookwater.com> Wed, Jan 24, 2018 at 12:55 PM
To: "Eschberger - DNR, Amy" <amy.eschberger@state.co.us>, Dick Cole <goldhillcole@gmail.com>
Cc: michaela.cunnungham@state.co.us, Contact@pinebrookwater.com, cdphe.comments.wqcd@state.co.us, waterquality@lefthandwater.org, healthinfo@bouldercounty.org, gretchendief <gretchend@mac.com>, "Carson Hatcher, Mindy" <mcarsonhatcher@bouldercounty.org>, rogerflynn@colorado.edu, abutler@bouldercounty.org, kmartinez@bouldercounty.org, Michael.Cunningham@state.co.us, dcase@bouldercounty.org, huttonk@bouldercolorado.gov, taddeucciJ@bouldercolorado.gov

To All Concerned Parties,

As the manager of the Pine Brook Water District we would like to note that our concern is definitely water quality. As Dick Cole noted almost any release of water from the mines in question or the tailings pond located at the Mill site drains down Cash Gulch and into Four Mile Creek.

Four Mile Creek is our primary source of water which we treat for potable water use to our community. The Pine Brook Water District is a special district as defined by the State of Colorado and therefore is a governmental entity. We do have a complete treatment system which removes most contaminants.

However the result is that those contaminants then end up as part of our waste sludge. If the contaminants are found to be at to high of a level in our sludge then we have to have a specialty hauler dispose of them at a cost that is 6 times the normal cost. This has actually occurred post 2013 flood as many of the tailing piles in the area were disturbed by that flood. The concentrations of those contaminants is now slowly dropping as the area is stabilized.

We have stated that while we have no objection to the mine operation per se, however we do feel that given its history and the potential to contaminate Four Mile Creek that safeguards must be imposed and strictly enforced. That full water testing at approved monitoring sites should also be part of any permit.

While this is important to our operations, it is even more important for the many, many home owners who live along the creeks below the mine and all the way down to the City of Boulder. Most of these homes have wells with limited treatment. Nor is that treatment designed to remove/treat for the types of contaminants which can occur from mining operations. These homes are not within our service area and so do not receive the treated water we produce but rather are dependent on the natural flows of the creeks.

As Dick noted, there have been past violations which have occurred while the mine was under various management companies, but the common thread has been that the owner was actively involved also.

As for the water rights issues noted the only stance we have is that there must be a proper augmentation plan to protect the flows of the creeks, streams, etc down

gradient from the mine and the water right holders who then withdraw their water under their water rights.

Sincerely,

Robert de Haas, Manager
Pine Brook Water District
1903 Linden Drive, Boulder,CO 80304
303-443-5394 - Office
303-817-8153 - Cell
303-415-0621 - Fax

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 13

RECEIPT OF DELIVERY

OFFICE OF BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street

Boulder, Colorado

CERTIFICATION

I, Katie Tymkovich certify that a copy of the Response Letter and Attachments to the Colorado Milling Company, LLC's Application for an Amendment to MLRD Permit No. M-1994-177 for the Gold Hill Mill, dated December 8, 2018, addressed to the Colorado Division of Reclamation, Mining and Safety was hand-delivered to me on December 10, 2018.

Signed: Katie Tymkovich

Dated: 12-10-18

RECEIVED
DEC 10 2018
SEAL OF BOULDER COUNTY, COLORADO

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Colorado Division of Reclamation, Mining and Safety
Amy Eschberger
Environmental Protection Specialist
1313 Sherman Street – Room 215
Denver, Colorado 80203

December 8, 2018

RECEIVED
DEC 11 2018
DIVISION OF RECLAMATION, MINING AND SAFETY

RE: Gold Hill Mill; DRMS File No. M-1994-117: Adequacy Review No. 1 (AM 01)

Attention: Amy Eschberger

This is the Colorado Milling Company, LLC's Response Letter to the Michael Cunningham's Adequacy Review of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Michael Cunningham's Adequacy Review comments. A separate cover letter for each of the responses that require additional material is attached to this Response Letter.

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1. The Division received comments from Boulder County Parks and Open Space, Boulder County Land Use Department, Colorado Historical Society, Division of Water Resources and Pine Brook Water District. The comments have been attached for your review, please make any changes to the application as necessary.

CMC Response: The comments received by the DRMS do not require any changes to the Application for an Amendment to the Gold Hill Mill Permit No. M-1994-117. The addition of the Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit have either already been addressed in the previous Permit Application that was approved by the Colorado Mined Land Reclamation Board or are being addressed in this Response Letter. The terms and conditions of the Water Pipeline Easement Deed with Boulder County will be monitored by the Boulder County Parks and Open Space Department as the Gold Hill Mill Waterline is installed and operated by the Colorado Milling Company, LLC (CMC). Boulder County Land Use Department determines that CMC needs any building permits to proceed with its activities, they will be obtained from the County Land Use Department. The Office of Archaeology and Historic Preservation has not recorded

any properties of historical significance on this property. If CMC discovers any human remains during the installation of the Gold Hill Mill Waterline, it will follow the requirements under CRS 24-80 part 13. The Colorado Division of Water Resources raised the issue of the Left Hand Ditch Company shares not being decreed to allow for the proposed milling use. A copy of the Water Court Decree for these shares is appended to this Permit Amendment Application. The concerns raised by the Pine Brook Water District do not include any specific ones that need to be addressed by CMC in this Response Letter.

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2. As required by Rule 1.6.2(d) and 1.6.5(2), please submit proof of publication in a newspaper of general circulation in the locality of the proposed mining operation.

CMC Response: As required by Rule 1.6.2(d) and 1.6.5(2), proof of publication in the Boulder Daily Camera is attached to this Response Letter.

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3. As required by Rule 1.6.2 (e), please submit proof of the notice to all owners of record of surface and mineral rights of the affected land and the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement holders located on the affected land and within 200 feet of the boundary of the affected land. Proof of notice may be return receipts of a Certified Mailing or by proof of personal service.

CMC Response: As required by Rule 1.6.2 (e), CMC is submitting proof that notices were sent to all owners of record of surface and mineral rights of the affected land and to the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement holders on the affected land and within 200 feet of the boundary of the affected land. The addition of the permitted Gold Hill Mill Permit boundary has resulted in only one more land owner within 200 feet of that boundary. Proof of notices by Certified Mailing and proof of personal service is attached to this Response Letter.

---

4. Pursuant to Rule 1.10(2), a 110 Amendment Application is not required to contain information which duplicates applicable previous submittals. However, the Applicant shall clearly describe where, in the original Application and supporting documents, the information not included in the Amendment Application, but necessary to render the Amendment technically adequate, may be found. The Amendment Application contains several references to the approved Reclamation Permit. The Applicant shall revise the Application Exhibits which reference the approved Reclamation Permit, to include the specific document name(s) and date(s) in which the existing information may be found.

CMC Response: CMC has revised the Application Exhibits to include specific references to the previously approved Cash Mine Limited Impact Permit No. M-1983-141, and the 1985 Amendment to the Cash Mine Permit, which included the Gold Hill Millsite and Tailings Impoundment Area. Copies of the corrected pages are attached to this Response Letter. In addition, CMC is attaching copies of Exhibit D: Wildlife, Water Resources, Vegetation and Soils

Information from the Cash Mine Limited Impact Permit Application for the benefit of anyone interested in this information.

Application

5. The latitude/longitude coordinates provided on page 3 of the Application Form do not correspond to the primary mine entrance location. Please review and revise the latitude/longitude coordinates on page 3 of the Application Form to correspond with the primary entrance to the Gold Hill Mill.

CMC Response: This has been reviewed and revised by the Registered Mineral Surveyor retained by CMC to prepare all the maps submitted with this Application for an Amendment to the Gold Hill Mill Limited Impact Permit. A corrected copy of page 3 of the Application Form is attached to this Response Letter.

6.3.1 Exhibit A – Legal Description and Location Map

6. Pursuant to Rule 6.3.1(1), the legal description must identify the affected land, specify affected areas and be adequate to field locate the property. The legal description provided under Exhibit A only describes the affected land of the 0.797 acres which are being added to the existing permit area of 8.4 acres. Please revise the legal description to include the entire affected area of the Gold Hill Mill operation.

CMC Response: Exhibit A- Legal Description and Location Map has been revised to include the entire area affected by the Gold Hill Mill operation. A copy of this corrected page is attached to this Response Letter.

---

7. Pursuant to Rule 6.3.1(2), the latitude and longitude coordinates of the main entrance to the mine must be labeled. Please revise the Location Map to include the coordinates of the mine entrance.

CMC Response: The Location Map has been revised to include the coordinates of the entrance to the Gold Hill Mill. These are the coordinates for the entrance gate into the Gold Hill Millsite: Latitude 40 Degrees 03 Minutes 55.7 Seconds North; Longitude 105 Degrees 24 Minutes 12.1 Seconds West.

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8. Pursuant to Rule 6.3.1(3), the Location Map must show the names of all immediately adjacent surface owners of record. Please revise the Location Map to show the names of all immediately adjacent surface owners for the entire affected area of the Gold Hill Mill operation. In addition, the Location Map must contain a label with the mine site name.

CMC Response: Map E-2, Surface Ownership & Permit Area has been revised to show the names of all immediately adjacent surface owners of record for the area affected by the inclusion of the Gold Hill Mill Permit boundary. These are shown on Map E-4, Surface Ownership and Permit Area for the entire area affected by the Gold Hill Mill operation.

6.3.2 Exhibit B – Site Description

9. Pursuant to Rule 6.3.2(b), all permanent man-made structures within 200 feet of the affected area and the owner of each structure must be identified. The list of structures must be revised to include the owners of each structure. In addition, the list must be revised to include any permanent man-made structures within 200 feet of the entire affected area of the Gold Hill Mill operation.

CMC Response: There are three small wooden frame structures located on the Mammoth Millsite MS Lickskillet Road. It is owned by James K. McCumber and Amy Fortunato, P.O. Box 1927, Boulder, Colorado 80306. There is a single family residence, several sheds and an unused corral located on the Eureka Millsite MS No. 601B. The Eureka Millsite has a property address of 4801 Lickskillet Road. It is owned by Gene L. Sapp and Dene F. Sapp. These are the only permanent man-made structures located within 200 feet of the entire area affected by the Gold Hill Mill operation.

---

10. Exhibit B states three permanent man-made structures are located within 200 feet of the affected area. This contradicts the statement made under Exhibit L which indicates there are seven permanent man-made structures within 200 feet of the affected area. Please clarify this discrepancy and make the necessary changes to the appropriate Application Exhibit.

CMC Response: Exhibit L – Permanent Man-Made Structures has been revised to include any permanent man-made structures within two-hundred (200) feet of the operation or affected land as well as structures that are not on the Boulder County Assessor's list of Improvements on the Mammoth Millsite MS No.17576 and the Eureka Millsite MS No. 601B.

---

11. Exhibit B references the approved Reclamation Permit for a complete list of native vegetative species and wildlife species found at the site, as well as water quality sampling and analytical data from sampling the water in Left Hand Creek. Please revise Exhibit B to include a specific reference to this information. Please see additional comments under Item No. 4.

CMC Response: Exhibit B has been revised to include a specific reference to this information.

6.3.3 Exhibit C – Mining Plan

12. Pursuant to Rule 6.3.3(1)(a), the Applicant is to specify the estimated date that mining will

end. The Division understands the life of the mine is in part determined by commodity prices. Please provide an estimate of the date that mining will end based on current commodity prices. In addition, provide an estimate of how long the mill can operate at full capacity before the tailings impoundment is full.

CMC Response: The currently permitted mine dumps located at the Cash, Who Do, and White Cloud mines and the mill stockpile contain a minimum of 92,000 tons of material that are available for processing in the Gold Hill Mill. Based upon a 50 ton per day operation at 260 days of operation per year, there are at least 7 years of mine dump production available from this source of feed for the mill. In addition, there are 37,100 tons of Indicated and Inferred Ore Reserves in the permitted Cash mine which will take a minimum of 3 years to process. Based upon these currently available resources, if milling operations commenced on May 1, 2019, milling operations would cease sometime in 2028 or 2029. This production estimate does not include any additional resources that would become available as a result of an increase in precious metal prices, or any successful exploration and development of ore reserves on the many veins that are accessible from the Cash Mine's Third Level Cross-Cut. It also does not include any future possible production from the Rex, Tammany, Victoria, Black Cloud, Who Do, Prussian, and Slide Mines, or the many hundreds of thousands of tons of mine dumps that are available for future processing in the Gold Hill Mill. Any of these activities would extend the life of the operation far beyond the period of cessation of milling operations stated above.

The available tailings capacity in the existing impoundment is estimated at 5,000 tons. Based upon milling operations at 50 tons per day, the mill can operate at full capacity for one-hundred (100) days without raising the embankment.

---

13. The Division requests the following information regarding the installation of the Gold Hill Mill Pipeline:

a) Specify the length of the pipe segments which will be used to construct the Gold Hill Mill Pipeline.

b) Specify the number of welds required to fuse the pipe segments together.

c) Specify the QA/QC procedures which will be used to verify the pipe segment welds were performed properly.

d) Specify the pressure rating of the HDPE pipeline.

e) Calculate the potential surge pressure within the HDPE pipeline.

CMC Response: The following information regarding the installation of the Gold Hill Mill Pipeline is provided to answer these questions:

a) The High Density Polyethylene (HDPE) pipe segments that will be used to construct the Gold Hill Mill Pipeline are fifty (50) feet in length.

b) Two welds will be required to fuse each of the pipe segments together. If the entire length of the Gold Hill Mill Pipeline is installed using HDPE pipe it will require a minimum of 94 welds to fuse the pipe segments together. However, it has been determined that the lower 1,500 to 2,000 feet of the Pipeline will be installed using two (2) inch diameter galvanized steel pipe that comes in twenty-one (21) foot lengths. This will reduce the number of welds required to fuse the HDPE pipe to a maximum of 64 welds.

c) The HDPE pipe segment welds will be field tested using compressed air and an air pressure gauge to determine if the welds were performed properly. This will be done as each 1,000 foot length of the HDPE pipeline is installed. Any leaks detected by this test work will be addressed by the workers installing the pipeline by repairing the welded segments before any water is pumped up from Left Hand Creek. At the conclusion of the installation of the Gold Hill Mill Pipeline, when water is first pumped from the creek, the pipeline will be inspected along its entire length for any water leaking from the welded segments. Inspections will be conducted to ensure that the Gold Hill Mill Pipeline is not leaking water, and repairs will be made according to the manufactures' guidelines for this activity.

d) The pressure rating for the HDPE pipeline is 230 psi. For the galvanized steel pipeline, the pressure rating is between 600 and 700 psi, depending upon the location of the pipe.

e) The surge pressure within the HDPE pipeline is 300 psi during recurrent surges and 400 psi during occasional surges.

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12. [Duplicate number 12] Specify the depth and total length of each segment of the pipeline to be buried.

CMC Response: The lowermost portion of the Pipeline will be buried at a depth of three (3) feet for a length of one-hundred (100) feet from the point of intake at Left Hand Creek to ensure that access can be obtained across the property in the future. The only other place where the Pipeline will be buried is where it crosses the old mine access road below the Red Cloud and Cold Spring mine dumps. It will be incased in a steel pipe and buried at this location at a maximum depth of three (3) feet for a length of approximately fifteen (15) feet.

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13. [Duplicate number 13] Identify where the check valves and anti-siphon valves will be installed by labeling these features on a revised Mining Plan Map.

CMC Response: There will be five (5) check valves placed along the length of the Pipeline. These will be located every one-thousand (1000) feet along the length of the Pipeline. An anti-siphon valve will be installed in the two (2) inch HDPE pipeline inside the Times Mine adit to relieve air pressure when the Bean pump is pushing the water column up from Left Hand Creek. A check valve has already been installed inside the Times Mine adit to prevent water flowing from behind the bulkhead in the future. Four of these five (5) check valves are identified on Map E-1 Mine Plan and on Map E-2 Gold Hill Mill Waterline Map attached to the Response Letter. The fifth check valve is located inside the Times Mine adit.

14. Clarify if the pump will have an automatic shut-off system installed or otherwise describe what measures will be used to ensure the pump does not continue to operate in the event there is a failure of the pipeline.

CMC Response: The Bean pump will have a water pressure sensitive automatic shut-off valve installed to ensure that the pump does not continue to operate in the event there is a loss of water pressure or a failure of the Gold Hill Mill Pipeline.

15. The Operator has committed to removing the existing pipeline before installing the new 2" HDPE pipeline. Please clarify if there are any segments of the existing pipeline which must be excavated. If so, provide an estimate of the size of the area which must be excavated and describe how the land will be stabilized to prevent erosion and siltation of the affected lands and offsite areas.

CMC Response: The existing pipeline was placed on the surface of the land except for one very short segment. The only segment of the existing pipeline which will need to be excavated is the fifteen feet that was buried where it crossed the old mine access road below the Red Cloud and Cold Spring mine dumps. This will be done when the new pipeline is installed, and it will be buried to a maximum depth of three (3) feet by approximately fifteen (15) feet in length. There will be very little land surface disturbed by this excavation, and the decomposed granite that is removed during this activity will be distributed along the access road below the excavation.

16. Specify if any trees will need to be removed during installation of the Gold Hill Mill Pipeline. If trees will be removed, specify how the woody materials would be put to a beneficial use as required by Rule 3.1.9(2).

CMC Response: There are very few large living trees that will need to be removed to install the Gold Hill Mill Pipeline. The Boulder County Parks and Open Space Department will be consulted regarding this activity. The installation of the new pipeline will follow the previous waterline, where the trees were cut and cleared when the first pipeline was installed. The entire length of the Gold Hill Mill Pipeline has been inspected several times during the preparation of this Response Letter, and most of the trees that will have to be removed from the Waterline and Access Easement are dead trees. The only use for the dead trees that will have to be removed is for firewood.

17. Provide a description of the piping and other infrastructure which will be placed directly in Left Hand Creek.

CMC Response: The only infrastructure that will be placed directly in Left Hand Creek will be a metal box with trash screens. A two (2) inch steel pipe will be used to extract water from Left Hand Creek.

18. Specify the total volume of fuel which will be stored at the pump house, if any. In addition, describe the secondary containment which will be used to contain all stored fuel.

CMC Response: The Bean pump will be powered by a diesel generator unless the Public Service Company is granted access by the owners of the Mammoth Millsite MS No. 17576 to install a pole and transformer and power box to run the pump with electricity. The maximum total volume of fuel that will be stored at the pump house is 300 gallons. This fuel will be stored in a standard metal container approved for fuel storage. The Bean pump and the generator will be installed within metal containment frames that will retain any fuel or lubricants inside the pump house, where they can be properly managed.

19. Clarify if there is any other existing infrastructure in addition to the PVC pipeline which must be removed before the new HDPE pipeline is installed.

CMC Response: No. There is no other existing infrastructure in addition to the three (3) inch and two (2) inch PVC pipeline which must be removed before the new Gold Hill Mill Pipeline is installed to improve the existing Gold Hill Mill Pipeline.

20. The proposed location of the pump house and footbridge is within the floodplain of Left Hand Creek and this area was heavily impacted by the floods of 2013. Pursuant to Rule 3.1.6(1), disturbances to the prevailing hydrologic balance of the affected land and of the surrounding area and to the quantity and quality of water in surface and groundwater systems shall be minimized. The Division is concerned the pump house and associated infrastructure has the potential to be mobilized during a flood event. If this were to occur, the generator would likely release fuel or oil into the floodwaters. In addition, there is the potential the pump house could become lodged on the upstream side of any bridges located downstream of the pump house location, causing a further impediment to the passage of floodwaters. Please describe how the Operator intends to minimize these potential impacts during a flood event

CMC Response: The pump house is a 10 by 8 foot metal "conex" container. It will be located outside of the area affected by the 2013 flood. The pump house and the metal fuel container will be located on the deeded easement on the Golden Gate Millsite well above the Left Hand Creek floodplain. The metal pump house that will contain the Bean pump and generator weigh more than 8,000 pounds, and it is very unlikely that it could be mobilized during a flood event and release fuel or oil into the floodwaters. The nearest bridge located downstream from the pump house is the one that accesses the Slide Mine. This bridge is nearly a quarter of a mile below the location of the pump house. With the pump house and the associated fuel tank located on the Waterline Easement on the Golden Gate Millsite MS No. 5149A, the Left Hand Creek Pump Station will be situated above the floodplain. The footbridge will be situated well above the highest observed level of Left Hand Creek at this location during the 2013 flood. It is constructed of metal and weighs more than 1,500 pounds. It will be located on the Western side of the Pump Station boundary where Left Hand Creek is quite narrow.

21. The approved Reclamation Permit allows the Operator to store water in the underground working of the Times and Wynona Mines. The Reclamation Permit states there is sufficient capacity within the Times and Wynona Mine to store water to be used in the operation of the mill. The Operator's water right will allow a maximum of 22.53 acre-feet per year to be diverted from Left Hand Creek. The Division requests the following information related to the storage of water in the Times and Wynona Mine:

a) Specify the total volume of water which can be stored in the underground workings of the Times and Wynona Mines.

b) Provide a detail drawing which depicts all portions of the Times and Wynona Mines which would be used to store water and which shows how the Times and Wynona Mines are connected.

c) Provide a description of how water will be discharged into the mine and specify where within the Times Mine the water will be discharged. The description shall account for any supporting infrastructure associated with the delivery of water.

CMC Response: The following information relates to the storage of water in the Times and Wynona Mines:

a) The total volume of water that can be stored in the underground mine workings of the Times and Wynona Mines is in excess of 1,400,000 gallons of water.

b) The underground mine workings in the Times Mine were mapped by Russell R. McLellan in 1947. It is attached to this Response Letter. The underground mine workings in the Wynona Mine were mapped by A.E. Reardon in 1934 and confirmed by Russell R. McLellan in 1947. A detailed drawing of the Wynona Mine is attached to this Response Letter.

c) Water will be pumped into the Times Mine by way of a three (3) inch pipeline that was installed through the existing concrete bulkhead in 1987. The new two (2) inch HDPE pipeline has been connected to this pipeline with a standard transition coupling. A check valve has been installed adjacent to this coupling to prevent water stored behind the bulkhead from flowing out of the Times Mine. An anti-siphon valve will also be installed in this HDPE line to release air pressure ahead of the column of water that is being pushed up the Gold Hill Mill Waterline from the Left Hand Creek Pump Station.

22. The Operator's water right allows for diversion of 10.4 acre-feet of water per dry year and 22.53 acre-feet of water in a wet year. Please clarify how a dry year versus a wet year is determined

CMC Response: The determination of a wet year verses a dry year is made by the Left Hand Ditch Company. This determination is made based upon the history of water flow in Left Hand

Creek, and the Left Hand Ditch Company advises its shareholders how much water is available for consumption on a pro-rata share of the water available from Left Hand Creek.

23. The approved Reclamation Permit references a bulkhead within the Times Mine. A review of the permit file found the Division does not have any information about the bulkhead. Please confirm there is a bulkhead within the Times Mine and provide a detail drawing of the bulkhead, a description of the how the bulkhead was constructed, and specify where within the Times Mine portal the bulkhead is located.

CMC Response: The bulkhead was constructed fifty-four (54) feet behind the original portal of the Times Mine adit, which was driven in solid country rock. The Times Mine bulkhead is now situated one-hundred (100) feet from the metal door of the five (5) foot diameter galvanized steel culvert that provides a safe and secure entrance into the Times Mine. The bulkhead is three (3) feet thick and was constructed of concrete and rebar in a wooden form in 1987. There are three PVC pipes set within the concrete bulkhead. One is a three (3) inch intake pipe situated in the upper right hand portion of the bulkhead. Another, two (2) inch pipe is situated in the lower middle of the bulkhead. A third one and one half (1 1/2) inch pipe is situated in the lower left hand portion of the bulkhead. All these pipes are closed with ball valves, and none of them are leaking water.

24. The Reclamation Plan includes a statement which indicates there is the potential for water to flow from the Times Mine adit. Please verify if the Times Mine currently retains groundwater. In addition, clarify if there have been seasonal discharges of groundwater from the Times Mine during periods when the mine has been inactive and provide the Division with the results of water quality sampling within the Times Mine, if available.

CMC Response: There is no ground water flowing from the portal of the Times Mine adit. There have not been any seasonal discharges of groundwater from the Times Mine during the periods when the mine has been inactive, because the Times Mine was thoroughly sealed by the concrete bulkhead constructed in 1987. When the bulkhead was last examined in September 2018, no water was leaking anywhere from behind the bulkhead. The Times Mine still retains water from the last period when water was pumped behind the bulkhead. There have not been any water samples taken within the Times Mine since the bulkhead was constructed in 1987, and there are no water quality sampling results available to provide to the DRMS.

25. The Operator is proposing to store fresh water from Left Hand Creek in the underground workings of the Times and Wynona Mines. As required by Rule 6.3.3(1)(j), specify how the Operator will ensure there is no injury to existing water rights as a result of comingling fresh water with groundwater. The Operator has stated a meter will be installed at the pump to monitor the amount of water diverted from Left Hand Creek. How will the Operator monitor the amount of water which is pumped from the Wynona?

CMC Response: The use of underground mine workings to store process water is a common practice in the mining industry. Many of the mining and milling operations that were historically active in Colorado used underground mine workings for this purpose, as well as to dispose of mill tailings. The decision to store water for milling purposes in the Times and Wynona underground mine workings was arrived at after carefully considering the geology and hydrology of this area. The builders of the Gold Hill Mill did not purchase shares in the Left Hand Ditch Company with the intention of building a costly pumping station and water pipeline in order to observe how fast this expensive water could flow out of underground mine workings. This underground water storage plan was approved by the Mined Land Reclamation Board after a thorough investigation of the proposal by the DRMS when it was first submitted in the original Amendment to the Cash Mine Permit in 1985. CMC is complying with the approved operating permit for the Gold Hill Mill by installing the Left Hand Creek Pump Station; replacing the Gold Hill Mill Pipeline; and utilizing the Times Mine adit bulkhead to store water underground for milling purposes.

Prior utilization of the approved Times and Wynona Mines for underground water storage (circa 1987-1988) successfully demonstrated that no downgradient water rights or wells were impacted, or otherwise injured during the course of operations at the Gold Hill Mill. There are no identified water rights or wells that are at elevations equal to or higher than the underground mine workings in the Times and Wynona Mines in this area. The closest downgradient well is situated approximately 3,670 feet to the Northeast of the Times Mine adit at an elevation of 7,475 feet. This is approximately 905 feet lower than the portal of the Times Mine. The significant distance and difference in elevation between the underground workings in the Times and Wynona Mines and the nearest water well virtually precludes comingling of fresh water pumped from Left Hand Creek with groundwater having any negative impact on these water rights. As noted above, water has been stored behind the Times Mine bulkhead for more than thirty years. There has not been a single claim made by anyone during the ensuing three decades asserting that their water rights have been injured by the water that was stored in the Times and Wynona Mines.

Inasmuch as the Times and Wynona Mines are being utilized for underground water storage, only inflows will be monitored at the Left Hand Creek pump location; and, in a similar manner, withdrawals will be monitored where the water is pumped into the Gold Hill Mill from the Wynona wellhead. An operational balance is required in order to sustain milling operations. Operating at 50 tons per day for 260 days per year and at 4 tons of water per ton of ore processed would result in the removal of 1,651,000 gallons of water per year. This is well below the maximum volume of water that could be withdrawn from Left Hand Creek during the irrigation season, which is 3,388,850 gallons of water. The difference of 1,737,850 gallons of unconsumed water insures that the downstream users of Left Hand Creek will not suffer any injury.

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26. As noted above, the Operator will comingle fresh water pumped from Left Hand Creek with groundwater which is currently in the underground mine workings. As required by Rule6.3.3(1)(i), describe how mining will affect the quality of groundwater and describe the methods used to minimize disturbance to the groundwater systems.

CMC Response: The Times mine adit is situated at an elevation of 8,355 feet. The Times Mine Cross-Cut extends 395 feet in a southeasterly direction towards the Wynona Mine, where it was driven 190 feet along the Times vein. The Times Mine is connected with the Wynona Mine's First Level workings by way of a 50 foot deep winze. The Wynona Mine shaft is collared at an elevation of 8,445 feet and is 210 feet deep. It has total of four levels, with two main working levels that extend 1,500 feet towards the northeast and the southwest. These two levels were driven along the Wynona vein at a depth of 100 feet and 205 feet below the Wynona Mine shaft's collar. The water that will be stored behind the Times Mine bulkhead will fill down to the Second Level of the Wynona Mine by way of the 50 foot winze and the 210 foot shaft. The elevation of the bottom the Wynona shaft is 8,235 feet.

Because of the crystalline nature of the of the Boulder Creek granite where these underground mine workings are located, the ground water that is found in this area is only present where the granite has been fractured. Generally, the openings of these fractures (joints and faults) decrease in size with increasing depth, and the chances of obtaining groundwater in any volume is significantly reduced below a depth of 300 feet. The water recharge is by seepage through small joints and voids and intergranular spaces in a diffuse groundwater system. The movement of water in these granitic rocks is very slow and shows little response to changes in precipitation. The groundwater that is present in these rocks probably migrates downward and laterally through a northeast-southwest trending fracture system. All of the veins near the Times and Wynona Mines are particularly narrow and tight, and contained within very competent wallrocks that are nearly impervious. Water that has been pumped from the any of the mines in this district and stored underground behind bulkheads has remained at a nearly constant level behind those bulkheads throughout the year. Water has been stored behind the Times Mine bulkhead for thirty-one years. The historic use of these underground mine workings for water storage has not disturbed the prevailing hydrologic balance of the surrounding area. The quality of the fresh water pumped from Left Hand Creek behind the Times Mine bulkhead is not anticipated to introduce any adverse impacts on the quality of the groundwater found in any mine workings in this area. The elevation and location of the underground mine workings of the Times and Wynona Mines, and the impermeable nature of the wallrocks, insures that there will be no disturbance to the groundwater system.

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27. The Mining Plan calls for installing a footbridge over Left Hand Creek. Please clarify why a footbridge is necessary if the pump house will be located on the south side of Left Hand Creek.

CMC Response: The installation of a footbridge over Left Hand Creek is necessary to provide access to the pump house for employees to inspect and maintain the pumping operations, because there is no deeded easement across the Mammoth Millsite MS No. 17576A.

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28. As required by Rule 6.3.3(1)(h), specify how much water will be used in conjunction with the operation. The estimate may be based on annual consumption rates when the mill is operating at full capacity.

CMC Response: When the Gold Hill Mill is operating at its full capacity of 50 tons of ore per day and 260 days of operation per year, the annual consumption rate will be 1,651,000 gallons of water. This is well below the 3,388,850 gallons of water that can be pumped from Left Hand Creek during a dry year.

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29. The Hazel A adit was previously utilized to manage the water balance at the mill. The authorization to use the Hazel A adit was primarily based on a lack of adequate storage capacity within the tailings pond to contain a 100 year – 24 hour storm event. On August 5, 1998, the Division approved Technical Revision No. 3, which addressed the expansion of the tailings pond and eliminated the need to utilize the Hazel A adit for additional water storage capacity. On November 11, 2002, the Division received correspondence from Mr. Steen which confirmed the Hazel A adit would no longer be used to store water. A review of the permit file found there are a number of unresolved issues relating to water storage within the Hazel A adit. In order for the Division to determine if the Hazel A adit and attending infrastructure should be included in the affected area; the following information must be provided.

a) Clarify if the decant lines, which connected the tailings pond with the Hazel A adit were removed. If so, provide documentation to demonstrate the removal and proper disposal of the decant lines. (*Inspection Report dated May 20, 1999, noted the decant lines were still in place.)*

b) Demonstrate the tailings placed within the Hazel A adit were removed. (*In a letter dated October 10, 1995, the Division informed the Operator the tailings which were deposited behind the bulkhead within the Hazel A adit were to be removed and deposited in the tailings pond. On November 21, 1995, the Division approved a plan for removal of tailings within the Hazel A adit. In a letter dated, December 15, 1995, the Operator submitted a letter which indicated the tailings were removed. In a letter dated December 17, 1997, the Division noted the Operator had not demonstrated the tailings had been removed from the Hazel A adit. On August 14, 1998, the Operator acknowledged the tailings within the Hazel A adit must be removed.*)

c) Clarify if the bulkhead is still present within the Hazel A adit.

d) Clarify if a discharge permit has been obtained for the Hazel A adit. (*In a letter dated December 17, 1997, the Division notified the Operator the adit would not be allowed to free drain until such time as a discharge permit was obtained from the Water Quality Control Division. Alternately, the Operator could petition the Water Quality Control Division for a finding that discharges from the adit do not require a discharge permit.*)

CMC Response: The Hazel A adit has not been a part of the Gold Hill Mill operation since its decommissioning in 1999, and CMC has no plan to use it in the future. The following information should assist the DRMS in the resolution of these issues:

a) The decant lines which connected the tailings pond with the Hazel A adit were disconnected by the undersigned, when it became apparent that Colino Oro Molina's on-site Mill Superintendent, J.Wayne Tatman, was incapable of mastering the operation of the water valve attached to the decant water line. The water line was removed during the period when ITEC Environmental was the permitted operator of the Gold Hill Mill. At that time, the entire length of that PVC pipeline was cut up and hauled away as trash. This was done sometime in 1999.

b) All of the tailings that were deposited behind the wooden bulkhead in the Hazel A Mine by J. Wayne Tatman, were vacuumed out of the mine at the expense of the company responsible for the tailings being deposited in the mine, Colina Oro Molina. This occurred in December of 1995. The actual tailings vacuuming operation at the Hazel A Mine was overseen by Richard L. Fanyo, Esq., an on-site attorney representing Colina Oro Molina.

c) The wooden bulkhead is still present within the Hazel A adit.

d) The Hazel A mine is not discharging water. Colina Oro Molina did not obtain a discharge permit.

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30. Please provide a comprehensive list of the chemicals which will be used at the mill, including total volumes. In addition, provide a comprehensive inventory of all chemicals currently stored at the mill, including the volume of each chemical stored. This information is necessary to evaluate whether this operation meets the definition of a designated mining operation and to calculate the required financial warranty.

CMC Response: As originally permitted, the Gold Hill Mill used standard flotation reagents to process ore from the Cash Mine dump. These were pine oil, soda ash, and a xanthate. There have been many advances in the reagents used in flotation concentration since the mill was constructed in 1986-1987, and it is anticipated that different flotation reagents will be used in the future to improve recovery. Before CMC resumes processing operations in the mill, it will furnish the DRMS with a comprehensive list of the chemicals it will be using in the mill, including the total volumes that will be on hand at the beginning of milling operations.

The following chemicals are currently stored at the Gold Hill Mill in their original shipping containers: Aerofroth 68 Frother, 2,150 lbs.; Sodium Isopropyl Xanthate Aero 470, 55 gallons; Aero 3477 Promoter, 55 gallons; Sodium Isopropyl Xanthate, 55 gallons; Aero 470 Promoter, 25 gallons; 25 bags of soda Ash weighing 80 lbs. each.

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31. The approved Reclamation Permit specifies xanthate will be used in the mill. Please specify the type of xanthate which will be used.

CMC Response: The type of xanthate that will be used in the Gold Hill Mill has not yet been determined. It is anticipated that the mill will process batches of 500 tons of material from the Cash Mine stockpile to determine which combination of reagents will be used during initial

milling operations. Once a combination of reagents that results in the best recovery has been determined from these mill tests, these reagents will be used during future processing operations. CMC anticipates that whatever flotation reagents it determines are most suitable and provides the best recovery for the various ore minerals found in the Gold Hill Mining District, that it will become a Designated Mining Operation (DMO) and require an Emergency Response Plan. Therefore, as soon as CMC begins planning to commence milling operations, it will notify the DRMS that it will be applying for DMO status for the Gold Hill Mill Permit No. M-1994-117.

6.3.4 Exhibit D – Reclamation Plan

32. Section No. 1 of the Reclamation Plan references an incorrect permit number (M-1999-117). Please correct this section of the Reclamation Plan. In addition, specify where within the permit file the pertinent documents may be found. See additional comments under Item No. 4 of this letter.

CMC Response: The Reclamation Plan Permit Number should be Permit No. M-1994-117. The Reclamation Plan has been corrected to reflect this change. A copy of this corrected page is attached to this Response Letter.

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33. The Reclamation Plan states the water pipeline within the Times Mine adit will be decommissioned by capping the pipeline to prevent water from discharging from the mine. The Division will require the pipeline to be removed or grouted for its entire length. Please revise the financial warranty estimate to account for this reclamation task.

CMC Response: The one-hundred (100) feet of water pipeline within the Times Mine adit will be removed up to the concrete bulkhead where it will be cemented to prevent water from discharging from the mine. The removal of this pipeline and the grouting will require five hours of labor to remove the pipeline and cement the three PVC pipes that are present in the Times Mine bulkhead. This will require 1 Miner at $40/hour x 5 hours = $200, plus 1 Laborer at $18/hour x 5 hours = $90 for a total of $290 to cut and remove one-hundred (100) feet of pipe and cement three PVC pipes that extend through the three (3) feet of concrete bulkhead. The only supplies that will need to be purchased for this reclamation task is one bag of cement costing $30. The total estimated cost for completing this task is $320. This revision to the financial warranty estimate has been added to the Reclamation Cost Estimate on Exhibit D – Reclamation Plan of the Gold Hill Mill Permit Application Amendment. A copy of this corrected page is attached to this Response Letter.

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34. The reclamation cost estimate is structured as an incremental acreage increase, which is based on the cost of the individual reclamation tasks applied on a per acre basis. The Division does not calculate financial warranties solely on the basis of acres disturbed, but rather on the specific reclamation task which must be accomplished. Therefore, any increase over the current financial warranty amount of $56,200.00 must account for the full cost of the identified reclamation tasks. Please revise the financial warranty accordingly. The Division

will calculate the required financial warranty once all of the adequacy items have been addressed.

CMC Response: This has been revised to a reclamation task based estimate, and a corrected page is being submitted with this Response Letter.

6.3.5 Exhibit E – Map

35. The Mining Plan and Reclamation Plan Maps only depict the affected area of 0.797 acres which are being added through the Amendment Application. Please revise both maps so the entire affected area of the Gold Hill Mill operation is depicted.

CMC Response: The Mining Plan and Reclamation Plan Maps have been revised so that the entire area of the Gold Hill Mill operation is depicted. The addition of the Gold Hill Mill Waterline to the affected land boundary of the Gold Hill Mill will increase the total permitted acreage to 9.187 acres.

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36. As required by Rule 6.3.5(2)(e), the Mining Plan Map must note the location of any permanent man-made structures within 200 feet of the affected area. Please ensure the structures on the Mining Plan Map can be correlated with the description of the structure owners in Exhibit B.

CMC Response: The Mining Plan Map has been revised to show the location of any permanent man-made structures within 200 feet of the affected area. All of the structures on the Mining Plan Map can be correlated with the description of the structure owners on Exhibit B.

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37. The Mining Plan Map does not depict the proposed footbridge. Please revise the Mining Plan Map to include an outline and label for the footbridge.

CMC Response: The Mining Plan Map has been revised to depict the proposed footbridge with an outline and label for the footbridge.

6.3.6 Exhibit F – List of Other Permits and Licenses

38. The permit file for the Gold Hill Mill contains correspondence from the Bureau of Land Management (BLM) dated April 3, 2013, which ordered an immediate, temporary suspension of operations until such time as a Plan of Operations was approved. Please update the Division on the status of the Plan of Operations. If the Plan of Operations has not been approved, explain why and provide a plan for gaining compliance with the BLM.

CMC Response: CMC has prepared a Plan of Operation for the Gold Hill Mill and will be submitting it as soon as the Application for an Amendment to the Gold Hill Mill Limited Impact Permit Adequacy Review has been completed by the DRMS.

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39. The Applicant listed a U.S. Forest Service Plan of Operations as a permit that is potentially required. Please clarify if this permit has been obtained. If so, provide a copy of the approved Plan of Operations.

CMC Response: CMC has prepared a Plan of Operations for the Gold Hill Mill's Left Hand Creek Pump Station and will be submitting it as soon as the Application for an Amendment to the Gold Hill Mill Limited Impact Permit Adequacy Review has been completed by the DRMS.

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40. As noted under Item No. 1, the Division received comments from the Division of Water Resources (DWR) regarding the Operator's water right on Left Hand Creek. As required by DWR, provide a demonstration the 20 shares of water have been changed from the originally decreed irrigation use to allow for the proposed mining/milling use. If the appropriate approvals have not been secured to use water in the mill, then Exhibit F must be revised to list either a temporary substitute water supply plan or an augmentation plan as permits or approvals which must be obtained.

CMC Response: Attached is a copy of the Water Court Decree for the use of the Left Hand Creek Ditch Company shares owned for the benefit of the Gold Hill Mill.

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41. Specify if the Applicant has contacted the Air Pollution Control Division to determine if an Air Pollutant Emission Notice is required.

CMC Response: The Applicant has not contacted the Air Control Pollution Control Division to determine if an Air Pollution Emission Notice is required, because the activities associated with the installation of the Gold Hill Mill Pipeline will not create any air pollution. The generator that will be installed to power the Bean pump has not been purchased as of this date. As soon as one has been purchased, the Air Pollution Control Division will be contacted to determine if the operation of the generator will require a permit. The DRMS will be sent copies of any correspondence between CMC and the Air Pollution Control Division.

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42. Exhibit F indicates a Utility Construction Permit is required from the Boulder County Transportation Department. Please clarify why this permit is necessary.

CMC Response: The inclusion of the Utility Construction Permit from the Boulder County Transportation Department was included because a Permit was obtained in order to complete the rehabilitation of the Times Mine adit portal.

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43. Specify if the Applicant will need a floodplain development permit to locate the pump house and attending infrastructure within the floodplain of Left Hand Creek.

CMC Response: The new location of the Pump House onto the Water Pipeline Easement on the Golden Gate Millsite MS No. 5149A above the Left Hand Creek floodplain has obviated the need to obtain a floodplain development permit.

6.3.7 Exhibit G – Source of Legal Right to Enter

44. The Reclamation Permit for the Gold Hill Mill was issued with a stipulation that no disturbance would occur on the Gold Crown Mining claim until such time as the Operator (Colina Oro Molino) demonstrated a legal right to enter the Gold Crown Mining claim.
Please demonstrate Colorado Milling Company, LLC has the legal right to enter the Gold Crown Mining Claim to conduct mining and reclamation.

CMC Response: The Gold Crown unpatented lode mining claim is not located near the Gold Hill Mill Pipeline in Akins Gulch, or the Gold Hill Mill on Horsfal Flat. It is located more than 2,000 feet from the Gold Hill Millsite. The Gold Crown Lode is owned by the Colorado Milling Company, LLC, and as the owner of this claim it has the legal right to conduct mining and reclamation on this claim if it is permitted for those purposes.

6.3.8 Exhibit H – Municipalities Within a Two Mile Radius

No comment.

6.3.9 Exhibit I – Proof of Filing with County Clerk

No comment.

6.3.10 Exhibit J – Proof of Mailing of Notices to Board of County Commissioners and Soil Conservation District

No comment.

6.3.12 Exhibit L – Permanent Man-Made Structures

45. The Applicant has stated there are seven permanent man-made structures located within 200 feet of the affected land. Please revise Exhibit L to include a detailed list of all permanent man-made structures for the entire affected area of the Gold Hill Mill.

CMC Response: Exhibit L has been revised to include a detailed list of all permanent man-made structures located within 200 feet of the affected land. There are no other additional permanent man-made structures for the entire affected area of the Gold Hill Millsite and the Waterline.

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46. As required by Rule 6.3.12, the Applicant shall provide information sufficient to demonstrate that the stability of any structures located within 200 feet of the affected land will not be adversely affected. A statement that mining/milling activities and reclamation will have 'no negative effect' on the permanent man-made structures is not sufficient to demonstrate the stability of the structures will not be adversely impacted.

CMC Response: After the Gold Hill Mill Pipeline is restored, it will only be used for pumping water from Left Hand Creek to behind the bulkhead located in the Times Mine. There will not be any mining conducted on the property associated with the Gold Hill Mill Waterline. The Gold Hill Mill Pipeline access road will be maintained to provide access to the Water Pipeline Easement. The only other activity associated with the use of this Waterline Easement that is within 200 feet of any structure is foot traffic along the lowermost portions of the Gold Hill Mill Pipeline. The replenishment of the fuel for the generator will not require anything more than a pump and a hose and the use of an ATV to transport the fuel. None of these activities will adversely affect the stability of any of the permanent man-made structures identified on the Mining Plan and Reclamation Plan Maps.

Please contact me at (303) 651-2985 in Longmont if you have any questions regarding this Response Letter. Thank you and Michael Cunningham for your assistance with this Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

Sincerely,

Mark A. Steen

Mark A. Steen
For: Colorado Milling Company, LLC

As required by Rule 1.6.2(d) and 1.6.5(2) CMC is submitting Proof of Publication in the Boulder Daily Camera of the Legal Notice as required by Rule 1.6.2(1)(c):

PUBLIC NOTICE

Colorado Milling Company, LLC, 50 West 100 South Street, Moab, Utah 80342; (303) 588-1119 and (303)440-0633, has filed an application for a Hard Rock/Metal Mining Limited Impact (110) Reclamation Permit with the Colorado Mined Land Reclamation Board under provisions of the Colorado Mined Land Reclamation Act. The proposed mine is known as the Gold Hill Mill, and is located at or near SE 1/4 Section 2; NE 1/4 Section 11; NW 1/4 Section 12; Township 1 North, Range 72 West, Sixth Prime Meridian.

The proposed date of commencement is mid-2018, and the proposed date of completion is 2038. The proposed future use of the land is (Future Landuse) forestry.

Additional information and tentative decision date may be obtained from the Division of Reclamation, Mining, and Safety, 1313 Sherman Street, Room 215, Denver, Colorado 80203, (303)866-3567, or at the Boulder County Clerk and Recorder's Office, 1750 33rd Street, Boulder, Colorado 80301, or at the above-named applicant. A complete copy of the application is available at the above-named County Clerk and Recorder's office and at the Division's office.

Comments concerning the application and exhibits must be in writing and must be received by the Division of Reclamation, Mining and Safety by 4:00 p.m. on January 23, 2018.

Please note that under the provisions of C.R.S. 34-32-101 et seq, Comments related to noise, truck traffic, hours of operation, visual impacts, effects on property values and other social or economic concerns are issues not subject to this office's jurisdiction. These subjects, and similar ones, are typically addressed by your local governments, rather than the Division of Reclamation, Mining, and Safety or the Mined Land Reclamation Board.

Published: Daily Camera January 14, 2018 - 1412398

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Boulder
State of Colorado

The undersigned, Terry Love, being first duly sworn under oath, states and affirms as follows:

1. **He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Daily Camera*.**
2. **The *Daily Camera* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.**
3. **The notice that is attached hereto is a true copy, published in the *Daily Camera* in Boulder County on the following date(s):**

Jan 14, 2018

Signature

Subscribed and sworn to me before me this 15th day of January, 2018

Notary Public

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031966
MY COMMISSION EXPIRES JULY 31, 2021

(SEAL)

Account: 1075616
Ad Number: 1412398
Fee: $219.44

As required by Rule 1.6.2(e), CMC is submitting proof that notices to all owners of record of surface and mineral rights of the affected land and the owners of record of all land surface within 200 feet of the boundary of the affected land including all easements holders located on the affected land and within 200 feet of the boundary of the affected land. Proof that the owners of record received the notices with return receipts of the Certified Mailing are attached to the following three pages.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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1. Article Addressed to:

US Dept. of Interior
BLM
Royal Gorge Field Office
3028 East Main St.
Canyon City, Co. 81212

9590 9402 3018 7124 3696 46

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name) DAN L RUSSEN

C. Date 1/19

D. Is delivery address different from item 1? ☐
If YES, enter delivery address below: ☐

3. Service Type
☐ Adult Signature
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☐ Certified Mail®
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☐ Collect on Delivery
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PS Form 3811, July 2015 PSN 7530-02-000-9

7017 2400 0000 8703 5365

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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1. Article Addressed to:

Boulder County Parks
& Open Space Dept.
5201 St. Vrain Road
Longmont, Colorado
80503

9590 9402 3018 7124 3697 83

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

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B. Received by (Printed Name)

C. Date

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If YES, enter delivery address below: ☐

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☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
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PS Form 3811, July 2015 PSN 7530-0

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1. Article Addressed to:

Gene Sapp
Gene Sapp
4801 Lick Skillet Rd.
Jamestown, Colorado
80455

9590 9402 3018 7124 3697 76

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Gene L Sapp

B. Received by (Printed Name)

GENE L. SAPP

C. Date

D. Is delivery address different from item 1? ☐
If YES, enter delivery address below: ☐

JAMESTOWN CO
JAN 24 2
USPS

3. Service Type
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Colorado Milling Company, L
M-1994-117
Exhibit 13

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rene Murphy
3914 Orchard Court
Boulder, Colorado
80304

9590 9402 3018 7124 3696 39

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

B. Received by (Printed Name) | C. Date

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type
- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
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PS Form 3811, July 2015 PSN 7530-02-000-90

7017 2400 0000 8703 541

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Amy Fortuneto
James K. McCumber
P.O. Box 1927
Boulder, Co. 80306

9590 9402 3018 7124 3697 52

2. Article Number (Transfer from service label)

2-152323

COMPLETE THIS SECTION ON DELIVERY

A. Signature

B. Received by (Printed Name) | C. Date

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type
- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
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- Signature Co Restricted De

PS Form 3811, July 2015 PSN 7530-02-0

7017 2400 0000 8703 5420

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Finnlandia Minerals
960 Pine St. - Gold Hill
Boulder, Colorado
80302

9590 9402 3018 7124 3696 91

COMPLETE THIS SECTION ON DELIVERY

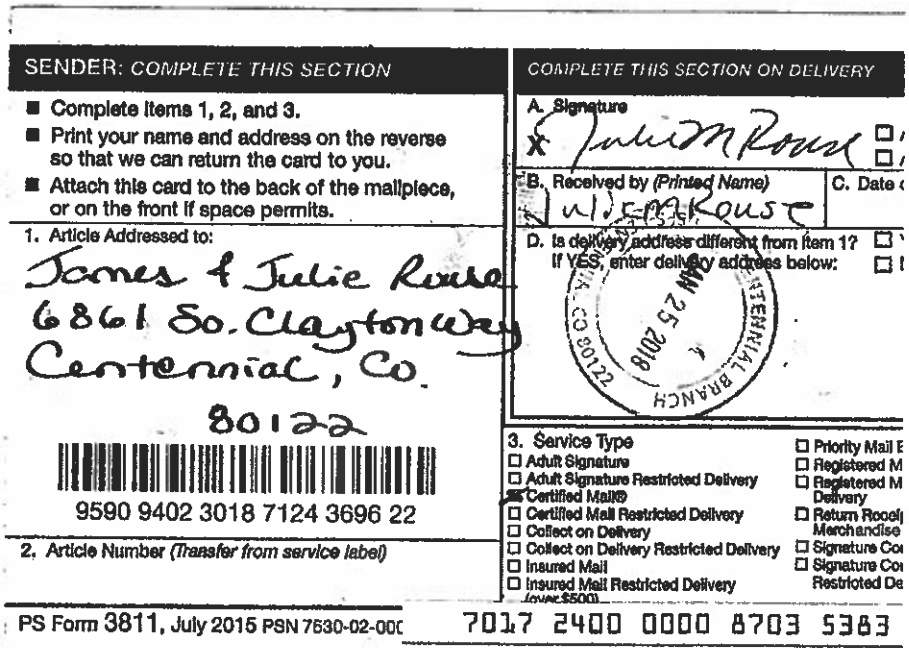
A. Signature

B. Received by (Printed Name) Chris Finn | C. Date 1-2

D. Is delivery address different from item 1? If YES, enter delivery address below:

JAN 24 2018
80302

3. Service Type
- Adult Signature
- Adult Signature Restricted Delivery
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- Certified Mail Restricted Delivery
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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James & Julie Rouse
6861 So. Clayton Way
Centennial, CO.
80122

9590 9402 3018 7124 3696 22

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Julie M Rouse

B. Received by (Printed Name) Julie M Rouse

C. Date

D. Is delivery address different from item 1?
If YES, enter delivery address below:

CENTENNIAL BRANCH JUN 25 2018 CO 80122

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over $500)
- Priority Mail E
- Registered M
- Registered M Delivery
- Return Receip Merchandise
- Signature Co
- Signature Co Restricted De

PS Form 3811, July 2015 PSN 7530-02-000

7017 2400 0000 8703 5383

Attached to this page is a copy of the revised page 3 of the Application Form with the Latitude and Longitude of the primary entrance of the Gold Hill Mill.

10. **Location information:** The center of the area where the majority of mining will occur lies in:

COUNTY: Boulder

PRINCIPAL MERIDIAN (check one): [✓] 6th (Colorado) [ ] 10th (New Mexico) [ ] Ute

SECTION (write number): S 2,11,12

TOWNSHIP (write number and check direction): T ____ [✓] North [ ] South

RANGE (write number and check direction): R ____ [ ] East [✓] West

QUARTER SECTION (check one): [ ] NE [ ] NW [ ] SE [ ] SW

QUARTER/QUARTER SECTION (check one): [ ] NE [ ] NW [ ] SE [ ] SW

GENERAL DESCRIPTION (miles and direction from nearest town and approximate elevation): _____

_____

11. **Primary Mine Entrance Location** (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44′ 12.98″
(W) 104° 59′ 3.87″

Latitude (N): deg 40 min 03 sec 55.74 (2 decimal places)

Longitude (W): deg 105 min 24 sec 24.12.1 (2 decimal places)

OR

Example: (N) 39.73691°
(W) -104.98449°

Latitude (N) _____._____ (5 decimal places)

Longitude (W) -_____.12.1 (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) WGS 84 Zone 12

Easting _____

Northing _____

12. **Primary future (Post-mining) land use (check one):**

[ ] Cropland(CR)
[ ] Rangeland(RL)
[ ] Residential(RS)
[ ] Developed Water Resources(WR)
[ ] Pastureland(PL)
[✓] Forestry(FR)
[ ] Recreation(RC)
[ ] General Agriculture(GA)
[ ] Wildlife Habitat(WL)
[ ] Industrial/Commercial(IC)
[ ] Solid Waste Disposal(WD)

13. **Primary present land use (check one):**

[ ] Cropland(CR)
[ ] Rangeland(RL)
[ ] Residential(RS)
[ ] Developed Water Resources(WR)
[ ] Pastureland(PL)
[✓] Forestry(FR)
[ ] Recreation(RC)
[ ] General Agriculture(GA)
[ ] Wildlife Habitat(WL)
[ ] Industrial/Commercial(IC)
[ ] Mining(MN)

Attached to this page is **EXHIBIT A – LEGAL DESCRIPTION AND LOCATION** showing the addition of the Gold Hill Mill in SE ¼ NW ¼ Section 12, Township 1 North, Range 72 West to the Amended Permit Area Boundary.

EXHIBIT A – LEGAL DESCRIPTION AND LOCATION

The legal description of the proposed (amended) Permit Area is provided as follows, and is based upon field confirmation/location of the permit area boundary as performed by a registered Colorado land surveyor. All locations are described with respect to the 6th Principal Meridian, Boulder County, Colorado.

Gold Hill Mill	SE 1/4 NW1/4 Section 12 Township 1 North Range 72 West
Left Hand Creek Pump Station	SE 1/4 Section 2 Township 1 North Range 72 West
Gold Hill Mill Pipeline	SE 1/4 Section 2 NE 1/4 NE 1/4 Section 11 NW 1/4 Section 12 Township 1 North Range 72 West
Times Mine Adit Portal	SW 1/4 SE 1/4 NW 1/4 Section 12 Township 1 North Range 72 West

The general site location for the Gold Hill Mill project area is depicted in Figure 1, following.

Attached to this page are copies of the following maps:

Location Map – Figure 1 – Showing the Gold Hill Mill, Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit.

Map E – 1 Mine Plan & Permit Area Map – Showing the location of the Footbridge, the Pump Station and Fuel Tank, and the location of Permanent Man-Made Structures within 200 feet of the Mammoth Millsite MS No. 17576 and the Eureka Millsite MS No.601B.

Map E – 2 Gold Hill Mill Pipeline & Surface Ownership Map – Showing Surface ownership and Lower Permit Area, including permanent Man-Made Structures, the location of the Left Hand Creek Pump Station, the Gold hill Mill Pipeline (with the location of 4 control check valves), and the Waterline Easement from Left Hand Creek to the Times Mine adit portal.

Map E – 3 Mine Reclamation Map – Showing the surface Ownership and Upper Permit Area, including the Gold Hill Mill Building, Millsite Permit Area, and the Upper Waterline Easement.

EXHIBIT E – MAPS

The following exhibits (maps) are provided as part of this Application for an Amendment to the Gold Hill Mill, Boulder County, Colorado—MLRD Limited Impact 110(2) Permit No. M-1994-117.

(1) **Map E-1:** Mine Plan and Permit Area at Left Hand Creek Map

(2) **Map E-2:** Gold Hill Mill Pipeline From Left Hand Creek Pump Station to Times Mine Adit Portal Showing Property Ownership Map

(3) **Map E-3:** Mine Reclamation Plan Map

(4) **Map E-4:** Surface Ownership and Gold Hill Mill Permit Area

OWNERS OF RECORD

All owners of record of surface land immediately adjacent to the Pump Station, the Gold Hill Mill Pipeline, and the Times Mine adit portal are shown on Map E-2 and listed below:

1. Patented Comet Lode, MS 318; Gold View No. 2 unpatented lode mining claim, CMC-209848; Gold Gulch No. 1 unpatented lode mining claim, CMC-210863; Gold Gulch No. 2 unpatented lode mining claim, CMC-210864; Gold Gulch No. 3 unpatented lode mining claim, CMC-210865. With the exception Gold Gulch No. 3 lode mining claim, all of these unpatented mining claims are located on U.S. Bureau of Land Management property. The Gold Gulch No. 3 is located on U.S. Forest Service land managed by U.S. Bureau of Land Management. Owner:

Colorado Milling Company, LLC
50 West 100 South
Moab, Utah 80342

2. Patented Golden Gate Lode, MS No. 5149-A; Paris Lode, MS No. 5149-A; Mucho Lode, MS No. 5149-A; Minnie Lode, MS No. 466; Sadie Lode, MS No.18056; Lillie Lode, MS No. 18056; Cold Spring Lode, MS No. 363-A; Mystic Lode, MS No. 317; Gay Deceiver Millsite, MS No. 6336-B; Hog Back Lode, MS No. 4559-E; and the Alamakee Lode, MS No. 111. Owner:

Boulder County Parks and Open Space Department
5201 St. Vrain Road
Longmont, Colorado 80503

3. Patented Keystone Millsite, MS 69B, and New Discovery Millsite, MS 585B. Owners:

James and Julie Rouse
6861 South Clayton Way
Centennial, Colorado 80122

4. Patented Mammoth Millsite, MS No. 17576. Owners:

James K. Macumber
Amy Fortunato
4891 Lick Skillet Road
Boulder, Colorado 80455

5. Patented Eureka Millsite, MS No. 601 B, and Paris Millsite, MS No. 5149B. Owners:

Gene Sapp
Dene Sapp
4801 Lick Skillet Road
Boulder, Colorado 80455

6. Patented Iron Lode, MS No. 390, and Cohen Lode, MS No. 300. Owners:

Finlandia Minerals, LLC
960 Pine Street
Gold Hill, Colorado 80302

7. U.S. Bureau of Land Management property:

U.S. Department of the Interior
Bureau of Land Management
Royal Gorge Field Office
3028 East Main Street
Canon City, Colorado 81212

All owners of record of surface land immediately adjacent to the Gold Hill Mill Permit boundary are shown on Map E-4 and listed below:

2. Patented Eugene Lode, MS 101; Fitzsimmons Lode MS 16075; Good Enough Lode MS 15838; Hazel A Lode MS 15825B; Hercules Lode MS 5604; John G Lode MS 15825; Lillie Of The West Lode MS 327; Oscar Lode MS 17992; Time Lode MS 6034; Trumbo Lode MS 589;

White Cloud Lode MS 107; Wynona Lode MS 112; and the JoAnne unpatented Lode mining claim. Owner:

Colorado Milling Company, LLC
50 West 100 South
Moab, Utah 80342

7. U.S. Bureau of Land Management property:

U.S. Department of the Interior
Bureau of Land Management
Royal Gorge Field Office
3028 East Main Street
Canon City, Colorado 81212

8. Alamakee Lode MS 111; Comet Lode MS 318; Star Lode MS 4559A. Owner:

Rene Murphy
3914 Orchard Court
Boulder, Colorado 80304

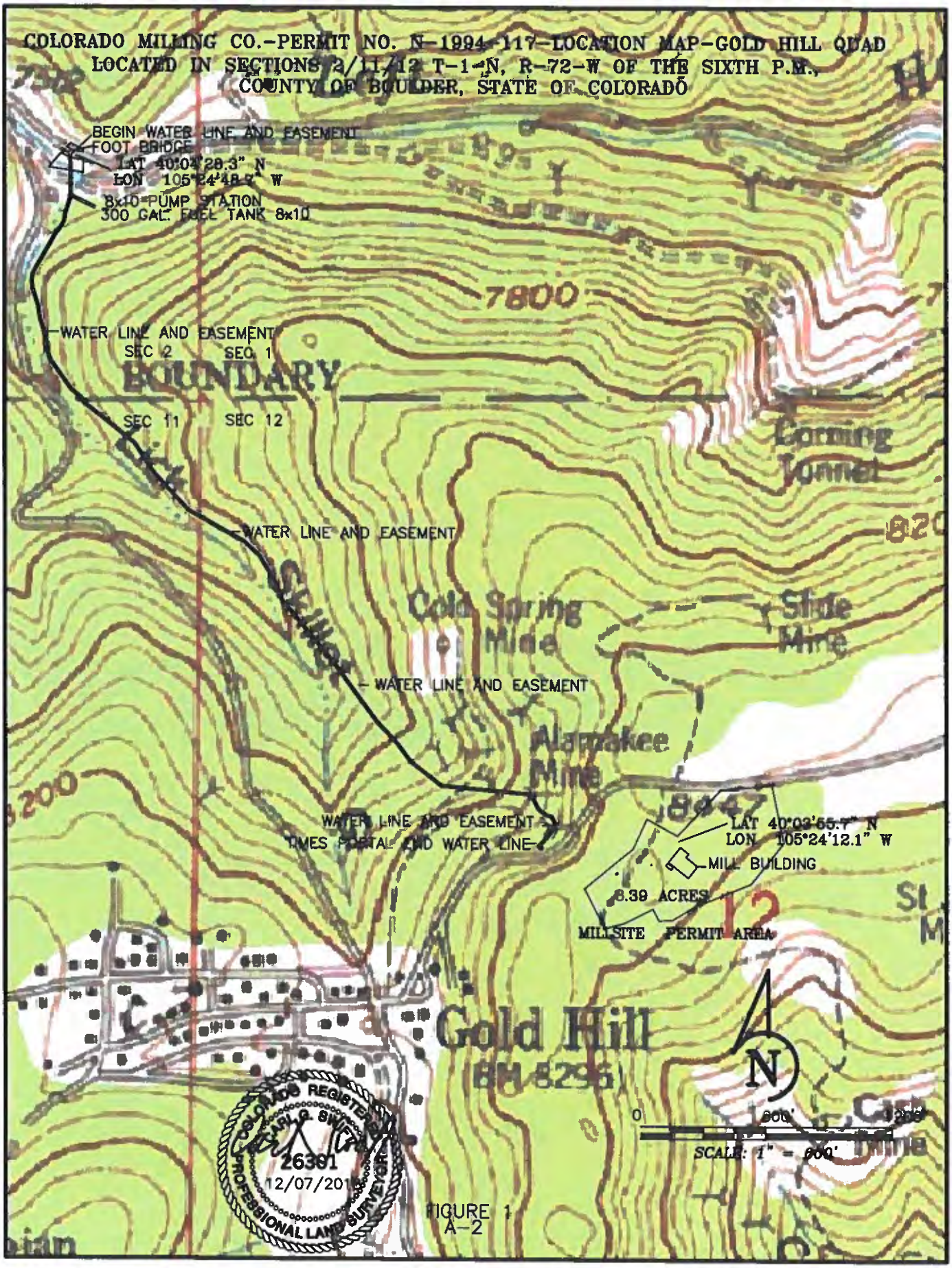
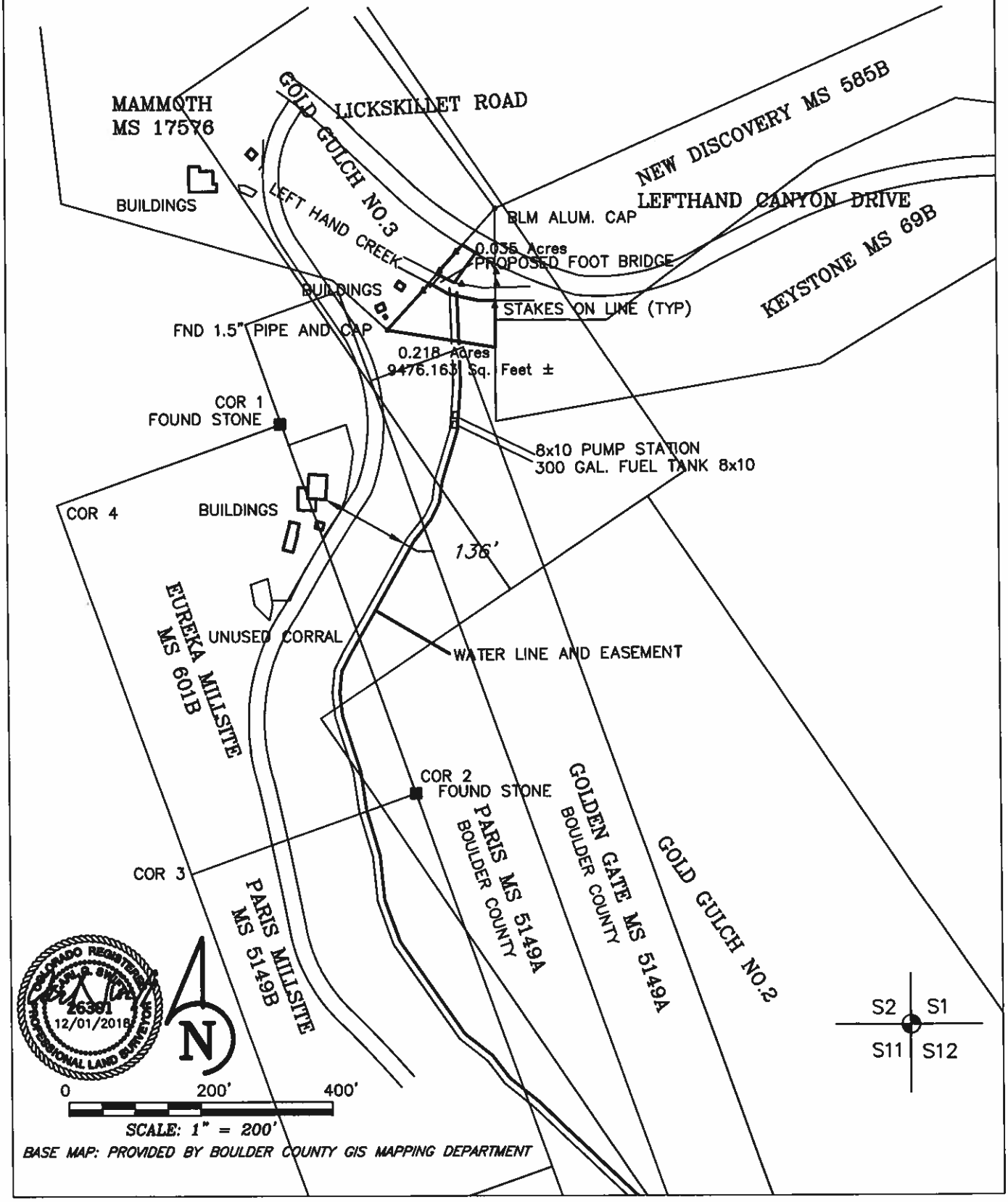
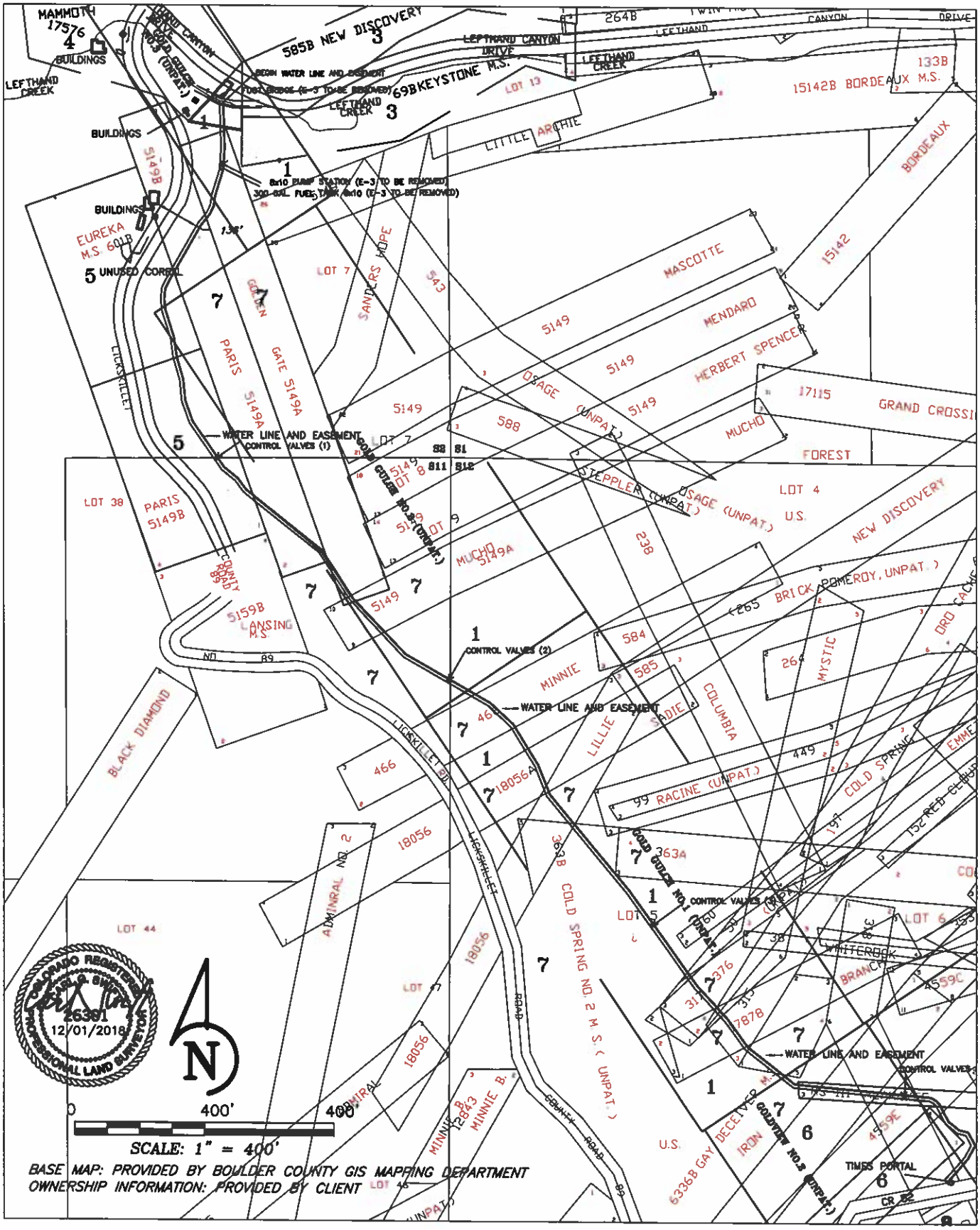

COLORADO MILLING CO.-PERMIT NO. M-1994-117-LOCATION MAP-GOLD HILL QUAD
LOCATED IN SECTIONS 2/11,12 T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO
BEGIN WATER LINE AND EASEMENT
FOOT BRIDGE
LAT 40°04'28.3" N
LON 105°24'48.9" W
8x10 PUMP STATION
300 GAL. FUEL TANK 8x10
WATER LINE AND EASEMENT
SEC 2
SEC 1
BOUNDARY
SEC 11
SEC 12
7800
Corning Tunnel
WATER LINE AND EASEMENT
Cold Spring Mine
Slide Mine
WATER LINE AND EASEMENT
Alamakee Mine
8200
8447
WATER LINE AND EASEMENT
TIMES PORTAL AND WATER LINE
LAT 40°03'55.7" N
LON 105°24'12.1" W
MILL BUILDING
8.39 ACRES
MILLSITE PERMIT AREA
Gold Hill
(BM 8296)
N
0
600'
1200'
SCALE: 1" = 600'
COLORADO REGISTERED
CARL G. SWEET
26391
12/07/2012
PROFESSIONAL LAND SURVEYOR

FIGURE 1
A-2

E-1 MINE PLAN – COLORADO MILLING CO.–GOLD HILL MILL WATERLINE LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO

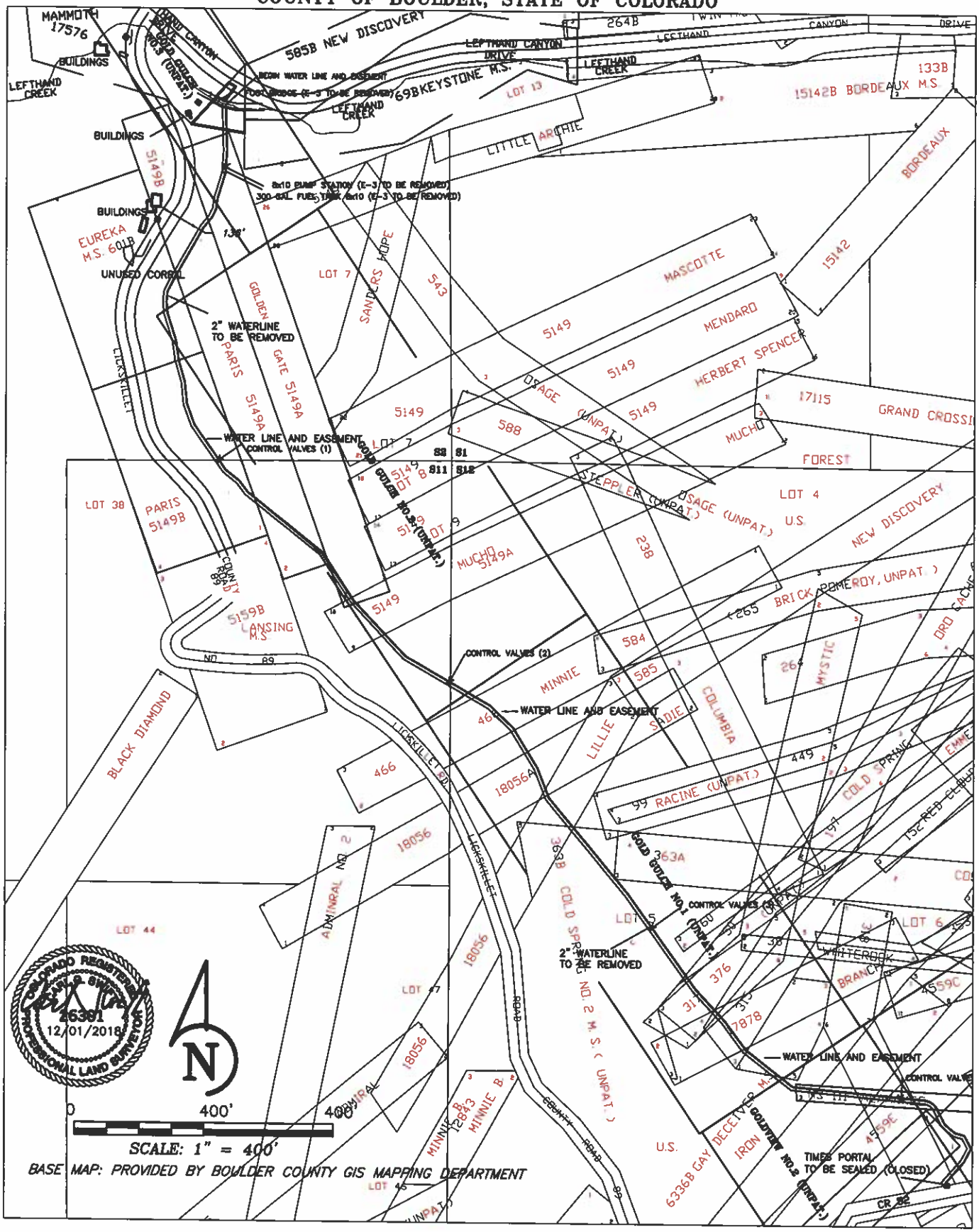


E-2 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. – GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOUNDARY, STATE OF COLORADO



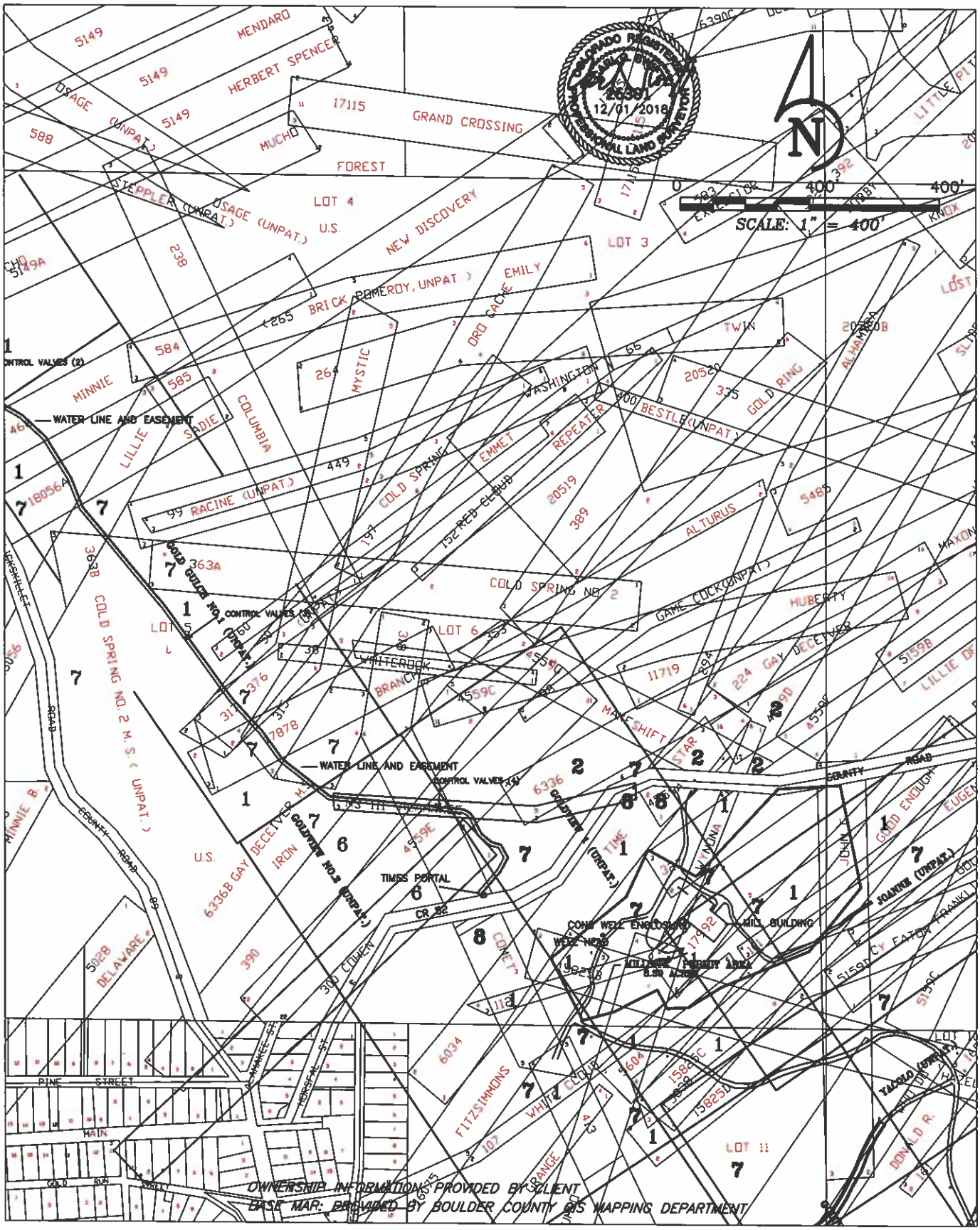
Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

E-3 MINE RECLAMATION PLAN
COLORADO MILLING CO.- GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

E-4 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. – GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

Attached to this page is a copy of the revised **EXIBIT B – SITE DESCRIPTION** to include additional information about the Vegetation, Soils, Man-Made Structures near Permit Area, Water Resources and Wildlife Habitat and Species present in the area.

EXHIBIT B – SITE DESCRIPTION

The following site description information is contained within the original Application for a Mining and Reclamation Limited Impact Permit for the Cash Mine under Exhibit D, that was approved by the Mined Land Reclamation Board on September 7,1983. Additional information can be found in the Application for an Amendment to the Cash Mine Limited Impact Permit under Exhibit D, that was approved by the Mined Land Reclamation Board on September 26,1985.

(1) Vegetative Cover and Soils Description

Vegetation

The native vegetation found in the Juget-Rock Outcrop is mainly Ponderosa pine, Douglas fir, Blue spruce, and Rocky Mountain juniper trees, which are growing along with scattered scrubs and a sparse understory of grasses. Juget soils have a rapid permeability, a low available water capacity, and a shallow effective rooting depth. Because of these soil characteristics, and the granite rock outcrops, the Soil Conservation Service has classified the vegetation growing on the Juget-Rock Outcrop Complex as being native woodlands suitable for wildlife habitat.

No rare, threatened, or endangered plant species have been identified on or near to any of the Permit Area(s) or in the Gold Hill area in general. The existing vegetation has been classified as a coniferous forest consisting of mixed cone-bearing trees of the pine family, including various species of pines (pinus), and Douglas for (pseudotsuga). These trees are resinous evergreens, with a straight axis and a narrow crown, and are characteristically present in acidic soils, often sprouting after fire. The coniferous forest is widespread and extensive throughout the general area, and can be found throughout the general area, and can be found at elevations between 6,000 and 10,000 feet. It encompasses the lower and upper montane zones, and includes Lodgepole and Ponderosa pine. Engelmann and Blue spruce, Douglas fir, and thickets of broad-leaved trees (i.e., aspen, alder, and maple) and shrubs along stream banks. These zones are often referred to as the transitional zone between the foothill and sub-alpine zones. These zones overlap and telescope into each other, and one zone may be present on a south slope while another will be found across the valley on the opposite (north) slope at the same elevation. Plants that are characteristically found in one zone can sometimes be found in favorable areas in the neighboring zone above or below their usual habitat.

Douglas fir, Lodgepole pine, and Engelmann spruce are found at higher elevations, while Ponderosa pine are generally found at lower elevations

scattered stands of pure and mixed trees. Douglas fir is considered the climax or original forest type present in this area before the boom days of mining in the 1870s, when the trees were either extensively cut or destroyed by forest fire. The present stands of Ponderosa and Lodgepole pine as well as the Engelmann and Blue spruce generally came in after 1900. The pine trees in this area are greatly overgrown, with as many as five and six hundred Ponderosa and Lodgepole pine trees per acre on most of the southern hillsides of Left Hand Creek.

Limber pine and Blue spruce are also present in isolated trees or in small stands. Scattered stands Rocky Mountain juniper and Quaking Aspen can be found in the areas between Left Hand Creek and the Times Mine. Quaking Aspen, Narrowleaf cottonwood, Mountain Alder, and Rocky Mountain maple are found along the banks of Left Hand Creek and Akins (Lick Skillet) Gulch.

In addition to the trees found in this area of the Gold Hill Mining District, various species of grasses are present, including Slender Wheat-grass, Mountain Mulhy, Parry Oat-grass, and Thurber fescue. A complete listing of the native vegetative species — grasses, forbs, and shrubs — known to exist in the Gold Hill area is contained within the Permit No. M-1983-141 file. The present surface vegetation at or near the Gold Hill Mill Pipeline is relatively undisturbed, aside from several relatively small areas where trees have been cut for forestry management near the access road to the Alamakee Mine.

Soils

The U.S. Department of Agriculture's Soil Conservation Service has mapped this area as the Junget-Rock Outcrop Complex. Small areas of Peyton soils near drainage-ways and a few small areas of Allens Park soils are included in this soil series and rock outcrop complex. A detailed description of the Juget-Rock Complex and the Peyton and Allens Park soils was contained within the previously submitted application for a limited impact permit for the Cash Mine operation. The majority of the land surface affected by the Gold Hill Mill Pipeline consists of Juget-Rock Outcrop Complex on gentle to steep mountain slopes.

(2) Man-Made Structures near Permit Area

There are three small wooden frame structures located on the Mammoth Millsite MS No.17576, 4591 Lickskillet Road, Gold Hill, Colorado 80302. One of these is apparently an outhouse. The Mammoth Millsite is owned by James K. McCumber and Amy Fortunato, P.O. Box 1927, Boulder, Colorado 80306. There is a single family residence, a storage shed, a small barn and an unused corral located on the Eureka Millsite MS No.

601B, 4801 Lickskillet Road, Gold Hill, Colorado 80302. The owners of the Eureka Millsite are Gene L. Sapp and Dene F. Sapp. There are no other man-made structures within two hundred (200) feet of the proposed amended permit area boundaries other than these seven structures.

(3) Description of Water Resources of Area

Surface Water Resources

The surface water drainage on the affected lands is generally ephemeral, consisting almost entirely of runoff originating as rainfall and/or melting snow which flows into Akins (Lick Skillet) Gulch. Most of the year this flow is intermittent, and it only reaches Left Hand Creek during the spring runoff and periods of high precipitation. There is a difference in altitude of 737 feet between the Times Mine portal and Left Hand Creek. Any intermittent surface water flowing from the Times Mine area must progress a distance of at least 4,627 feet to reach Left Hand Creek.

Left Hand Creek is the only significant perennial water feature in the Gold Hill area.

Water quality sampling and analytical data from sampling the water in Left Hand Creek is contained within the MLRD Permits No. M-1994-117 and No. M-1983-141.

Groundwater Resources

Groundwater present in the Gold Hill area of Boulder County is typified by fracture zone occurrences. Due to the crystalline nature of the Boulder Creek granite, groundwater is found only in bedrock areas where the granite has been fractured. Generally, the openings of these fractures (joints and faults) decrease in size with increasing depth, and the probability of encountering significant water bearing zones is greatly reduced at depths generally in excess of 300 feet.

The crystalline bedrock has a very limited storage capacity, and most of the water that is received through precipitation is returned to the atmosphere through evapotranspiration. The groundwater that is present within the Boulder Creek granite tends to migrate downward and laterally through a northeast to southwest trending fracture system towards the general area north of Akins (Lick Skillet) Gulch. Nothing associated with the installation of the Left Hand Creek Pump Station, Gold Hill Mill Pipeline, or the Times Mine adit portal will affect the groundwater resources in this area.

(4) Wildlife Habitat and Species

No rare, threatened, or endangered wildlife species have been identified in the surrounding area or on the land that will be affected by the installation of the Pump Station, Gold Hill Mill Pipeline, or the use of the Times Mine portal site. The major wildlife habitat in the general area is that of a coniferous forest wildlife habitat. The most common mammalian species that can be observed in the area are mule deer, cottontail rabbits, squirrels, and chipmunks. Raccoons, skunks, foxes, black bear, mountain lions, and bobcats are also known to inhabit the Gold Hill area. The occurrence of these species is generally year-round, with some seasonal migration of mule deer down from the mountainous areas during periods of heavy snowfall accumulation. Lists of the mammal and bird species that have been identified in the Gold Hill area were included in the previously submitted Cash and Who Do Mine Permit Application No. M-1983-141, which was approved by the Mined Land Reclamation Board on September 26,1985.

The general effect of the proposed operations on the existing wildlife in the area is not expected to be significant or permanent. The coniferous forest wildlife habitat is widespread and extensive throughout the general area, and none of the wildlife presently inhabiting the areas where the Pump Station, Gold Hill Mill Pipeline, and Times Mine portal will be located are expected to suffer a permanent loss of food or habitat. Perhaps the best proof of this assertion is that the Gold Hill Mill Pipeline was first installed in 1987, and it has remained in place since that time without any noticeable effect on the wildlife species found in this area.

Copies of **EXHIBIT D**: Wildlife, Water Resources, Vegetation, and Soils Information from the Cash Mine Application for a Mining and Reclamation Permit approved by the Mined Land Reclamation Board on September 7, 1983, is attached to this Application for an Amendment to the Gold Hill Mill Permit No. M – 1994 -117.

EXHIBIT D: Wildlife,
Vegetation and Soils Information

Wildlife Information

No rare, threatened, or endangered wildlife species have been identified in the surrounding area or on the land that will be affected by the activities of the Gold Hill Mining Company. The major wildlife habitat in this general area has been recognized as a coniferous forest wildlife habitat.

The most conspicuous mammalian species that can be observed in the area are mule deer, cottontail rabbits, squirrels and chipmunks. Raccoons, skunks, foxes, and bobcats are also known to inhabit the Gold Hill area. The occurrence of the mammalian species is year round with some seasonal migration of the mule deer down from the mountainous areas during periods of heavy snowfall. A list of the mammal species that have been identified in the area is shown below.

Long-legged Myotis	(Myotis volans)
Hoary Bat	(Lasiurus cinereus)
Nuttall's Cottontail	(Sylvilagus nuttallii)
Least Chipmunk	(Eutamias minimus)
Colorado Chipmunk	(Eutamias quadrivittatus)
Rock Squirrel	(Spermophilus variegatus)
Golden-mantled Ground Squirrel	(Spermophilus lateralis)
Abert's Squirrel	(Sciurus aberti)
Red Squirrel	(Tamiasciurus hudsonicus)
Yellow-bellied Marmot	(Marmota flaviventris)
Northern Pocket Gopher	(Thomomys talpoides)
Deer Mouse	(Peromyscus maniculatus)
Bushy-tailed Woodrat	(Neotoma cinerea)
Porcupine	(Erethizon dorsatum)
Red Fox	(Vulpes vulpes)

Gray Fox	(Urocyon cinereoargenteus)
Coyote	(Canis latrans)
Raccoon	(Procyon lotor)
Marten	(Martes americana)
Long-tailed Weasel	(Mustela frenata)
Striped Skunk	(Mephitis mephitis)
Bobcat	(Felis rufus)
Mule Deer	(Odocoileus hemionus)

None of the many bird species that can be observed in the surrounding area or on the land that will be affected by the activities of the Gold Hill Mining Company are classified as a threatened or endangered species. The passerines or "Perching Birds" are popularly referred to as the songbirds, and they compose the largest group of birds observed in this area. Most of the birds in this habitat are migratory birds, and they are most likely to be found here during the spring and summer months. A list of the bird species that have been identified in the Gold Hill area is shown below, with the more popular names of several species in brackets.

Goshawk	(Accipiter gentilis)	
Red-tailed Hawk	(Buteo jamaicensis)	
American Kestrel	(Falco sparverius)	[Sparrow Hawk]
Great Horned Owl	(Bubo virginianus)	
Common Crow	(Corvus brachyrhynchos)	
Common Raven	(Corvus corax)	
Clark's Nutcracker	(Nucifraga columbiana)	
Steller's Jay	(Cyanocitta stelleri)	[Blue Jay]
Brewer's Blackbird	(Euphagus cyanocephalus)	
Black-billed Magpie	(Pica pica)	[Magpie]
Western Bluebird	(Sialia mexicana)	
Mountain Bluebird	(Sialia currucoides)	
Blue Grouse	(Dendragapus obscurus)	
Lesser Goldfinch	(Carduelis psaltria)	
Broad-tailed Hummingbird	(Selasphorus platycercus)	
Downy Woodpecker	(Picoides pubescens)	
Hairy Woodpecker	(Picoides villosus)	
Williamson's Sapsucker	(Sphyrapicus thyroideus)	[Woodpecker]
Common Flicker	(Colaptes auratus)	[Woodpecker]
American Robin	(Turdus migratorius)	[Robin]
Pygmy Nuthatch	(Sitta pygmaea)	
Red-breasted Nuthatch	(Sitta canadensis)	
White-breasted Nuthatch	(Sitta carolinensis)	
Brown Creeper	(Certhia familiaris)	
Yellow-rumped Warbler	(Dendroica coronata)	
Red Crossbill	(Loxia curvirostra)	
Townsend's Solitaire	(Myadestes townsendi)	
Grey-headed Junco	(Junco caniceps)	
Ruby-crowned Kinglet	(Regulus calendula)	
Hermit Thrush	(Catharus guttatus)	
House Wren	(Troglodytes aedon)	
Rock Wren	(Salpinctes obsoletus)	
Canyon Wren	(Catherpes mexicanus)	
Mountain Chickadee	(Parus gambeli)	
Western Tanager	(Piranga ludoviciana)	
Western Wood Peewee	(Contopus sordidulus)	
Solitary Vireo	(Vireo solitarius)	
Pine Siskin	(Carduelis pinus)	
Lark Sparrow	(Chondestes grammacus)	
Chipping Sparrow	(Spizella passerina)	
Violet-green Swallow	(Tachycineta thalassina)	
Tree Swallow	(Iridoprocne bicolor)	

The general effect of the proposed operation on the existing wildlife in the area is not expected to be significant or permanent. Because of its inability to support much vegetation and its compacted, fine grained nature, the Cash mine dump is not a favored location for wildlife habitation. Since most of the land surface that will be affected by this proposed operation encompasses the Cash mine dump, the directly affected wildlife habitat is considerably less than the total

land surface included in this permit application. While some burrowing rodents may be displaced during the rehabilitation and construction of the mine access road and the construction of the hoist and compressor house, none of the larger mammal species will be permanently dislocated during the actual mining operation. All of the bird species found in this area are extremely adaptable and capable of leaving their nesting habitat when conditions there change. The Colorado Division of Wildlife has identified the grouse strutting grounds in the Gold Hill area, and the proposed mining operation is not expected to have an adverse impact on the life cycle of this game species. Several of the animal species listed above quickly become accustomed to the presence of human beings, and no decrease in the wildlife population was noticed during or after previous operations at this mine. The coniferous forest wildlife habitat is widespread and extensive throughout the general area, and none of the wildlife presently inhabiting the proposed mine site will suffer a permanent loss of food or habitat.

Vegetation

No rare, threatened, or endangered plant species have been identified in the Gold Hill area or on the proposed mine site. The existing vegetation has been classified as a coniferous forest consisting of mixed cone-bearing trees of the Pine family including pines (Pinus), spruces (Picea), and Douglas-fir (Pseudotsuga). These trees are resinous evergreens, with a straight axis and a narrow crown and are characteristic of acidic soils, often sprouting after fire. The coniferous forest is widespread and extensive throughout the general area, and can be found at altitudes between 6,000 feet and 10,000 feet. It encompasses the lower and upper montane zones which includes Lodgepole and Ponderosa pine, Engelmann and Blue spruce, Douglas-fir, and thickets of broad-leaved trees and shrubs along streambanks. These zones are often referred to as the transitional zone between the foothill and subalpine zones. These zones overlap and telescope into each other, and one zone may be present on a south slope while another will be found across the valley on the north slope at the same altitude. Plants which are characteristically found in one zone, can sometimes be found in favorable areas in the neighboring zone above or below their usual habitat.

Douglas-fir, Lodgepole pine, and Engelmann spruce are found at higher elevations and Ponderosa pine at lower elevations scattered in stands of pure and mixed trees. Douglas-fir is considered the climax, or original, forest type in this area before the boom days of mining in the 1800's, when these trees were cut or destroyed by forest fires. The present stands of Ponderosa and Lodgpole pine and Engelmann spruce came in after 1900.

Limber pine and Blue spruce are also present as isolated trees and in small stands. Rocky Mountain juniper and Quaking aspen can be found in the area between the Hazel A mine portal and the Cash and Who Do mine portals. Quaking aspen, Narrowleaf cottonwood, Mountain alder, and Rocky Mountain maple are found in Cash, McKnight (Blackcloud), and Aikens (Lick Skillet) Gulches, and along Gold Run Creek.

A list of the trees found in this area and on the mine site is given below, along with a description and remarks about various characteristics of the trees and their place in the environment. The measurements for height and diameter are for mature specimens growing under favorable conditions.

Vegetation

No rare, threatened, or endangered plant species have been identified in the Gold Hill area or on the proposed mine site. The existing vegetation has been classified as a coniferous forest consisting of mixed cone-bearing trees of the Pine family including pines (Pinus), spruces (Picea), and Douglas-fir (Pseudotsuga). These trees are resinous evergreens, with a straight axis and a narrow crown and are characteristic of acidic soils, often sprouting after fire. The coniferous forest is widespread and extensive throughout the general area, and can be found at altitudes between 6,000 feet and 10,000 feet. It encompasses the lower and upper montane zones which includes Lodgepole and Ponderosa pine, Engelmann and Blue spruce, Douglas-fir, and thickets of broad-leaved trees and shrubs along streambanks. These zones are often referred to as the transitional zone between the foothill and subalpine zones. These zones overlap and telescope into each other, and one zone may be present on a south slope while another will be found across the valley on the north slope at the same altitude. Plants which are characteristically found in one zone, can sometimes be found in favorable areas in the neighboring zone above or below their usual habitat.

Douglas-fir, Lodgepole pine, and Engelmann spruce are found at higher elevations and Ponderosa pine at lower elevations scattered in stands of pure and mixed trees. Douglas-fir is considered the climax, or original, forest type in this area before the boom days of mining in the 1800's, when these trees were cut or destroyed by forest fires. The present stands of Ponderosa and Lodgpole pine and Engelmann spruce came in after 1900.

Limber pine and Blue spruce are also present as isolated trees and in small stands. Rocky Mountain juniper and Quaking aspen can be found in the area between the Hazel A mine portal and the Cash and Who Do mine portals. Quaking aspen, Narrowleaf cottonwood, Mountain alder, and Rocky Mountain maple are found in Cash, McKnight (Blackcloud), and Aikens (Lick Skillet) Gulches, and along Gold Run Creek.

A list of the trees found in this area and on the mine site is given below, along with a description and remarks about various characteristics of the trees and their place in the environment. The measurements for height and diameter are for mature specimens growing under favorable conditions.

Rocky Mountain Douglas Fir (Pseudotsuga menziesii var. glauca)

Description:	A medium-sized to large evergreen with a narrow, pointed crown of slightly drooping branches.
Height:	80-100 feet.
Diameter:	2-5 feet.
Habitat:	Chiefly found on rocky soils of mountain slopes, in pure and mixed stands.
Remarks:	Important timber species; the foliage is consumed by deer; birds and mammals eat the seeds. Grows moderately fast and is fairly free of disease.

Lodgepole Pine (Pinus contorta var. latifolia)

Description: A tall evergreen with a narrow, dense, conical crown.

Height: 20-80+ feet.

Diameter: 1-3 feet.

Habitat: Mountainous, well drained, fairly dry soils; prefers cool eastern or northern slopes; in pure and mixed stands.

Remarks: This variety of Pine is adapted to forest fires, with cones that remain tightly closed on the tree for many years until a fire destroys the forest. When the heat causes the cones to open, the seeds fall to the ground to start a new forest. It can tolerate poor soils and harsh conditions.

Limber Pine (Pinus flexilis)

Description: A medium-sized evergreen with a short trunk and a broad, rounded crown of annual rows of stout branches that nearly reach down to the ground.

Height: 20-40 feet.

Diameter: 1-2 feet.

Habitat: Dry, rocky eastern slopes and ridges, often in pure stands.

Remarks: On exposed ridges these trees are shaped by the wind into stunted shrubs with crooked or twisted branches that are bent over and longer on one side. The large seeds attract songbirds, game birds, mammals and browsers.

Ponderosa Pine (Pinus ponderosa var. scopulorum)

Description: A large evergreen with a broad, open, conical crown of spreading branches.

Height: 60-100+ feet.

Diameter: 2½-4 feet.

Habitat: Mountainous areas in pure stands and mixed coniferous forests.

Remarks: A valuable timber tree; squirrels and chipmunks and many other kinds of wildlife consume the seeds.

Engelmann Spruce (Picea engelmanni)

Description: A large evergreen with dark or blue-green foliage and a dense, narrow, conical crown of short branches spreading in close rows.

Height: 70-100+ feet.

Diameter: 1½-2½ feet.

Habitat: High forest environment in mixed stands; on humid and moderately deep soils.

Remarks: Seeds attract chipmunks and rodents; ideal for nesting, roosting, and winter cover.

Blue Spruce (Picea pungens)

Description: A large evergreen with blue-green foliage and a conical crown of stout, horizontal branches in rows.

Height: 60-100 feet.

Diameter: 1½-3 feet.

Habitat: Narrow bottom lands along mountain streams; often in pure stands.

Remarks: Grows quickly, provides nesting, roosting, and winter cover and food for songbirds, squirrels and other mammals; popular Christmas tree; often used in shelter belts.

Rocky Mountain Juniper (Juniperus scopulorum)

Description: An evergreen with a straight trunk, narrow, pointed crown and slender branches with gray-green foliage.

Height: 20-50 feet.

Diameter: 1½ feet.

Habitat: Rocky soils in open woodlands.

Remarks: Used for fuel; helps control erosion; wildlife eat the berrylike cones.

Narrowleaf Cottonwood (Populus angustifolia)

Description: A member of the deciduous willow family, this tree has a narrow, conical crown of slender upright branches and a foliage of shiny green leaves that turn a dull yellow in autumn.

Height: 40 feet.

Diameter: 1½ feet.

Habitat: Moist soils along streams in mountains with willows and alders in coniferous forests.

Remarks: An abundant wild cottonwood, its root system makes it suitable for erosion control.

Quaking Aspens (Populus tremuloides)

Description: A member of the willow family, this tree has a narrow, rounded crown of thin foliage of shiny green leaves that turn a golden-yellow in autumn before shedding.

Height: 40-70 feet.

Diameter: 1-1½ feet.

Habitat: Found in many soil types, especially on moist sandy and gravelly slopes; often in pure stands.

Remarks: A pioneer tree after fires and logging, it is often short-lived and replaced by conifers. The twigs and foliage are browsed by deer. Rabbits and other mammals eat the bark, foliage and buds, and grouse feed on the winter buds.

The following forbs exist in the Gold Hill area:

Common Name	Scientific Name	Family
Buckwheat	Fagopyrum esculentum	Polugonaceae
Common Lupine	Lupinus argenteus	Leguminosae
Alipine Milk Vetch	Astragalus alpinus	Leguminosae
Loose-flowered Milk Vetch	Astragalus tenellus	Leguminosae
Wiry Milk Vetch	Astragalus flexuosus	Leguminosae
Loco-weed	Oxytropis deflexa	Leguminosae
Blue-eyed-grass	Sisyrinchium montanum	Iridaceae
Wyoming Paintbrush	Castilleja linariaefolia	Scrophulariaceae
Scarlet Paintbrush	Castilleja miniata	Scrophulariaceae
Aster	Aster porteri	Compositae
Pussytoes	Antennaria	Compositae
Arnica	Arnica parryi	Compositae
Thistle	Cirsium centaureae	Compositae
Cutleaf Daisy	Erigeron compositus	Compositae
Showy Daisy	Erigeron speciosus	Compositae
Mountain Gumweed	Grindelia subalpina	Compositae
Hawkweed	Hieracium gracile	Compositae
False Dandelion	Agoseris	Compositae
Yarrow	Achillea lanulosa	Compositae
Fireweed	Chamerion angustifolium	Onagraceae
Common Harebell	Campanula rotundifolia	Companulaceae

The following shrubs exist in the Gold Hill area:

Common Name	Scientific Name	Family
Common Juniper	Juniperus communis	Gymnosperms
Oregon-grape	Mahonia repens	Berberidaceae
Twinflower	Linnaeaborealis	Caprifoliaceae
Redberried Elder	Sambucus racemosa	Caprifoliaceae
Mountain Sagebrush	Artemisia tridentata	Compositae
Prairie Sage	Artemisia ludoviciana	Compositae
Rabbitbrush	Chrysothamnus nauseosus	Compositae
Pinedrops	Pterospora andromedea	Ericaceae
Kinnikinnik	Arctostaphylos uva-ursi	Ericaceae
Myrtle Blueberry	Vaccinium myrtillus	Ericaceae
Wax Currant	Ribes cereum	Grossulariaceae
Common Gooseberry	Ribes inerme	Grossulariaceae
Sticky-laurel	Ceanothus velutinus	Resedaceae
Native Rose	Rosa woodsii	Rosaceae
Choke Cherry	Prunus virginiana	Rosaceae
Thimbleberry	Rubus parviflorus	Rosaceae
Wild Raspberry	Rubus idaeus	Rosaceae
Serviceberry	Amelanchier alnifolia	Rosaceae
Bitterbrush	Purshia tridentata	Rosaceae
Woolly Cinquefoil	Potentilla hippiana	Rosaceae

The present vegetation on the land surface that will be affected by the reopening of the Cash mine is very limited and sparse. Because of its acidic nature and poorly developed soil profile, less than 5% of the Cash mine dump has any vegetation. On the steeper portions of the mine dump, this vegetation consists of a few small stands of Ponderosa pine on the eastern and southern faces of the dump. Since the top of the dump has been used as an ore stockpile area and roadway, only

a few individual pines and small shrubs have grown on a thin soil base around the edges of the mine dump. In the area between the Jonathan mine and the Cash mine, vegetation is estimated to cover approximately 60% of the south facing land surface. Several small stands of pine and aspen trees and numerous juniper trees can be found here in a meadow composed of native grasses. These grasses are predominantly a mixture of Slender Wheat-grass, Mountain Muhly, and Parry Oat-grass with bunches of Thurber Fescue.

Soils Information

The U. S. Department of Agriculture's Soil Conservation Service has mapped the soils covering this area as the Juget-Rock Outcrop Complex. This rock complex is composed of about 50% very gravelly, sandy loam, about 30% rock outcrop, and small areas of soils near drainageways that can make up to 20% of each mapped area.

The Juget Complex consists of shallow, somewhat excessively drained soils that have formed on mountain slopes and ridges in a sandy residium weathered from granite. It is found on slopes with a gradient of between 9% to 59%, and at elevations between 6,300 to 8,200 feet. A representative profile of the Juget Complex reveals a six inch surface layer of dark gray, very gravelly, sandy loam and an underlying layer about five inches thick of brown, very gravelly, loamy material on a granite surface. The soil reaction of the Juget Complex is slightly acid. The Juget soils have rapid permeability and a low available water capacity.

The major rock outcrop in the Juget-Rock Outcrop Complex in this area is the Boulder Creek granite. The Boulder Creek granite ranges from a very coarse-grained pink and black mottled biotite granite to a medium-grained quartz monzonite gneiss. It is commonly a dark gray color and forms prominent outcrops.

The small areas of soils near drainageways are classified as either Peyton or Allens Park soils. The Peyton soils are formed on upland hills and valley side slopes in well-drained, weathered, loamy and sandy material that has been locally transported. It is found on slopes with a gradient of between 5% and 20%. A representative profile of this soil reveals a surface layer of dark gray, very gravelly, loamy sand about eleven inches thick. The subsoil is about thirty-two inches thick and is a brown, gravelly, sandy, clay loam that grades into a gravelly, coarse, sandy loam. The substratum extends to a depth of sixty inches or more and is a pale brown, gravelly, sandy loam. A moderate permeability and water capacity and a neutral soil reaction characterize the Peyton soils.

The Allens Park soils are formed on mountain slopes in loamy colluvium and residium weathered from granite. These are moderately deep, well-drained soils found on slopes with gradients of between 15% and 60% at elevations between 6,300 feet to 8,200 feet. A representative profile of this soil exposes a surface layer about two inches thick composed of a dark gray, gravelly, sandy loam. The subsurface layer is about eight inches thick and is a light brownish-gray colored, gravelly, sandy loam. A light grayish-brown, gravelly, sandy loam that has seams and nodules of brown, gravelly, sandy, clay loam in the lower part is found below this subsurface layer. A brown, gravelly, sandy, clay loam about nine inches thick forms the subsoil. Partly weathered Boulder Creek granite underlies the subsoil at a depth of about twenty-six inches. The surface layer has a neutral soil reaction, while the subsoil is slightly acid. The Allens Park soils have a moderate permeability and a low water capacity.

At lower elevations, the native vegetation found in the Juget-Rock Outcrop Complex is mainly Ponderosa pine and, at higher elevations, it is Douglas-fir and Engelmann spruce. A sparse understory of grass is usually found in the Juget Complex

because their roots can only penetrate this soil to a depth of less than twenty inches. Since roots can penetrate to a depth of forty to sixty inches in the Peyton series soils, this soil's vegetation is characterized by taller grasses. The Allens Park soils support an intermediate understory of grass with roots penetrating this soil to a depth of between twenty and forty inches.

Most of the affected land surface subject to this application for a mining permit is composed of waste dump material from previous mining operations dating back to the 1870's. None of the land surface disturbed by these earlier operations was reclaimed. No soil has developed on the steep portions of the Cash mine dump or on the top of the dump which has been used as an ore stockpile area and roadway. The area surrounding the margins of the mine dump and the mine buildings has a soil cover that varies from zero to a maximum of four or five inches in and among numerous outcrops of Boulder Creek granite. The upper Cash Gulch area contains small areas of Peyton series soils in the drainage way between the Hazel A mine and the southwestern portion of the Cash mine. Below the Cash mine portal, in Cash Gulch, a narrow band of Allens Park soils has formed from weathered Boulder Creek granite and transported material.

Attached to this page is a copy of **EXHIBIT D – RECLAMATION PLAN** that has been changed to show the correct Permit Number M-1994-117 for the Amended Gold Hill Mill Permit.

EXHIBIT D – RECLAMATION PLAN

(1) RECLAMATION PLAN

Permit No. M-1994-117 already has an approved reclamation plan for areas of disturbance associated with the original permit area of the Gold Hill Milling facility. Reclamation of the subject incremental surface disturbances will be consistent with the approved plan at the Gold Hill Mill.

Left Hand Creek Pump Station

The Left Hand Creek Pump Station will consist of a foot bridge across the creek and a metal "conex" containing the Bean pump and the generator to power the pump. Both of these structures can be moved with a fork lift and transported on a flatbed truck or trailer. Neither of these structures will be placed on a permanent concrete foundation, so there will not be any excavation involved in the final reclamation of this site. Removing the foot bridge and the "conex" will involve an equipment operator and two workers to guide and assist the equipment operator. This can be accomplished in one working day.

Gold Hill Mill Pipeline

Removing the Gold Hill Mill Pipeline will involve two workers cutting the two (2) inch pipeline into manageable lengths, and hauling these sections to a vehicle for removal to a licensed disposal site. The disposal of the pipeline using a flatbed truck will require four roundtrips to the Boulder disposal site per day for three days. This will involve an additional worker driving to and from the disposal site for three days.

Times Mine Adit Portal

The Times Mine adit portal culvert has a secure metal door that is locked to prevent unauthorized access. The five (5) foot diameter galvanized steel culvert will not collapse from the weight of the overlying material, and the mine workings do not produce any acid mine drainage. When the Gold Hill Mill Waterline is decommissioned the pipeline into the Times Mine adit will be capped to prevent water flowing from the mine workings. Other than permanently securing the metal door on the culvert, there is nothing that will need to be reclaimed at this site. This work can be accomplished in less than two hours.

Attached to this page is a copy of the Water Court Decree for 20 shares in the Left Hand Ditch Company dated October 2, 1985. It changes the use of the water rights represented by these shares from irrigation to mining, milling, and commercial and all uses thereto, including the storage in underground mine workings.

FILED IN DISTRICT COURT

DISTRICT COURT, WATER DIVISION NO. 1, COLORADO

CASE NO. 85CW117

85 OCT 2 P 1:52

FINDINGS AND RULING OF THE REFEREE AND DECREE OF THE WATER COURT

FILED IN WATER COURT WELD COUNTY COLO.

CONCERNING THE APPLICATION FOR WATER RIGHTS OF MARK A. STEEN IN BOULDER COUNTY

THIS MATTER, having come on for consideration upon the Application of Mark A. Steen for a change of water right, and the Referee being fully advised in the premises does hereby find:

FINDINGS OF FACT

1. The Application in this matter for change of water right was filed with the Water Clerk, Water Division No. 1 on April 30, 1985. Applicant's address is: POB 1523, Longmont, CO 80501.

2. All notices required by law of the filing of the Application have been fulfilled. The water rights involved are outside the boundaries of any designated groundwater basins. The Referee has jurisdiction over this matter and over all parites affected hereby, whether they have appeared or not.

3. Timely Statements of Opposition were filed by the Left Hand Ditch Company and the St. Vrain and Left Hand Water Conservancy District. No other Statements of Opposition have been filed and the time for filing such Statements has expired.

4. All matters contained in the Application have been reviewed, testimony has been taken where such testimony is necessary and corrections have been made as indicated by the evidence.

5. Applicant has under option to purchase 20 shares of the 16,800 outstanding shares of stock in the Left Hand Ditch Company. Ownership of said stock entitles Applicant to a pro rata share of the water available to the following water rights:

A. Priority rights to irrigation water from Left Hand Creek and James Creek for direct irrigation in the amount of 283.62 cubic feet of water per second, with decrees granted to various ditches taking water from Left Hand Creek which were built by community ditches and by individuals, with priorities numbered 1 to 31, dated from September 1, 1860 to May 3, 1879. (Decrees entered December 2, 1882, in District Court, Boulder County, Colorado.)

B. Priority No. 15-1/2, dated June 1, 1863, for 40.77 cubic feet of water per second for direct irrigation purposes out of the South St. Vrain Creek. (Decree entered June 2, 1882, in District Court, Boulder County, Colorado.)

C. Priority No. 41, dated June 1, 1870, for first enlargement for an additional amount of 685.23 cubic feet of water per second for direct irrigation purposes out of the South St. Vrain Creek. (Decree entered June 2, 1882, in District Court, Boulder County, Colorado.)

D. The Left Hand Park Reservoir, located in the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4) of Section 9, and in the Southwest Quarter of the Northwest Quarter (SW 1/4 NW 1/4) of Section 10, Township 1 North, Range 73 West, Boulder County, Colorado:

Priority No. 28, New Series, as of date August 5, 1891, for filling right of water for storage or reservoir purposes, out of Left Hand Creek in the amount of 8,070,026 cubic feet, or 185.2 acre feet. (Decree entered March 13, 1907, in District Court, Boulder County, Colorado.)

E. The Gold Lake Reservoir, located on the Keystone Placer Mining Claim in Sections 3 and 4, Township 1 North, and in Sections 33 and 34, Township 2 North, All in Range 72 West, Boulder County, Colorado:

Priority No. 6, New Series, as of date September 1, 1879, for water for storage and reservoir purposes out of the South St. Vrain Creek and James Creek, to the capacity of 15,419,360 cubic feet or 354 acre feet, to cover 31.43 acres of land. (Decree entered March 13, 1907, in District Court, Boulder County, Colorado.)

Priority No. 54, New Series, for a second right to water for storage and reservoir purposes also out of the South St. Vrain Creek and James Creek to fill Gold Lake, as of date May 18, 1904, for an additional 3,550,483 cubic feet of water, or 82 acre feet. (Decree entered March 13, 1907, in District Court, Boulder County, Colorado.)

F. Allens Lake Reservoir, located on the South Half of the Northeast Quarter (S 1/2 NE 1/4) and the North Half of the Southeast Quarter (N 1/2 SE 1/4) of Section 13, Township 2 North, Range 71 West, Boulder County, Colorado:

Priority No. 19A, 3rd Series, for 134.2 acre feet, Priority No. 22, 3rd Series, for 569.5 acre feet, Priority No. 23C, 3rd Series, for 134.2 acre feet (refill) and Priority No. 23W, 3rd Series, for 569.5 acre feet (refill), all awarded by decree entered July 3, 1951, in District Court, Boulder County, Colorado.

G. The Lake Isabelle Reservoir (also spelled Lake Isabel Reservoir) situated in the West Half of the Northwest Quarter (W 1/2 NW 1/4) of Section 7, Township 1 North, Range 73 West, and in the South Half of the Northeast Quarter (S 1/2 NE 1/4) and the Northeast Quarter of the Northeast Quarter (NE 1/4 NE 1/4) and the North Half of the Southeast Quarter (N 1/2 SE 1/4) of Section 12, Township 1 North, Range 74 West, Boulder County, Colorado:

> Priority No. 7, New Series, for water for storage and reservoir purposes out of the South St. Vrain Creek, to fill Lake Isabelle, a natural lake, to be taken out by means of a tunnel, which priority is of date September 15,1907, for a total capacity of 35,274,888 cubic feet, or 809.8 acre feet, as set forth in decree granted January 9, 1935.

6. The historic use of water in the Left Hand Ditch Company system has been for irrigation, domestic, and stock watering purposes. During the irrigation season, The Left Hand Ditch Company takes virtually all the water in Left Hand Creek, except at times of extreme flood.

7. The subject 20 shares have historically been utilized for the irrigation of lands located in the SE 1/4 of Section 26, Township 2 North, Range 70 West, 6th P.M. in Boulder County.

8. Applicant intends to change the use of said water rights represented by the subject 20 shares to mining, milling, commercial and storage in addition to the historic uses in the Left Hand Ditch Company system listed above.

9. Applicant's mining and milling operations will be located on patented mining claims owned by Applicant in Sections 6 and 7, Township 1 North, Range 71 West, Section 31, Township 2 North, Range 71 West, and Sections 1, 2, 12 and 13, Township 1 North, Range 72 West, 6th P.M. in Boulder County.

10. The applicant's operations will utilize a gravity and flotation concentration mill wherein the majority of the water will be recycled. The operations will initially be capable of processing 50 tons of ore per day on a year round basis, and that capacity may be expanded in the future.

11. Water requirements for the applicant's milling operations are projected to be four tons of water per ton of ore. The mill will recycle as much water as possible, either directly or after water treatment.

12. Consumptive use of water will only occur as a result of water retained in the concentrates produced by the mill, and evaporation from a tailings pond with a projected surface area of two acres. The following formula shall be utilized to calculate consumptive use from the concentrates:

Tons of Ore Processed x 1/8 x 0.10 x 0.000735 = acre feet of water retained in the concentrates.

This formula is based upon assumptions that one ton of concentrates will be obtained for every eight tons of ore processed, and that the water retained within the concentrates will be 10% by weight. 0.000735 is the amount of water, in acre feet, in a ton of water. The following formula shall be utilized to calculate the annual consumptive use due to evaporation from the tailings pond:

Surface acres x 2 feet = evaporation from tailings pond (acre feet).

This formula assumes that two feet of water will evaporate from each surface acre of water each year. Pursuant to these formulas, the total consumptive use is estimated to be 4.17 acre feet per year for the proposed 50 ton per day mill operating year round, 24 hours per day. Applicant reserves the right to minimize or prevent evaporation from the tailings ponds in the future.

13. Applicant may increase the capacity of said operations. Water usage shall be calculated pursuant to the formulas in paragraph 12 (E) for any such increases.

14. Diversions made by the Left Hand Ditch Company in a dry year have been approximately 0.74 acre feet per share with an annual depletion to the South Platte River System of approximately 0.52 acre feet per share. Diversions and depletions were about twice as much in years of above average precipitation. Therefore, the Applicant's pro rata share of historic diversions based upon said 20 shares in a dry year is approximately 14.8 acre feet per year with historic stream depletions of 10.4 acre feet per year. In a wet year, Applicant's pro rata share of historic diversions is approximately 32.18 acre feet per year with stream depletions of 22.53 acre feet per year.

15. Applicant intends to divert the water associated with said 20 shares at an alternate point of diversion located on the south bank of Left Hand Creek at a point whence the Southeast corner of Section 2, Township 1 North, Range 72 West, 6th P.M. bears S 34° 45'E, a distance of 1,590 feet, Boulder County.

16. Diversions at this alternate point of diversion will be made at a maximum rate of 50 gpm and only during the historic irrigation season of the Left Hand Ditch Company (April 1 to October 31). Applicant intends to store this water in presently unused underground mine workings owned by Applicant located in Section 12, Township 1 North, Range 72 West, 6th P.M., Boulder County.

17. The Applicant intends to divert water at the alternate point of diversion under one of the two following alternatives:

A. If the underground mine workings referenced in Paragraph 16 are not subject to significant amounts of seepage loss, as anticipated, Applicant intends to divert only the historic stream depletions associated with the said 20 shares. Under this alternative, that amount of water historically diverted but not consumed will be left in the stream. Applicant shall be entitled to divert a minimum of 10.4 acre feet per year. A formula which may be used to determine the total amount of water which Applicant may divert including the 10.4 acre feet minimum in any one year under this alternative is as follows: 0.70 times the number of Left Hand shares owned by Applicant times the amount of water actually diverted per share by the Left Hand Ditch Company. If Applicant elects to use this formula, he will have a duty to see that diversions under the Left Hand Ditch Company system are measured on a monthly basis and reported to the Division Engineer for use in the application of the formula. Since all diversions under this alternative will be historic stream depletions, Applicant may use, reuse, successively use, or dispose of all such water to extinction.

B. If the underground mine workings are subject to significant amounts of seepage loss, applicant intends to divert his full pro rata share of diversions at the alternate point of diversion. Any and all return flows from the milling operations will be adequately treated, and all seepage and return flows will return to Left Hand Creek. Under this alternative, no more than 70% of the amount diverted shall be consumed by Applicant.

18. The lands historically irrigated by said 20 shares will no longer be irrigated by said shares. (See Exhibit A.)

19. Applicant reserves the right to lease any excess water to the Left Hand Ditch Company or third parties until needed for the subject mining operations. Said water will be made available through the Left Hand Ditch Company's present points of diversion.

20. Applicant will install a continuous recording measuring device at the alternate point of diverson and will provide necessary access as required by the Left Hand Ditch Company and the water officials of the State.

21. Applicant will remain a shareholder in the Left Hand Ditch Company and pay all shareholder assessments on his 20 shares in the future.

22. No material injury to vested water rights will occur by virtue of this change of water rights.

CONCLUSIONS OF LAW

23. The Application in this matter was filed with the Water Clerk, Water Division No. 1, pursuant to C.R.S. .37-92-302, on April 30, 1985.

24. Statements of Opposition were filed by the parties listed in paragraph 3. As is specified in C.R.S. § 37-92-302(1)(c), the time for filing additional statements of opposition has expired.

25. The change of water right proposed by Applicant is one contemplated by law and if administered in accordance with this decree, will permit the diversion of the subject Left Hand Ditch water at Applicant's alternate point of diversion for use in Applicant's mining and milling operations. The change of water right will not injuriously affect the owner of or persons entitled to use water under a vested water right or decreed conditional right. C.R.S. § 37-92-305.

26. The State Engineer and his agents may lawfully be required to administer this change of water right in the matter set forth herein.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

27. The change of water right proposed by the Applicant is approved.

28. Each of the findings of fact and conclusions of law are incorporated by reference herein and are to be considered a part of the decretal portion hereof as though set out in full.

29. The type of use of the water associated with Applicant's 20 shares in the Left Hand Ditch Company shall be changed to mining, milling, and all uses incidental thereto including storage, in addition to the historic uses in the Left Hand Ditch Company system.

30. The place of use of the water associated with Applicant's 20 shares in the Left Hand Ditch Company shall be changed to Applicant's mining and milling operations located on patented mining claims owned by Applicant in Sections 6 and 7, Township 1 North, Range 71 West, Section 31, Township 2 North, Range 71 West, and Sections 1, 2, 12 and 13, Township 1 North, Range 71 West, 6th P.M. in Boulder County, subject to paragraph 36 hereof.

31. The point of diversion of the water associated with Applicant's 20 shares in the Left Hand Ditch Company shall include an alternate point of diversion located on the south bank of Left Hand Creek at point whence the Southeast corner of Section 2, Township 1 North, Range 72 West, 6th P.M., bears S 34° 45' E, a distance of 1,590 feet, Boulder County.

32. Applicant shall be entitled to divert his pro rata share of water at this alternate point of diversion at a maximum rate of 50 g.p.m. and only during the historic irrigation season of the Left Hand Ditch Company (April 1 to October 31). Applicant shall be entitled to store this water in presently unused underground mine workings owned by Applicant located in Section 12, Township 1 North, Range 72 West, 6th P.M., Boulder County.

33. The consumptive use associated with Applicant's mining and milling operations shall be calculated in accordance with paragraph 12 of this decree.

34. The Applicant is entitled to divert water at the alternate point of diversion under one of the two following alternatives:

A. If the underground mine workings referenced in Paragraph 16 are not subject to significant amounts of seepage loss, as anticipated, Applicant intends to divert only the historic stream depletions associated with the said 20 shares. Under this alternative, that amount of water historically diverted but not consumed will be left in the stream. Applicant shall be entitled to divert a minimum of 10.4 acre feet per year. A formula which may be used to determine the total amount of water which Applicant may divert including the 10.4 acre feet minimum in any one year under this alternative is as follows: 0.70 times the number of Left Hand shares owned by Applicant times the amount of water actually diverted per share by the Left Hand Ditch Company. If Applicant elects to use this formula, he will have a duty to see that diversions under the Left Hand Ditch Company system are measured on a monthly basis and reported to the Division Engineer for use in the application of the formula. Since all diversions under this alternative will be historic stream depletions, Applicant may use, reuse, successively use, or dispose of all such water to extinction.

B. If the underground mine workings are subject to significant amounts of seepage loss, applicant intends to divert his full pro rata share of diversions at the alternate point of diversion. Any and all return flows from the mining and milling operations will be adequately treated, and all seepage and return flows will return to Left Hand Creek. Under this alternative, no more than 70% of the amount diverted shall be consumed by Applicant.

35. The lands historically irrigated by said twenty shares shall no longer be irrigated by said shares. (See Exhibit A.)

36. Applicant shall be entitled to lease any excess water to the Left Hand Ditch Company or third parties until needed for the subject mining operations. Said water shall be made available through the Left Hand Ditch Company present points of diversions.

37. Applicant shall install a continuous recording measuring device at the alternate point of diversion and shall provide necessary access as required by the Left Hand Ditch Company and the water officials of the State.

38. Applicant shall remain a shareholder in the Left Hand Ditch Company and pay all shareholder assessments on his 20 shares in the future.

39. This matter shall be subject to the continuing jurisdiction of the court on the question of injury to vested water rights of the Objectors in this matter for a period of three years from the date of entry of this decree. If any Objector wishes to invoke this continuing jurisdiction, said Objector shall file a petition with the court with notice to all other parties alleging the specific grounds and extent of the injury claimed.

Dated this 2nd day of October, 1985.

RAYMOND S. LIESMAN
Water Referee
Water Division No. 1

THE COURT DOTH FIND: NO PROTEST WAS FILED IN THIS MATTER.

THE FOREGOING RULING IS CONFIRMED AND APPROVED, AND IS HEREBY MADE THE JUDGMENT AND DECREE OF THIS COURT.

Dated: DEC 2 6 1985

ROBERT A. BEHRMAN, WATER JUDGE
Water Division No. 1
State of Colorado

Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

Mark A. Steen

APPROVED AS TO FORM AND SUBSTANCE:

VRANESH AND RAISCH

By _____
Michael D. Shimmin (#9182)
Paul J. Zilis (#12582)
P.O. Box 871
Boulder, CO 80306
303/443-6151

ATTORNEYS FOR CLAIMANT

GRANT, BERNARD and LYONS

By _____
Wallace H. Grant (#1554)
Jeffrey J. Kahn (#6894)
P.O. Box 978
Longmont, CO 80501
303/571-5506 (Denver)
303/776-9900 (Longmont)

ATTORNEYS FOR ST. VRAIN AND LEFT HAND WATER CONSERVANCY DISTRICT

HUTCHINSON, BLACK, HILL & COOK

By _____
Heather Ryan (#9940)
Clark G. Edwards (#11642)
1215 Spruce Street
P.O. Box 1170
Boulder, CO 80306
303/442-6514

ATTORNEYS FOR LEFT HAND DITCH COMPANY

Mark A. Steen

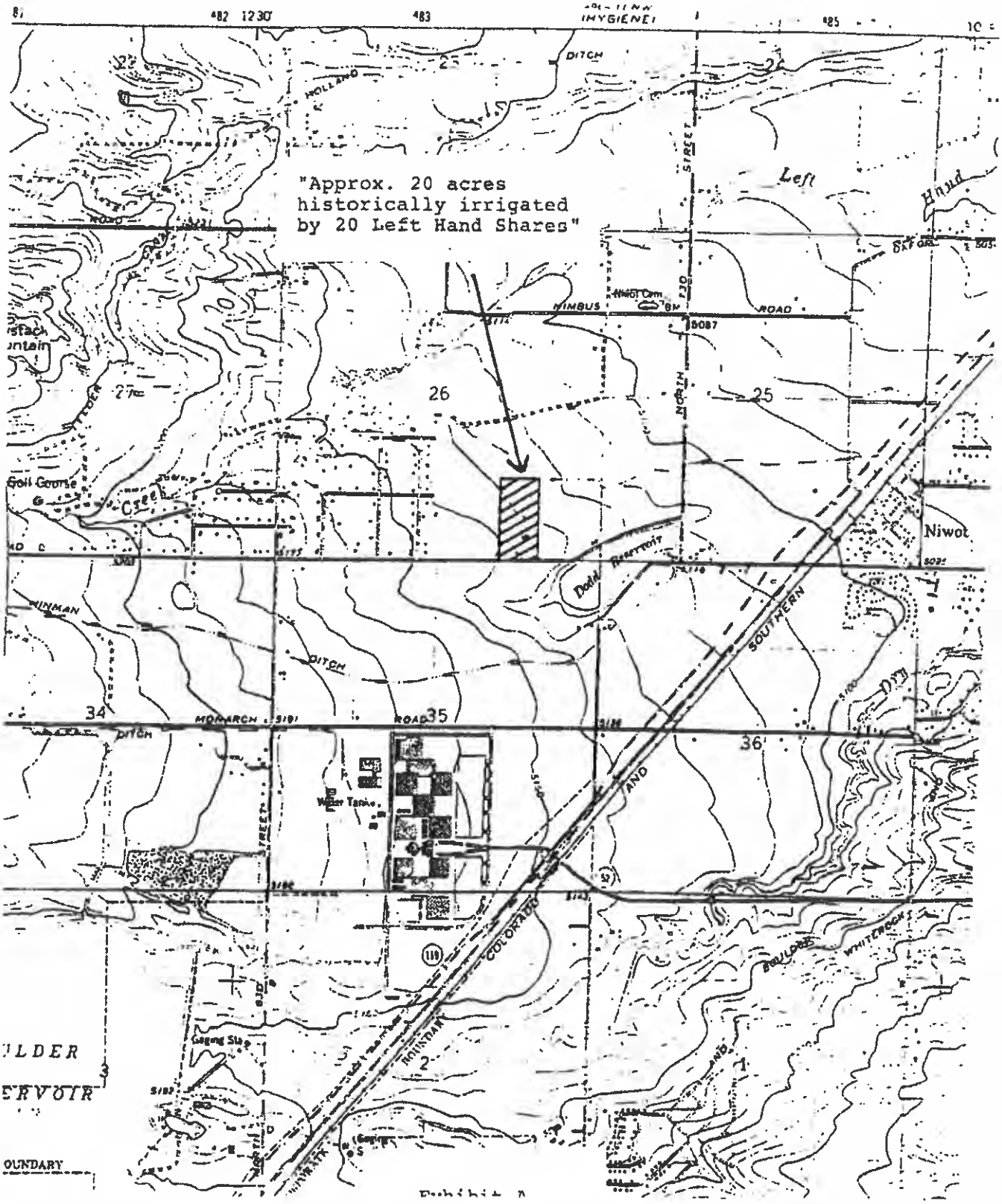


Exhibit A

Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

IN THE WATER COURT
DIVISION I
STATE OF COLORADO

October 2, 1985

TO: Paul J. Zilis, Esq.
Michael D. Shimmin, Esq.
Vranesh & Raisch
POB 871
Boulder, CO 80306

Heather Ryan, Esq.
POB 1170
Boulder, CO 80306

Jeffrey J. Kahn, Esq.
POB 978
Longmont, CO 80501

St/Div w/84cw038

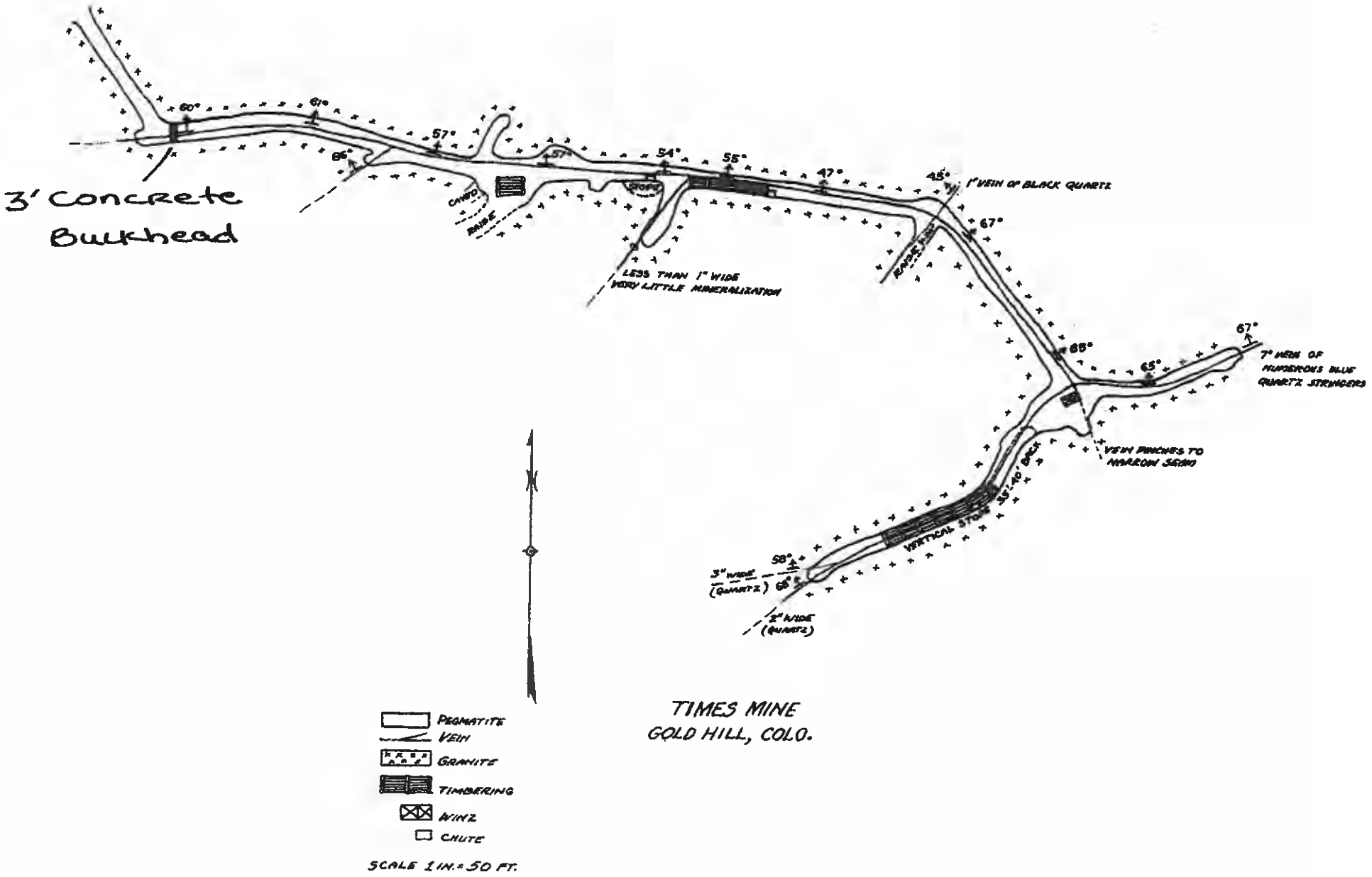
The Water Court Referee for Division I has instructed me to forward you this copy of his Ruling in Case No. 85CW117.

Please check your Ruling very CAREFULLY! If any errors are found, notify the Water Court IMMEDIATELY.

You have within twenty (20) days after the above date of mailing to file with the Water Clerk any Protest to the Referee's Ruling. Any protest to the Referee's Ruling must be filed on or before October 22, 1985, plus any additional time allowed by Rule 6(e), CRCP. In the absence of any Protest being received, the Judge of the Water Court will incorporate the Referee's Ruling into the Decree which will be entered after October 22, 1985.

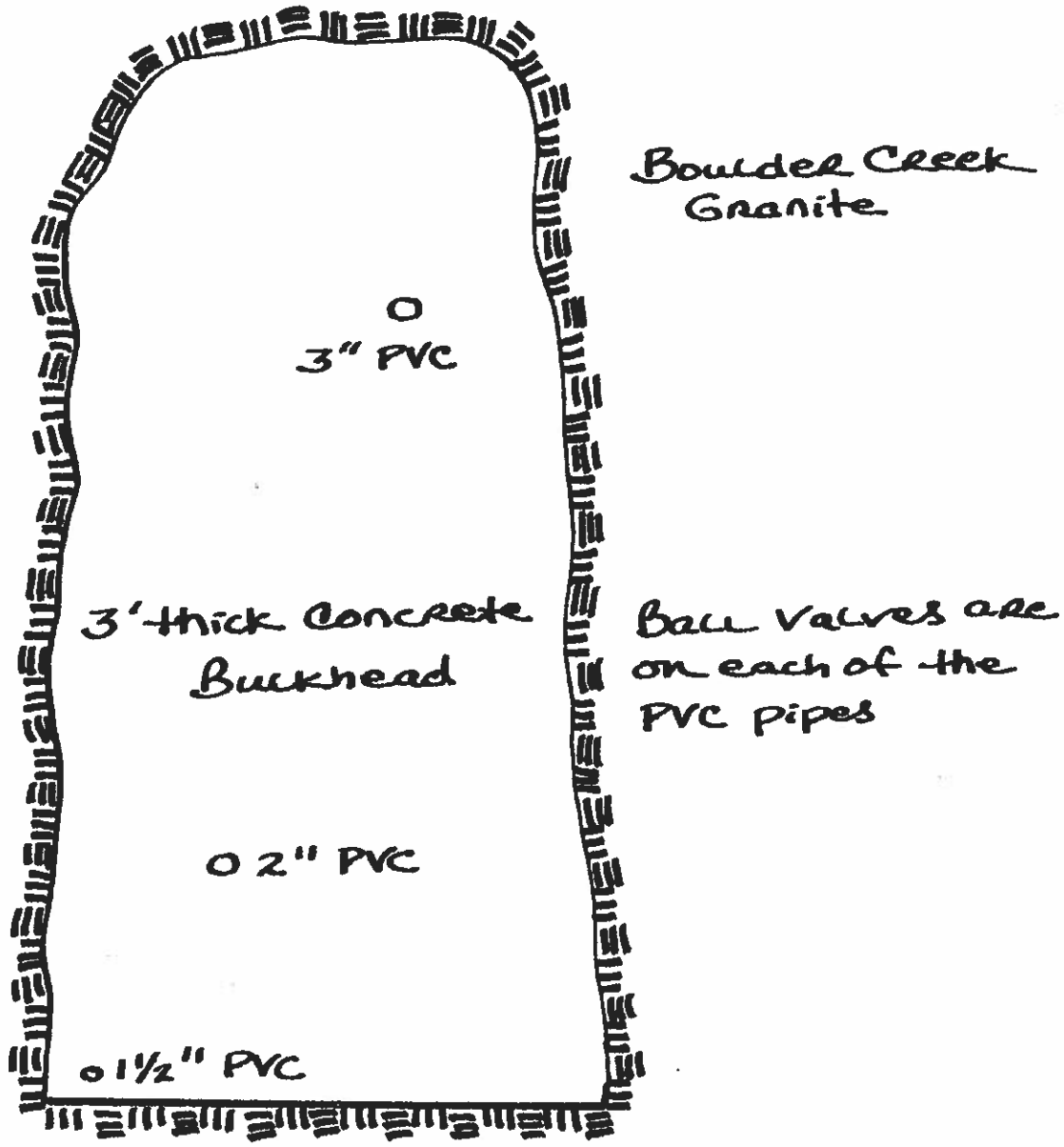
Marcie E. Spelts
Water Clerk, Division No. I
POB "C"
Greeley, CO 80632

Attached to this page is a copy of Russell R. McLellan's geologic map of the Times Mine.



Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

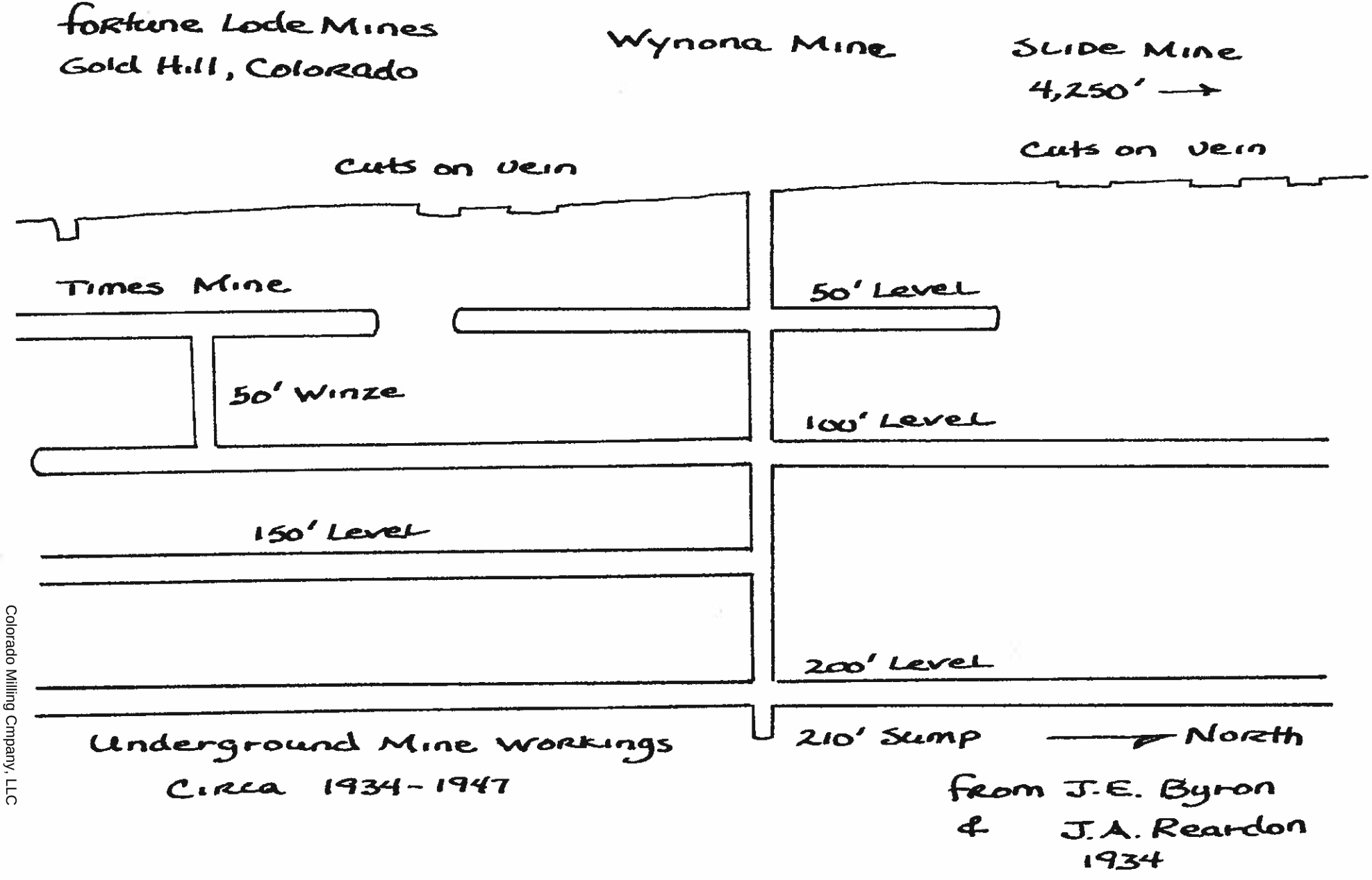
Attached to this page is a drawing of the Times Mine bulkhead, showing the three PVC pipes that were installed in 1987 when the bulkhead was constructed.



Times Mine Adit
Concrete Bulkhead

1" = 1'

Attached to this page is a copy of a map of the underground mine workings in the Wynona Mine.



Colorado Milling Cmpany, LLC
M-1994-117
Exhibit 13

Attached to this page is a copy of the **Reclamation Cost Estimate** that has been revised to include the cost of removing and cementing the three PVC pipes that are present in the Times Mine adit and bulkhead, and recalculating the financial warranty estimate to reflect specific reclamation tasks.

(2) Reclamation Cost Estimate

Left Hand Creek Pump Station

Fork Lift Rental - $350/day x 1 day	$350
Flat Bed/Trailer Rental - $50/hour x 8 hours/day x 1 day	$400
Operator - $65/hour x 8 hours/day x 1 day	$520
2 Laborers - $18/hour/laborer x 8 hours	$288
Cost Estimate Based on Previous Experience	**$1,558**

Gold Hill Mill Pipeline Removal

2 Laborers - $18/hour/laborer x 8 hours/day x 5 days	$1,440
Flat Bed/Trailer Rental - $50/hour x 8 hours/day x 5 days	$2,000
Operator - $20/hour x 8 hours/day x 3 days	$480
Landfill Disposal Charges - $150/load x 12 loads	$1,800
Cost Estimate Based on Previous Experience	**$5,720**

Times Mine Adit Portal

Metal Door Welding to Prevent Entry - $65/hour X 2 hours	$130
Cost Estimate Based on Previous Experience	**$130**

Times Mine Water Pipeline Decommissioning

1 Miner - $40/hour x 5 hours	$200
1 Laborer - $18/hour x 5 hours	90
Supplies – Cement to Close 3 PVC Pipes	30
Cost Estimate Based on Previous Experience	**$320**

SUBTOTAL	**$7,728**

Additional Estimated Expenses

Engineering – 10% of Subtotal	$772
Contract/Overhead – 20% of Subtotal	$1,546
Administration Cost – 5% of Subtotal	$386
Estimated Expenses	**$2,704**

GRAND TOTAL	**$10,432**

Attached to this page is a revised copy of **EXHIBIT L – PERMANENT MAN-MADE STRUCTURES**

EXHIBIT L – PERMANENT MAN-MADE STRUCTURES

There are seven (7) permanent man-made structures located within two hundred (200) feet of the operation or affected land, as well as an Excel Energy Corporation pole-mounted utility line extending east-west along the northern boundary of the Pump Station area. These are shown on Map E-1 Mine Plan and Permit Area Map-Gold Hill Mill Waterline Located in Sections 2/11/12, T-1-N, R-72-W of the Sixth P.M.

The Gold Hill Mill Waterline's installation, operation and reclamation activities are anticipated to have "no negative effect" on these man-made structures.

Colorado Milling Company, LLC
Mark A. Steen
P.O. Box 1523
Longmont, Colorado 80502

December 22, 2017

Kristin Cannon
District Wildlife Manager
Boulder North District
4207 West County Road 16E
Loveland , Colorado 80537

RE: Gold Hill Mill Waterline

Kirstin Cannon:

The Colorado Milling Company, LLC has filed an Amendment to its Colorado Division of Reclamation, Mining and Safety Limited Impact 110 (2) Permit No. 1994-117. The Hard Rock/ Metal Mining Rules for filing a 110 (2) Limited Impact Permit or an Amendment to a 110 (2) Permit do not actually require a Wildlife Statement prepared by the Colorado Division of Wildlife. However, in the interest of insuring that no critical or important wildlife habitats or wildlife species will be impacted by our proposed operation, we would appreciate your inspecting the site of our Gold Hill Mill Waterline. I am attaching a copy of the Application to Amend our Permit No. 1994-117 for you to familiarize yourself with the area and our project.

If you can be available on January 2, 2018, I can meet you at the Gold Hill Millsite at 9145 Sunshine Canyon Drive above Gold Hill. Please contact me to make sure that this date will be good for you, and what time you would like to meet at the site. Thank you for your attention to this request.

Sincerely,

Mark A. Steen

Mark A. Steen
For: Colorado Milling Company, LLC

COLORADO
Parks and Wildlife
Department of Natural Resources
Area 2 - Lon Hagler
4207 W CR 16E
Loveland, CO 80537
P 970.472.4460 | F 970.472.4468

January 10, 2018

Mark Steen
Colorado Milling Company, LLC
P.O. Box 1523
Longmont, CO 80502

Re. Gold Hill Mill Waterline

Dear Mr. Steen,

Thank you for the opportunity to review the proposed new waterline from Left Hand Creek to the Gold Hill Mill at 9145 Sunshine Canyon Drive. You are seeking an amendment to your mining permit, Permit Number M-1994-117, for this activity from the Colorado Division of Reclamation, Mining, and Safety. The project will replace a 3-inch pipeline originally installed in 1987, the lower portion of which was since replaced with a 2-inch pipeline, with 4,699 feet of a 2-inch diameter High Density Polyethhylene pipeline. A small pump house will also be built adjacent to Left Hand Creek. The pipeline will be above ground and will cross Boulder County Open Space property for which you have an easement.

District Wildlife Manager, Kristin Cannon, did a site visit with you on 01/02/2018 and observed the pathway of the pipeline. There will be some minor impacts to wildlife during construction but it is not anticipated that this project will negatively impact rare, threatened, or endangered wildlife species. As the pipeline will cross open space property it is understood that the county will monitor for impacts to wildlife and will advise you on mitigating those impacts.

If you have any questions please contact Kristin Cannon at 303-291-7117 or kristin.cannon@state.co.us.

Sincerely,

Larry Rogstad
Area Wildlife Manager

CC: M. Leslie, T Kroening, L Rogstad, K Cannon

Bob D. Broscheid, Director, Colorado Parks and Wildlife • Parks and Wildlife Commission: Robert W. Bray • Marie Haskett • Carrie Hauser
John Howard, Vice-Chair • Marvin McDaniel • Dale Pizel • Jim Spehar • James Vigil • Dean Wingfield • Michelle Zimmerman, Secretary • Alex Zipp

Colorado Milling Company, LLC
Mark A. Steen
P.O. Box 1523
Longmont, Colorado 80502

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Sincerely,

Mark A. Steen

Mark A. Steen
For: Colorado Milling Company, LLC

COLORADO
Parks and Wildlife

Department of Natural Resources
Area 2 - Lon Hagler
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January 10, 2018

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Colorado Milling Company, LLC
P.O. Box 1523
Longmont, CO 80502

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Thank you for the opportunity to review the proposed new waterline from Left Hand Creek to the Gold Hill Mill at 9145 Sunshine Canyon Drive. You are seeking an amendment to your mining permit, Permit Number M-1994-117, for this activity from the Colorado Division of Reclamation, Mining, and Safety. The project will replace a 3-inch pipeline originally installed in 1987, the lower portion of which was since replaced with a 2-inch pipeline, with 4,699 feet of a 2-inch diameter High Density Polyethhylene pipeline. A small pump house will also be built adjacent to Left Hand Creek. The pipeline will be above ground and will cross Boulder County Open Space property for which you have an easement.

District Wildlife Manager, Kristin Cannon, did a site visit with you on 01/02/2018 and observed the pathway of the pipeline. There will be some minor impacts to wildlife during construction but it is not anticipated that this project will negatively impact rare, threatened, or endangered wildlife species. As the pipeline will cross open space property it is understood that the county will monitor for impacts to wildlife and will advise you on mitigating those impacts.

If you have any questions please contact Kristin Cannon at 303-291-7117 or kristin.cannon@state.co.us.

Sincerely,

Larry Rogstad
Area Wildlife Manager

CC: M. Leslie, T Kroening, L Rogstad, K Cannon

Bob D. Broscheid, Director, Colorado Parks and Wildlife • Parks and Wildlife Commission: Robert W. Bray • Marie Haskett • Carrie Hauser
John Howard, Vice-Chair • Marvin McDaniel • Dale Pizel • Jim Spehar • James Vigil • Dean Wingfield • Michelle Zimmerman, Secretary • Alex Zipp

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 14

COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

December 21, 2018

Mark A. Steen
Colorado Milling Company, LLC
P.O. Box 1523
Longmont, CO 80502

Re: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 2

Mr. Steen:

The Division of Reclamation, Mining and Safety (Division) has completed its second adequacy review of the materials submitted for the above referenced amendment application. All comment and review periods for the application began on January 4, 2018, when the application was called complete for filing purposes. The decision date for the application is set for **December 30, 2018**.

After reviewing the operator's adequacy response submitted on December 11, 2018, the Division has identified adequacy items requiring clarification or additional information. These items are identified below under their respective exhibit heading, and are numbered sequentially. The item numbers referenced in this letter correlate with the Division's adequacy items identified in its review letter sent to the operator on January 26, 2018.

Application Form:

1) The revised page 3 of the application form includes the following coordinates for the primary mine entrance location: 40º 03' 55.74"N, 105º 24' 24.12.1"W. The seconds given for the longitude is not accurate. Based on the coordinates provided on the revised location map, the Division believes the longitude should read: 105º 24' 12.1"W. Please correct this error on page 3.

Exhibit B – Site Description (Rule 6.3.2):

2) The operator's response to item no. 9 states the only structures located within 200 feet of the entire affected area are three small wooden frame structures, a single family residence, several sheds, and an unused corral. However, in Exhibit L, the operator states there is a pole-mounted utility line extending east-west along the northern boundary of the pump station area, owned by Excel Energy Corporation. Additionally, the operator has not included Sunshine Canyon Drive, Lickskillet Road, or Lefthand Canyon Drive, which are all permanent, man-made structures located within 200 feet of the affected area. Please revise the structure list to include these 4 additional structures and their respective owners.

3) The operator's response to item no. 11 refers to information regarding water quality sampling and analytical data for Left Hand Creek being available in the files for permit nos. M-1983-141 and M-1994-117. Firstly, any information referenced for the amendment under review must be included in the permit file for M-1994-117. If this information is not already included in the permit file for M-1994-117, please provide the information with your response. Secondly, pursuant to Rule 1.10(2), the applicant shall clearly describe where, in the original application and supporting documents, the information not included in the amendment application, but necessary to render the amendment technically adequate, may be found. The operator did not specify where in the permit file for M-1994-117 the water quality sampling and analytical data for Left Hand Creek can be found. Please specify where this information can be found in the permit file, or provide the information with your response.

Exhibit C – Mining Plan (Rule 6.3.3):

4) The operator's response to item no. 15 describes only one 15 foot segment of the existing pipeline that will need to be excavated for removal of the pipeline. This buried portion of the pipeline occurs where it crosses the old mine access road below the Red Cloud and Cold Spring mine dumps. The operator states the decomposed granite that is removed during this activity will be distributed along the access road below the excavation. Please confirm the areas to be disturbed for removal of the existing pipeline, including areas where excavated material will be placed will be located within the proposed affected area.

5) The operator's response to item no. 18 states the maximum total volume of fuel to be stored at the pump house is 300 gallons. The fuel will be stored in a standard metal container approved for fuel storage. The Bean pump and generator will be installed within metal containment frames that will retain any fuel or lubricants inside the pump house. Please clarify whether the fuel storage container will be double-walled. Additionally, please provide details on the proposed secondary containment, including whether it will hold 110% of the maximum storage volume (in this case, 330 gallons). If the fuel tank will be double-walled, its outer shell capacity may be included in the 110% volume calculated for secondary containment.

6) The operator's response to item no. 19 states there is no other existing infrastructure to remove other than a 3-inch and a 2-inch PVC pipeline. Other portions of the amendment application refer to only one existing 2-inch pipeline. Please clarify if there is more than one pipeline that needs to be removed. Also, please provide an estimate of the maximum length of pipeline to be removed prior to installation of the new pipeline. Please be sure the reclamation bond estimate includes costs for removing all existing pipeline.

7) The operator's response to item no. 20 states the pump house (a 10 foot x 8 foot metal connex container) and the metal fuel container will be located well above the Left Hand Creek floodplain, including outside of the area affected by the 2013 flood. Please provide a map of the proposed permit area near the creek which includes the location of the 100-year floodplain of Left Hand Creek with respect to the location of all proposed structures in this area.

8) The operator's response to item no. 20 states the footbridge will be situated well above the highest observed level of Left Hand Creek at this location during the 2013 flood. Firstly, please provide the base flood elevation for the section of the creek where the footbridge would be installed, and the anticipated minimum distance above this elevation at which the footbridge would be installed. Secondly, please provide design specifications for the proposed footbridge. Lastly, please state whether a permit will be required for construction of the footbridge (i.e., county bridge construction permit). If so, please commit to providing a copy of any approvals to the Division prior to construction of the bridge.

9) The operator's response to item no. 21 includes maps of the Times Mine and Wynona Mine which were drawn in 1947 and 1934 respectively. These maps do not provide enough details of the workings to sufficiently depict the proposed water storage scenario. Please provide a generalized cross-section of the area between the Times Mine portal and the mill site, showing all underground workings proposed for water storage, including the connection between the Times and Wynona Mines. This cross-section should also include surface features such as the location of the Times Mine portal, Sunshine Canyon Drive, features associated with the mill site, and the shaft from which water would be pumped from the workings to the mill.

10) Please clarify how the operation intends to access the waterline easement for pipeline removal, installation, maintenance, and reclamation. Does the operation intend to access the waterline from Lickskillet Gulch? If so, does the operation have a legal right to cross the property between the road and the easement for this purpose?

11) The operator's response to item no. 23 states the Times Mine bulkhead is situated 100 feet from the metal door of the 5 foot diameter galvanized steel culvert that provides entrance into the mine. This bulkhead is 3 feet thick and was constructed of concrete and rebar in a wooden form in 1987. There are 3 PVC pipes set within the bulkhead, including a 3-inch intake pipe, a 2-inch pipe, and a 1-1/2-inch pipe, all closed with ball valves. The operator submitted a rudimentary drawing of the existing bulkhead, presumably from the portal side, indicating approximate locations of the three pipes. The description and drawing submitted do not provide enough details for the Division to determine whether the bulkhead was properly designed and installed to be utilized for the proposed water storage. Please provide more details on the design and construction of the bulkhead, including a description of the competency of surrounding bedrock, whether any portions of the surrounding rock were pressure grouted to minimize water seepage, demonstration the bulkhead was designed to withstand the maximum hydrostatic pressure for the proposed water storage, demonstration the bulkhead is sufficiently thick and properly anchored, and an estimated thickness of overlying overburden.

12) What is the maximum elevation at which the operation proposes to store water in the Winona Mine workings versus the elevation of the Times Mine portal, and the collar elevation of the 50 foot winze that connects the Times Mine to the Wynona Mine? Will the operation need to keep water levels below a particular elevation to minimize hydrostatic pressure on the bulkhead? How does the

operation intend to monitor water levels in the workings (e.g., pressure transducer with data logger, periodic manual measurements)?

13) The operator's response to item no. 24 states the Times Mine still retains water from the last period when water was pumped behind the bulkhead. Does the operator have any idea of current water levels in the workings? Does the operator have any way to collect water quality samples from the existing mine-pool?

14) In accordance with a previous permit commitment made by the operator, once the operation begins storing water in the Wynona Mine, the operator will commence sampling at that location. Therefore, please submit a water quality sampling plan for the Wynona Mine.

15) The operator's response to item no. 25 states that operating at 50 tons per day for 260 days per year and at 4 tons of water per ton of ore processed would result in the removal of 1,651,000 gallons of water per year. The operator states this amount is well below the maximum volume of water that could be withdrawn from Left Hand Creek during irrigation season, which is 3,388,850 gallons of water. Please clarify the conversion factor that was used to determine the estimated gallons of water to be used per year by the mill operation. Based on the values given, the Division calculates the operation will use a total of 13,988,520 gallons of water per year [50 tons ore per day x 260 days per year = 13,000 tons ore per year x 4 tons water = 52,000 tons of water used per year; 1 ton water = 269.01 gallons (US liquid); so 52,000 tons water x 269.01 gallons = 13,988,520 gallons water used per year]. If this calculation is correct, the proposed annual water usage for mill operations greatly exceeds the maximum volume of water the operator can withdraw from Left Hand Creek during irrigation season (by 10,599,670 gallons). Please explain this discrepancy.

16) The operator's response to item no. 26 states that water that has been pumped from any of the mines in this district and stored underground behind bulkheads has remained at a nearly constant level behind those bulkheads throughout the year. Please provide any available monitoring data that supports this statement.

17) The operator's response to item no. 26 states the quality of the fresh water pumped from Left Hand Creek behind the Times Mine bulkhead is not anticipated to introduce any adverse impacts on the quality of the groundwater found in any mine workings in this area. Please describe all known mine openings connected to the Times Mine or Wynona Mine workings. Does the operator anticipate any loss of stored water at these openings either directly or via fracture flow?

18) The operator's response to item no. 29 (a) clarified the decant lines which connected the tailings pond with the Hazel A adit were disconnected, cut up and removed from the site in 1999. Please provide documentation to demonstrate the removal and proper disposal of the decant lines.

19) The operator's response to item no. 29 (b) clarified all of the tailings that had been placed within the Hazel A adit were removed in 1995. This contradicts information found in the permit file, including a letter received from the operator on August 28, 1998 stating the operation was in the

Colorado Milling Company, LLC
M-1994-117
Exhibit 14

process of dewatering the Hazel A adit so they could clean out the remaining tailings sands from the adit. This indicates that all tailings were not removed from the adit in 1995. Please provide documentation to demonstrate the removal and proper disposal of these tailings.

20) The operator's response to item no. 29 (d) states a discharge permit has not been obtained from the CDPHE for the Hazel A adit as it is not discharging water. This contradicts information found in the permit file, including a Division inspection report for May 27, 2004 which notes standing water was observed outside the entrance to the Hazel A adit and within the opening. Please explain this discrepancy. What has been done to ensure zero discharge at the Hazel A adit?

21) The operator's response to item no. 30 states the mill originally used standard flotation reagents to process ore from the Cash Mine dump, including pine oil, soda ash, and a xanthate. However, the operator anticipates using different flotation reagents in the future to improve recovery. The Division will continue to review the Designated Mining status of this operation and will formally notify the operator under separate cover of any determination that the operation is, or has a reasonable potential to be, a Designated Mining Operation, in accordance with Rule 7.2.2. Please be advised, an approval of this amendment application would not authorize the operation to store or use designated chemicals on site.

22) The operator's response to item no. 31 states the operation anticipates processing batches of 500 tons of material from the Cash Mine stockpile to determine which combination of reagents will be used during initial milling operations; and that once a combination of reagents that results in the best recovery has been determined from these mill tests, these reagents will be used during future processing operations. Please refer to the Division's comments in item no. 21 above. Approval of this amendment application would not authorize the operation to store or use designated chemicals on site. Prior to conducting such activities at the site (including smaller scale operations), the operation must first be converted to a Designated Mining Operation through submittal and Division approval of the appropriate application.

Exhibit D – Reclamation Plan (Rule 6.3.4):

23) The operator's response to item no. 32 corrected the permit number referenced in the reclamation plan to M-1994-117. However, the response did not specify where in the referenced permit file the pertinent documents may be found, as required by Rule 1.10(2). Please specify where this information can be found in the permit file, or provide the mill site reclamation plan with your response.

24) The operator provided a revised reclamation cost estimate that removes language regarding an incremental acreage increase and adds costs for decommissioning the Times Mine water pipeline. However, the estimate does not provide enough details for the Division to calculate the actual costs to reclaim the site based on what it would cost the State of Colorado using an independent contractor to complete reclamation, as required by Rule 6.3.4(2). Please provide more details for the tasks listed in the estimate, including specific structures to be removed, and material volumes,

dimensions, lengths, etc. Additionally, please provide an estimated distance to the site at which demolished/removed materials will be disposed.

Exhibit E – Map (Rule 6.3.5):

25) The operator's response to item no. 35 states the mining and reclamation plan maps have been revised so that the entire area of the Gold Hill Mill operation is depicted. However, only the revised map labeled E-4 - Surface Ownership and Permit Area shows the entire affected area. The revised map labeled E-1 – Mine Plan shows only the proposed permit area near the creek, and the revised map labeled E-3 – Reclamation Plan shows only the proposed permit area to add through this amendment application. Given the scale of the permit area, the separate maps submitted showing closer views of portions of the permit area are very helpful. However, please submit at least one mining plan map and one reclamation plan map that depict the entire affected area of the Gold Hill Mill operation.

26) The operator's response to item no. 36 states the mining plan map has been revised to show the location of any permanent man-made structures within 200 feet of the affected area; and that all structures can be correlated with the description provided in Exhibit B. However, the only revised map labeled Mine Plan is E-1, and this map only shows structures located in the area near the creek. Please provide a mining plan map that shows the location of all permanent, man-made structures within 200 feet of the entire affected area, including the existing mill site.

Exhibit F – List of Other Permits and Licenses (Rule 6.3.6):

27) The operator's response to item no. 38 states a Plan of Operations has been prepared for the Gold Hill Mill and will be submitted (to the BLM) as soon as the Division has completed its review of this amendment application. Please commit to providing the Division with a copy of the BLM approval once attained.

28) The operator's response to item no. 39 states a Plan of Operations has been prepared for the Gold Hill Mill's Left Hand Creek pump station and will be submitted (to the USFS) as soon as the Division has completed its review of this amendment application. Please commit to providing the Division with a copy of the USFS approval once attained.

Exhibit L – Permanent Man-Made Structures (Rule 6.3.12):

29) The operator's response to item no. 45 states Exhibit L has been revised to include a detailed list of all permanent, man-made structures located within 200 feet of the affected land. The revised exhibit states there are 7 permanent man-made structures located within 200 feet of the operation or affected land, as well as an Excel Energy Corporation pole-mounted utility line extending east-west along the northern boundary of the pump station area. The exhibit also states all structures are shown on the E-1 Mine Plan Map. Firstly, the revised list does not include Sunshine Canyon Drive, Lickskillet Road, or Lefthand Canyon Drive, which are all permanent, man-made structures located

within 200 feet of the affected area. Please add these structures to the list. Secondly, the Division could not locate the pole-mounted utility line on the E-1 Mine Plan Map. Please be sure this structure is located on the mining plan map.

30) Please provide demonstration that structure agreements have been attempted with all owners of permanent, man-made structures located on or within 200 feet of the affected land in accordance with Rule 6.3.12(a) and (c). Demonstration may be in the form of return receipts for Certified Mailing (or proof of hand delivery) and copies of the structure agreements that were sent to each structure owner.

31) The operator's response to item no. 46 does not address potential impacts to Sunshine Canyon Drive from utilization of the Times Mine for water conveyance and storage. Given the operator's activities in the Times Mine adit which led to Violation No. MV-2017-036, it is especially important the stability of Sunshine Canyon Drive be addressed in this amendment application. Please provide a notarized structure agreement with the owner of Sunshine Canyon Drive. If such an agreement cannot be reached, please provide an appropriate engineering evaluation that demonstrates this road will not be damaged by activities occurring at the mining operation in accordance with Rule 6.3.12(b).

Additional Item(s):

32) The Division previously forwarded all comment letters received for the amendment application during the public comment period that closed on January 24, 2018. Please respond to any jurisdictional concerns expressed by objectors, including the Pine Brook Water District (objection letter enclosed).

33) The Division accepts the operator's response to comments received from Boulder County Parks and Open Space, Boulder County Land Use Department, Colorado Historical Society, and Division of Water Resources. Please address any concerns or recommendations in agency comment letters received from the U.S. Army Corps of Engineers (February 6, 2018; comment letter enclosed) and the City of Boulder Public Works (March 5, 2018; comment letter enclosed).

34) Pursuant to Rule 1.6.2(e), the operator must submit proof of the notice to all owners of record of surface and mineral rights of the affected land, and to the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement owners. To comply with this Rule, the operator submitted copies of return receipts of Certified Mailing. However, the following receipts were copied in a way that portions of the Certified Mailing number are not visible: Gene Sapp and Dene Sapp, Rene Murphy, and Finnlandia Minerals. Please either provide the Certified Mailing numbers for these receipts, or submit new copies of these receipts which show the entire Certified Mailing number.

35) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County

Colorado Milling Company, LLC
M-1994-117
Exhibit 14

Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

This concludes the Division's second adequacy review of your amendment application. If you are unable to sufficiently address all adequacy items by the application decision date, currently set for **December 30, 2018**, the application will be denied. If more time is needed to address the adequacy items, it will be your responsibility to submit an extension request prior to the decision date. Pursuant to Rule 1.4.1(9), the operator may request the application decision date be extended, not to exceed 365 days from the date the application was filed. In this case, the operator may request an extension to no later than January 4, 2019.

If you have any questions, you may call me at (303) 866-3567, ext. 8129, or email me at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger

Amy Eschberger
Environmental Protection Specialist

Encls: Objection letter from Pine Brook Water District, received on 1/24/2018
Comment letter from U.S. Army Corps of Engineers, received on 2/6/2018
Comment letter from City of Boulder Public Works, received on 3/5/2018

Cc: Mike Bynum
Colorado Milling Company, LLC
50 West 100 South St.
Moab, UT 80342

Michael Cunningham, DRMS

Colorado Milling Company, LLC
M-1994-117
Exhibit 14

STATE OF COLORADO

Cunningham - DNR, Michael <michaela.cunningham@state.co.us>

Permit M-1994-117 Revision AM-01

bob@pinebrookwater.com <bob@pinebrookwater.com> Wed, Jan 24, 2018 at 12:55 PM
To: "Eschberger - DNR, Amy" <amy.eschberger@state.co.us>, Dick Cole <goldhillcole@gmail.com>
Cc: michaela.cunnungham@state.co.us, Contact@pinebrookwater.com, cdphe.comments.wqcd@state.co.us, waterquality@lefthandwater.org, healthinfo@bouldercounty.org, gretchendief <gretchend@mac.com>, "Carson Hatcher, Mindy" <mcarsonhatcher@bouldercounty.org>, rogerflynn@colorado.edu, abutler@bouldercounty.org, kmartinez@bouldercounty.org, Michael.Cunningham@state.co.us, dcase@bouldercounty.org, huttonk@bouldercolorado.gov, taddeucciJ@bouldercolorado.gov

To All Concerned Parties,

As the manager of the Pine Brook Water District we would like to note that our concern is definitely water quality. As Dick Cole noted almost any release of water from the mines in question or the tailings pond located at the Mill site drains down Cash Gulch and into Four Mile Creek.

Four Mile Creek is our primary source of water which we treat for potable water use to our community. The Pine Brook Water District is a special district as defined by the State of Colorado and therefore is a governmental entity. We do have a complete treatment system which removes most contaminants.

However the result is that those contaminants then end up as part of our waste sludge. If the contaminants are found to be at to high of a level in our sludge then we have to have a specialty hauler dispose of them at a cost that is 6 times the normal cost. This has actually occurred post 2013 flood as many of the tailing piles in the area were disturbed by that flood. The concentrations of those contaminants is now slowly dropping as the area is stabilized.

We have stated that while we have no objection to the mine operation per se, however we do feel that given its history and the potential to contaminate Four Mile Creek that safeguards must be imposed and strictly enforced. That full water testing at approved monitoring sites should also be part of any permit.

While this is important to our operations, it is even more important for the many, many home owners who live along the creeks below the mine and all the way down to the City of Boulder. Most of these homes have wells with limited treatment. Nor is that treatment designed to remove/treat for the types of contaminants which can occur from mining operations. These homes are not within our service area and so do not receive the treated water we produce but rather are dependent on the natural flows of the creeks.

As Dick noted, there have been past violations which have occurred while the mine was under various management companies, but the common thread has been that the owner was actively involved also.

As for the water rights issues noted the only stance we have is that there must be a proper augmentation plan to protect the flows of the creeks, streams, etc down

gradient from the mine and the water right holders who then withdraw their water under their water rights.

Sincerely,

Robert de Haas, Manager
Pine Brook Water District
1903 Linden Drive, Boulder,CO 80304
303-443-5394 - Office
303-817-8153 - Cell
303-415-0621 - Fax

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, OMAHA DISTRICT
1616 CAPITOL AVENUE
OMAHA NE 68102-4901

RECEIVED
FEB 06 2018
DIVISION OF RECLAMATION
MINING AND SAFETY

REPLY TO
ATTENTION OF

January 24, 2018

Planning, Programs, and Project Management Division

Mr. Michael A. Cunningham
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, Colorado 80203

Dear Mr. Cunningham:

The U.S. Army Corps of Engineers, Omaha District (Corps) has reviewed your letter dated January 5, 2018 (received January 11, 2018) regarding the Hard Rock/Metal Mining Materials Reclamation Permit Amendment Application Consideration for the Colorado Milling Company, LLC, in Boulder County, Colorado. It is understood that the proposed amendment to the Gold Hill Mill Permit No. M-1994-117-AM01 would formally add the previously permitted Left Hand Creek pump station, Gold Hill Mill pipeline and Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. We offer the following comments for your consideration:

Your plans should be coordinated with the state water quality office that has jurisdiction within the area where the project is located to ensure compliance with federal and state water quality standards and regulations mandated by the Clean Water Act and administered by the U.S. Environmental Protection Agency. Please coordinate with the Colorado Department of Public Health and Environment concerning state water quality programs.

If you have not already done so, it is recommended you consult with the U.S. Fish and Wildlife Service and the Colorado Division of Wildlife regarding fish and wildlife resources. In addition, the Colorado State Historic Preservation Office should be contacted for information and recommendations on potential cultural resources in the project area.

If construction must occur in the floodplain, it must be located outside the floodway. If a floodway has not been determined and designated, the construction should be as far from the stream channel as possible. The goal of any construction in the floodplain is to achieve the highest level of flood protection with zero impact to adjacent property.

If the proposed waterline construction crosses the floodplains of small drainageways and streams, flood-related problems should not occur if the lines are buried far enough below the beds of drainageways and streams to prevent exposure due to streambed erosion during periods of high floodflows. Any aboveground construction subject to flood damage, such as pump houses, should either be placed above, or flood proofed to, a level above the one percent annual chance flood elevation.

Since the proposed project does not appear to be located within Corps owned or operated lands, your plans should be submitted to the local floodplain administrator for

review and approval prior to construction. It should be ensured that the proposed project is in compliance with the floodplain management criteria of Boulder County and the State of Colorado. In addition, please coordinate with the following floodplain management office:

Colorado Water Conservation Board
Attention: Ms. Jamie Prochno
1313 Sherman Street, Room 721
Denver, Colorado 80203
Telephone: 303-866-3441 ext. 3215
Fax: 303-866-4474
Email: jamie.prochno@state.co.us

Any proposed placement of dredged or fill material into waters of the United States (including jurisdictional wetlands) requires Department of the Army authorization under Section 404 of the Clean Water Act. You can visit the Omaha District's Regulatory website for permit applications and related information. Please review the information on the provided website (http://www.nwo.usace.army.mil/Missions/RegulatoryProgram.aspx) to determine if this project requires a 404 permit. For a detailed review of the permit requirements, preliminary and final project plans should be sent to:

U.S. Army Corps of Engineers
Denver Regulatory Office
Attention: Mr. Kiel Downing, CENWO-ODR-CO
9307 South Wadsworth Boulevard
Denver, Colorado 80128

In addition, please update your records with our current mailing address:

U.S. Army Corps of Engineers, Omaha District
Planning Branch
Attention: Mr. Eric Laux, CENWO-PMA-C
1616 Capitol Ave.
Omaha, Nebraska 68102-4901

If you have any questions, please contact Ms. Amee Rief of my staff at (402) 995-2544 or amee.l.rief@usace.army.mil and reference PD# 8028 in the subject line.

Sincerely,

Eric A. Laux
Chief, Environmental Resources and Missouri River Recovery Program Plan Formulation Section

City of Boulder
Public Works

1739 Broadway
Boulder, CO 80306-0791
(303) 441-3200

March 5, 2018

RECEIVED

MAR 05 2018

DIVISION OF RECLAMATION
MINING AND SAFETY

Michael A. Cunningham
Colorado Division of Reclamation and Mining Safety
Colorado Department of Natural Resources
1313 Sherman St. Room 215
Denver, CO 80203

Subject: Gold Hill Mill, DRMS File No. M-1994-117 Amendment AM01

The City of Boulder (city) is submitting these comments regarding the application for an amendment to Permit No. M-1994-117-AM01. The city became aware of the amendment application on January 23, 2018 via an email sent from a Gold Hill resident that is a neighbor of the mine site. Under this amendment, the Colorado Milling Company, LLC proposes to construct and install the Left Hand Creek Pump Station, a footbridge across Left Hand Creek, and the Gold Hill Mill Pipeline, which will transport water from Left Hand Creek to the Times Mine adit portal.

The city owns water rights that divert from Left Hand Creek downstream from the proposed pump station. The city has concerns about potential water quality impacts to Left Hand Creek and contamination of the riparian and aquatic corridor that could occur if the proper spill-prevention techniques and other precautions are not taken during construction and operation of the pump station.

The amendment proposes constructing a pump station in the Left Hand Creek floodplain, and building a footbridge across Left Hand Creek. The pump house will store a generator and, presumably, fuel to power the generator. This area along Left Hand Creek was substantially impacted during the September 2013 flood. The city encourages Colorado Milling Company to seek an alternative site outside of the floodplain, and in particular, outside of the floodway. Construction within the floodplain can increase erosion and adversely impact water quality and riparian and aquatic habitat. In a flood or heavy rain event, the pump station, footbridge, and associated generator and fuel could be mobilized in Left Hand Creek, impacting water quality.

The city also owns municipal water rights that divert from Boulder Creek downstream of Fourmile Creek. Release of water from the mine tailing impoundment would flow to Fourmile Creek. We have concerns about potential water quality impacts to Fourmile and Boulder Creeks if mining and milling operations are not performed in accordance with protective stormwater and

discharge permits. The city has not seen documentation that Colorado Milling Company has a discharge permit, and we have concerns that use of the water pumped from Left Hand Creek to support milling operations could lead to an unacceptable risk of an unpermitted discharge at the site, particularly during rain events. Further, a malfunction of the pump could cause excess diversions from Left Hand Creek (in exceedance of decreed water rights allowances). The city encourages Colorado Milling Company to install an automatic shut off system on the pump, and submit diversion records to the State to show compliance with the terms and conditions of the water right.

In the amendment, Colorado Milling Company should include an inventory of the chemicals and fuels to be used and/or stored at the pump station or on the mining and milling site, including storage volumes. In addition, Colorado Milling Company should describe any secondary containment installed to prevent leaks and spills that could contaminate groundwater or surface water in the area.

To ensure protection of groundwater and surface water, Colorado Milling Company should demonstrate that they have the proper permits in place, including a discharge permit through the Colorado Department of Public Health and Environment, and other applicable Boulder County issued permits such as stormwater, construction, and floodplain development permits.

Sincerely,

Jeffrey M. Arthur
Director of Public Works for Utilities

cc. Kate Dunlap, Source Water Quality Program Coordinator

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 15

RECEIVED
1-4-19
SEAL OF BOULDER COUNTY COLORADO
Boulder County

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

January 4, 2019

RECEIVED
JAN 04 2019
DIVISION OF RECLAMATION, MINING AND SAFETY

Colorado Division of Reclamation, Mining and Safety
Amy Eschberger
Environmental Protection Specialist
1313 Sherman Street – Room 215
Denver, Colorado 80203

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 2

ATTN: Amy Eschberger

This is the Colorado Milling Company, LLC's Response Letter to the Amy Eschberger's December 21,2018 Adequacy Review No. 2 of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Amy Eschberger's Adequacy Review comments.

Application Form:

1) The revised page 3 of the application form includes the following coordinates for the primary mine entrance location: 40° 03' 55.74"N, 105° 24' 24.12.1"W. The seconds given for the longitude is not accurate. Based on the coordinates provided on the revised location map, the Division believes the longitude should read: 105° 24' 12.1"W. Please correct this error on page 3.

CMC Response: This has been corrected.

Exhibit B – Site Description (Rule 6.3.2):

2) The operator's response to item no. 9 states the only structures located within 200 feet of the entire affected area are three small wooden frame structures, a single family residence, several sheds, and an unused corral. However, in Exhibit L, the operator states there is a pole-mounted

utility line extending east-west along the northern boundary of the pump station area, owned by Excel Energy Corporation. Additionally, the operator has not included Sunshine Canyon Drive, Lickskillet Road, or Lefthand Canyon Drive, which are all permanent, man-made structures located within 200 feet of the affected area. Please revise the structure list to include these 4 additional structures and their respective owners.

CMC Response: EXHIBIT L -- PERMANENT MAN-MADE STRUCTURES has been revised to list these other man-made structures.

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3) The operator's response to item no. 11 refers to information regarding water quality sampling and analytical data for Left Hand Creek being available in the files for permit nos. M-1983-141 and M-1994-117. Firstly, any information referenced for the amendment under review must be included in the permit file for M-1994-117. If this information is not already included in the permit file for M-1994-117, please provide the information with your response. Secondly, pursuant to Rule 1.10(2), the applicant shall clearly describe where, in the original application and supporting documents, the information not included in the amendment application, but necessary to render the amendment technically adequate, may be found. The operator did not specify where in the permit file for M-1994-117 the water quality sampling and analytical data for Left Hand Creek can be found. Please specify where this information can be found in the permit file, or provide the information with your response.

CMC Response: A very thorough review of the Gold Hill Mill Permit No. 1994-117 shows that water quality sampling and analytical data for Left Hand Creek can be found filed with the DRMS on the following dates:

ITEC Environmental submitted water monitoring data on April 28, 1998 for the First Quarter of 1998.

Mount Royale Ventures submitted water monitoring data on March 6, 2009 for the Fourth Quarter of 2005 through the third Quarter of 2008.

Gold Hill Mines, Inc. submitted water monitoring data on January 28, 2013 for the Third and Fourth Quarters of 2012. On October 30, 2013 the DRMS approved Technical Revision No. 9, which removed the requirement to sample Left Hand Creek from the water monitoring plan.

Exhibit C – Mining Plan (Rule 6.3.3):

4) The operator's response to item no. 15 describes only one 15 foot segment of the existing pipeline that will need to be excavated for removal of the pipeline. This buried portion of the pipeline occurs where it crosses the old mine access road below the Red Cloud and Cold Spring mine dumps. The operator states the decomposed granite that is removed during this activity will be distributed along the access road below the excavation. Please confirm the areas to be disturbed for removal of the existing pipeline, including areas where excavated material will be placed will be located within the proposed affected area.

CMC Response: The only small area that will be disturbed for the burial of the new two (2) inch HDPE pipeline is located along the Water Pipeline Easement Deed and within the proposed affected area.

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5) The operator's response to item no. 18 states the maximum total volume of fuel to be stored at the pump house is 300 gallons. The fuel will be stored in a standard metal container approved for fuel storage. The Bean pump and generator will be installed within metal containment frames that will retain any fuel or lubricants inside the pump house. Please clarify whether the fuel storage container will be double-walled. Additionally, please provide details on the proposed secondary containment, including whether it will hold 110% of the maximum storage volume (in this case, 330 gallons). If the fuel tank will be double-walled, its outer shell capacity may be included in the 110% volume calculated for secondary containment.

CMC Response: The maximum total volume of fuel that will be stored at the pumphouse is 300 gallons. The fuel will be stored in a standard single-walled metal container approved for fuel storage. The fuel storage container will be placed within a secondary containment sump which will hold at least one-hundred and fifty (150%) percent of the maximum storage volume of the actual fuel tank selected for this site. This fuel containment sump will be constructed of HDPE, and therefore will not rust or corrode. This sump will be purchased at the same time as the fuel storage tank and will be large enough to contain more than the maximum volume of the fuel stored at the pumphouse.

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6) The operator's response to item no. 19 states there is no other existing infrastructure to remove other than a 3-inch and a 2-inch PVC pipeline. Other portions of the amendment application refer to only one existing 2-inch pipeline. Please clarify if there is more than one pipeline that needs to be removed. Also, please provide an estimate of the maximum length of pipeline to be removed prior to installation of the new pipeline. Please be sure the reclamation bond estimate includes costs for removing all existing pipeline.

CMC Response: There is only one existing pipeline in place on the Water Pipeline Easement. Most of it is three (3) inches in diameter. Some of it is two (2) inches in diameter. This was described in the Amendment Application in Section 14.: Description of Project as follows:

"The Gold Hill Mill's Waterline was initially installed in 1987, with a three (3) inch pipeline that extended from Left Hand Creek to the Times Mine adit portal. Water was pumped from Left Hand Creek on numerous occasions by the then permitted operator, Gold Hill Ventures, Limited Partnership. During the period that COM, Inc. was the permitted operator of the Gold Hill Mill, the lower portion of the water pipeline was replaced with a two (2) inch pipeline, and water was pumped to the Times Mine on several occasions during the period when the mill was controlled by that operator. A portable Bean pump was used to pump the water from Left Hand

Creek to the Times Mine. The pipeline from these initial pumping operations is still in place and will be removed when the new pipeline is installed."

All of the other portions of the Amendment Application refer to the two (2) inch HDPE pipeline that will replace the three (3) inch and two (2) inch pipeline installed by the then permitted operators as described in the above quoted portion of the Amendment Application.

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7) The operator's response to item no. 20 states the pump house (a 10 foot x 8 foot metal connex container) and the metal fuel container will be located well above the Left Hand Creek floodplain, including outside of the area affected by the 2013 flood. Please provide a map of the proposed permit area near the creek which includes the location of the 100-year floodplain of Left Hand Creek with respect to the location of all proposed structures in this area.

CMC Response: The Pumphouse and the metal fuel container with its containment sump will be located well above the Left Hand Creek floodplain and floodway, in order to follow the floodplain management criteria of Boulder County and the State of Colorado. A map of the proposed permit area near Left Hand Creek which includes the location of the 100-year and 500-year floodplains with respect to the location of all proposed structures in this area is attached to this Second Response Letter.

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8) The operator's response to item no. 20 states the footbridge will be situated well above the highest observed level of Left Hand Creek at this location during the 2013 flood. Firstly, please provide the base flood elevation for the section of the creek where the footbridge would be installed, and the anticipated minimum distance above this elevation at which the footbridge would be installed. Secondly, please provide design specifications for the proposed footbridge. Lastly, please state whether a permit will be required for construction of the footbridge (i.e., county bridge construction permit). If so, please commit to providing a copy of any approvals to the Division prior to construction of the bridge.

CMC Response: The footbridge will not be installed as part of this Permit Amendment Application. A field survey has disclosed a gap between the Mammoth Millsite MS No. 17576 and the Paris MS No. 5149A that will provide access to the Pumphouse from Lickskillet Road. This open area is located entirely on the CMC owned Gold Gulch unpatented lode mining claim.

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9) The operator's response to item no. 21 includes maps of the Times Mine and Wynona Mine which were drawn in 1947 and 1934 respectively. These maps do not provide enough details of the workings to sufficiently depict the proposed water storage scenario. Please provide a generalized cross-section of the area between the Times Mine portal and the mill site, showing all underground workings proposed for water storage, including the connection between the Times and Wynona Mines. This cross-section should also include surface features such as the location of the Times Mine portal, Sunshine Canyon Drive, features associated with the mill site, and the shaft from which water would be pumped from the workings to the mill.

CMC Response: CMC is providing a Generalized Cross-Section of the Times Mine Cross-cut below Sunshine Canyon Drive with the 50 foot winze that connects to the Wynona Mine's 100 Foot Level. The Times Mine Cross-cut and the Wynona Mine workings are where the water from Left Hand Creek will be stored for processing ore in the Gold Hill Mill. This water will be drawn from these mine workings from drill holes and pumps that will be connected to these mine workings.

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10) Please clarify how the operation intends to access the waterline easement for pipeline removal, installation, maintenance, and reclamation. Does the operation intend to access the waterline from Lickskillet Gulch? If so, does the operation have a legal right to cross the property between the road and the easement for this purpose?

CMC Response: As set forth in the Permit Amendment Application in EXHIBIT G – SOURCE OF LEGAL RIGHT TO ENTER in the Affidavit Concerning Right to Enter Mining Claims, the Water Pipeline Easement Deed with Boulder County states that said Deed granted a permanent non-exclusive easement on and under said Property for the purpose of:

"Access to and to maintain, repair and improve the existing water pipeline along Lick Skillet Road for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for Mining and Processing Ore." *(Affidavit Exhibit A)*

CMC will access the Water Pipeline Easement for pipeline removal, installation, maintenance, and reclamation using the four historic mine roads that provide access to the Gold Hill Mill Waterline. The legal right to cross the property between the County Roads and the Gold Hill Mill Waterline was preserved in the Water Pipeline Easement Deed with Boulder County.

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11) The operator's response to item no. 23 states the Times Mine bulkhead is situated 100 feet from the metal door of the 5 foot diameter galvanized steel culvert that provides entrance into the mine. This bulkhead is 3 feet thick and was constructed of concrete and rebar in a wooden form in 1987. There are 3 PVC pipes set within the bulkhead, including a 3-inch intake pipe, a 2-inch pipe, and a 1-1/2- inch pipe, all closed with ball valves. The operator submitted a rudimentary drawing of the existing bulkhead, presumably from the portal side, indicating approximate locations of the three pipes. The description and drawing submitted do not provide enough details for the Division to determine whether the bulkhead was properly designed and installed to be utilized for the proposed water storage. Please provide more details on the design and construction of the bulkhead, including a description of the competency of surrounding bedrock, whether any portions of the surrounding rock were pressure grouted to minimize water seepage, demonstration the bulkhead was designed to withstand the maximum hydrostatic pressure for the proposed water storage, demonstration the bulkhead is sufficiently thick and properly anchored, and an estimated thickness of overlying overburden.

CMC Response: The Times Mine bulkhead is a single concrete bulkhead seal. This type of concrete seal is sometimes referred to as a parallel plug. The bulkhead is situated in a very narrow portion of the Times Mine cross-cut. It is three feet thick and spans the full width and height of the mine. It is estimated that there is at least twenty-four (24) feet of solid Boulder Creek Granite above the top of the concrete bulkhead. It was constructed in a location in the Times Mine adit where the Boulder Creek Granite is very solid, stable and competent. This location is also free of joints and fractures, and no timbers were required to hold the ground in this part of the mine. There was no need to create keyways to anchor the bulkhead, because of the very competent nature of the wallrock in this mine. Pressure grouting impervious Boulder Creek Granite would not have been feasible or necessary to prevent water seepage. There are no water pathways around the bulkhead, and no impounded water has ever been observed leaking around the edges of the bulkhead.

A high strength, acid resistant concrete mixture was used to construct the bulkhead. The concrete that was used to construct the Times Mine bulkhead was mixed underground by hand and placed in wooden forms manually. There was no water present on the floor of the mine when the first concrete was placed into the lowermost wooden forms. The concrete was installed in successive horizontal layers, with the no delay greater than ten or fifteen minutes between mixing and placing the concrete in the wooden forms during the construction of the entire bulkhead. Steel reinforcing rods (rebar) were installed vertically and horizontally in the concrete layers to provide additional strength to the bulkhead. This process took more than five days to complete, which insured that each layer of the concrete was cold before another layer was added to the bulkhead forms. The concrete was worked into the roof cavity in the last wooden forms to ensure that there was a good seal around the back (roof) of the mine bulkhead. Any small, but noticeable voids around the outer edges of the outside of the bulkhead were also filled with concrete. It was installed and in place for more than six months before any water was pumped behind the bulkhead to make certain that the concrete bulkhead was completely cured.

There were no large faults or fractures detected by Russell R. McLellan, Mining Geologist, when he mapped the Times Mine workings in 1947. The very narrow vein that the cross-cut was driven on was not developed for more than one-hundred and twenty-five (125) feet, so there are no old stopes or raises near or above the location of the bulkhead. When the Times Mine was reopened in 1987, the mine workings were examined by a number of people associated with the project. Every geologic and mine feature mapped by Russell R. McLellan was in place. No water inflows were observed, and the mine workings were essentially dry. The underground mine workings were re-surveyed to establish the location for the drill hole that would be used to pump water from the Times Mine. Several weeks were spent hauling all of the old track and any loose wooden timbers out of the mine workings before the concrete bulkhead was installed to ensure that no wooden debris would interfere with the extraction of water from behind the Times Mine bulkhead.

When the Times Mine bulkhead was constructed in the summer of 1987, Gold Hill Ventures, Ltd., was the operator of the Cash Mine and the Gold Hill Mill. The bulkhead was designed by Louis W. Cope, P. E., an independent Colorado Registered Professional Engineer and Gold Hill Ventures, Ltd. retained consultant. It was constructed by two very competent, experienced underground miners who knew what they were building. Practically every Mining Engineers' Handbook ever published in the last hundred years contains a section on constructing underground bulkheads to control or retain water. A review of the literature available at that time discloses that the US Bureau of Mines considered a single three foot thick concrete bulkhead to be more than adequate for this purpose. CMC believes that the Times Mine bulkhead can withstand the maximum hydrostatic pressure for the amount of process water that will be stored behind the bulkhead. The Times Mine bulkhead is three (3) feet thick. At the location of the bulkhead in this narrow point in the Cross-cut, the bulkhead is six (6) feet high and four (4) feet wide. What follows is a calculation for the fluid pressure on the bulkhead:

Maximum Fluid Pressure:

P= D x H D=Water Density 62.4 lbs. / ft3 & H = fluid height in ft.

P= 62.4 x 6'

P= 374.4 lbs. / ft2 or 2.6psi when divided by 144 in2 per ft2

Pressure on bulkhead (using pressure at base, for whole bulkhead 6'x 4' or 3,456 in2)

P = 2.6 psi x 3,456 in2 = 8,985.6 lbs. on bulkhead total height

This would be the maximum load for no more than 6 feet of water for a width of 4 feet where the bulkhead is situated in the Times Mine Cross cut.

Note: The load would decrease with height, such that the pressure at the bottom of the bulkhead is 2.6 psi, while at the top the pressure approaches 0 psi. Since the input pipe is 4.5 feet above the floor, the centroid would be 2.25 feet above the floor of the mine, or 2.25 feet below the water surface.

This is believed to be the maximum pressure that could be present behind the Times Mine bulkhead, with the Cross-cut completely full of water, and it is not more than the bulkhead can safely handle.

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12) What is the maximum elevation at which the operation proposes to store water in the Winona Mine workings versus the elevation of the Times Mine portal, and the collar elevation of the 50 foot winze that connects the Times Mine to the Wynona Mine? Will the operation need to keep water levels below a particular elevation to minimize hydrostatic pressure on the bulkhead? How does the operation intend to monitor water levels in the workings (e.g., pressure transducer with data logger, periodic manual measurements)?

CMC Response: The Times Mine adit portal is located at an elevation of 8,355 feet and the elevation of the collar of the fifty (50) foot winze is approximately 8,360 feet. The Wynona Mine shaft is collared at an elevation of 8,445 feet and the maximum elevation that water will be retained in this mine is 8,360 feet this parameter was incorporated into the bulkhead design by Louis W. Cope, the Colorado Registered Professional Engineer. However, milling operations water demand would provide a constant draw-down on the stored water level in the Times and Wynona Mines. The only time that the water level would rise above the collar of the internal winze connecting the Times Mine with the Wynona Mine would be when full replenishment is accomplished by pumping from of the Left Hand Creek Pumping Station. Given the distance and the rise in elevation between the location of the Bean pump and the Times Mine Bulkhead, it is very unlikely that the pump selected for this project could pump more water into the Times Mine than the amount that would be present in the Times Mine Cross-cut under these parameters. The water levels will be monitored by periodic manual measurements in the Wynona Mine shaft well casing.

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13) The operator's response to item no. 24 states the Times Mine still retains water from the last period when water was pumped behind the bulkhead. Does the operator have any idea of current water levels in the workings? Does the operator have any way to collect water quality samples from the existing mine-pool?

CMC Response: When the Times Mine bulkhead was last examined in September 2018, the water level behind the bulkhead was above the bottom of the three (3) inch PVC pipe shown on the drawing of the bulkhead. Anyone of the three PVC pipes could be used to collect water quality samples from the existing mine-pool, since, as the drawing indicates, there are ball valves on each of the PVC pipes, and they can be opened and closed from this side of the bulkhead.

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14) In accordance with a previous permit commitment made by the operator, once the operation begins storing water in the Wynona Mine, the operator will commence sampling at that location. Therefore, please submit a water quality sampling plan for the Wynona Mine.

CMC Response: The Wynona Mine water will be sampled on a quarterly basis when the operation begins storing water in the mine and when the Gold Hill Mill is in operation. It will be sampled for the same parameters in mg/l (T) as it was previously when the mill was being operated, with the following elements: Arsenic, Cadmium, Copper, Iron, Lead, Mercury, Silver and Zinc, along with pH, Solids (dissolved), and Sulfate as SO4, mg/l.

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15) The operator's response to item no. 25 states that operating at 50 tons per day for 260 days per year and at 4 tons of water per ton of ore processed would result in the removal of 1,651,000 gallons of water per year. The operator states this amount is well below the maximum volume of water that could be withdrawn from Left Hand Creek during irrigation season, which is 3,388,850 gallons of water. Please clarify the conversion factor that was used to determine the

estimated gallons of water to be used per year by the mill operation. Based on the values given, the Division calculates the operation will use a total of 13,988,520 gallons of water per year [50 tons ore per day x 260 days per year = 13,000 tons ore per year x 4 tons water = 52,000 tons of water used per year; 1 ton water = 269.01 gallons (US liquid); so 52,000 tons water x 269.01 gallons = 13,988,520 gallons water used per year]. If this calculation is correct, the proposed annual water usage for mill operations greatly exceeds the maximum volume of water the operator can withdraw from Left Hand Creek during irrigation season (by 10,599,670 gallons). Please explain this discrepancy.

CMC Response: This discrepancy was a mathematical error. The total amount of water that can be stored in the Times and Wynona Mines is believed to be more than 1,400,000 gallons of water. The amount of water that can be stored in these two mines' workings is believed to be sufficient to allow the Gold Hill Mill to process ore during the time when it will not be pumping water from Left Hand Creek under the conditions of the Water Court Decree. CMC plans to convert the existing tailings pond into a mill water storage facility to make up for any shortfall in water available for processing ore in the Gold Hill Mill.

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16) The operator's response to item no. 26 states that water that has been pumped from any of the mines in this district and stored underground behind bulkheads has remained at a nearly constant level behind those bulkheads throughout the year. Please provide any available monitoring data that supports this statement.

CMC Response: Presumably "any" in the Division's adequacy item above is meant to be "many." The water behind the Hazel A mine bulkhead was monitored on a regular basis when it was part of Colina Oro Molina's permit, and for a short time before ITEC Environmental removed it from being connected to the Gold Hill Mill's tailings pond sometime in April of 1998. A thorough search of the DRMS records has not disclosed any monitoring data, just general statements that the water level behind the Hazel A bulkhead was staying at a constant level.

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17) The operator's response to item no. 26 states the quality of the fresh water pumped from Left Hand Creek behind the Times Mine bulkhead is not anticipated to introduce any adverse impacts on the quality of the groundwater found in any mine workings in this area. Please describe all known mine openings connected to the Times Mine or Wynona Mine workings. Does the operator anticipate any loss of stored water at these openings either directly or via fracture flow?

CMC Response: The only known mine openings connected to the Times and Wynona Mine workings are the Times Mine adit and the Wynona Mine shaft. The operator does not anticipate any significant loss of stored water from behind the Times Mine bulkhead, because in more than thirty years no water has been found leaking from the concrete seal constructed in 1987. The Wynona Mine shaft has been caved from about ten feet down to about seventy or eighty feet below the surface for many years, and no water has ever been observed flowing from the collar of the shaft. The granitic rocks in this area are very competent, and there are no areas around

either of these mines that show any evidence of significant fractures or faulting in the country rocks.

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18) The operator's response to item no. 29 (a) clarified the decant lines which connected the tailings pond with the Hazel A adit were disconnected, cut up and removed from the site in 1999. Please provide documentation to demonstrate the removal and proper disposal of the decant lines.

CMC Response: There is no documentation that demonstrates the removal and proper disposal of the decant lines during the time when ITEC Environmental was actually active as the permitted operator of the Gold Hill Mill. However, on April 15,1998, ITEC Environmental sent a letter to the Division of Minerals and Geology regarding "Water Balance Techniques applied to the Gold Hill Mill, Boulder, Colorado, M-1994-117" stating that "The single 2" PVC line from the Hazel "A" to the pond has been secured and there are no leaks." During that time, the entire length of that PVC pipeline was cut up and hauled away as trash. The PVC pipeline has not been present on the property since that time period, and, consequently, it has not used by any of the subsequent permitted operators of the Gold Hill Mill.

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19) The operator's response to item no. 29 (b) clarified all of the tailings that had been placed within the Hazel A adit were removed in 1995. This contradicts information found in the permit file, including a letter received from the operator on August 28, 1998 stating the operation was in the process of dewatering the Hazel A adit so they could clean out the remaining tailings sands from the adit. This indicates that all tailings were not removed from the adit in 1995. Please provide documentation to demonstrate the removal and proper disposal of these tailings.

CMC Response: A search of the DRMS records shows that on November 21, 1995, Richard L. Fanyo, Esq. sent Carl Mount a detailed plan for dealing with this problem, and that Allen Sorenson sent Carl Mount a memorandum regarding "Removal of Tailings from the Hazel-A Adit, Colina Oro Molino, Inc. (Com, Inc.), Gold Hill Mill, Permit No. M-1994-117." DRMS records indicate that the removal of the tailings was actually completed by December 3, 1995. Allen Sorenson reported to the Mined Land Reclamation Board with a "Board Update" on December 14,1995 that the "Mill tailing impounded behind the Hazel – A bulkhead" requiring a "Corrective Action" to 'Remove tailing from Hazel – A, reestablish and seal bulkhead" with a "Deadline Established by Division of 12/1/95" and a "Deadline Established by Board of 12/10/95" had been dealt with by Colina Oro Molina, Inc., under the heading "Date that Problem was Corrected" with the notation "Tailings removal completed 12/3/95: Operator reports that bulkhead sealing is now complete". On December 18, 1995, Richard Fox, P.E. sent Allen Sorenson a letter describing in detail his examination of the Hazel-A Adit, and there is no mention of any tailings being present.

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20) The operator's response to item no. 29 (d) states a discharge permit has not been obtained from the CDPHE for the Hazel A adit as it is not discharging water. This contradicts information found in the permit file, including a Division inspection report for May 27, 2004 which notes

standing water was observed outside the entrance to the Hazel A adit and within the opening. Please explain this discrepancy. What has been done to ensure zero discharge at the Hazel A adit?

CMC Response: The standing water observed outside the Hazel A adit was caused by intermittent rain water and snowmelt collecting in the depression between the Cash Mine access road and the entrance to the Hazel A adit. This depression was recently leveled by an employee of CMC. The Hazel A mine is not discharging water and a discharge permit is not necessary for the Hazel A Mine.

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21) The operator's response to item no. 30 states the mill originally used standard flotation reagents to process ore from the Cash Mine dump, including pine oil, soda ash, and a xanthate. However, the operator anticipates using different flotation reagents in the future to improve recovery. The Division will continue to review the Designated Mining status of this operation and will formally notify the operator under separate cover of any determination that the operation is, or has a reasonable potential to be, a Designated Mining Operation, in accordance with Rule 7.2.2. Please be advised, an approval of this amendment application would not authorize the operation to store or use designated chemicals on site.

CMC Response: CMC understands that an approval of this Permit Amendment Application would not authorize the operation to store or use designated chemicals on site.

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22) The operator's response to item no. 31 states the operation anticipates processing batches of 500 tons of material from the Cash Mine stockpile to determine which combination of reagents will be used during initial milling operations; and that once a combination of reagents that results in the best recovery has been determined from these mill tests, these reagents will be used during future processing operations. Please refer to the Division's comments in item no. 21 above. Approval of this amendment application would not authorize the operation to store or use designated chemicals on site. Prior to conducting such activities at the site (including smaller scale operations), the operation must first be converted to a Designated Mining Operation through submittal and Division approval of the appropriate application.

CMC Response: CMC expects to convert the Gold Hill Mill to a Designated Mining Operation through submittal and DRMS approval before conducting any milling operations.

Exhibit D – Reclamation Plan (Rule 6.3.4):

23) The operator's response to item no. 32 corrected the permit number referenced in the reclamation plan to M-1994-117. However, the response did not specify where in the referenced permit file the pertinent documents may be found, as required by Rule 1.10(2). Please specify where this information can be found in the permit file or provide the mill site reclamation plan with your response.

CMC Response: On July 26, 1995, the Colorado Mined Land Reclamation Board approved Colina Oro Molina's application for a permit for the Gold Hill Mill. This permit's Reclamation Plan essentially followed the original Reclamation Plan filed by the Gold Hill Ventures Limited Partnership on July 20, 1985, which was approved by the Mined land Reclamation Board on September 26, 1985, under the Cash Mine Permit No. M-1983-141. The sole purpose of Colina Oro Molina's Reclamation Plan was to close the Gold Hill Mill and cease further milling operations at this site. Various Reclamation Plan Maps were filed by Colina Oro Molina's representatives and consultants during the time between when they applied for a Reclamation Permit on December 12, 1994, and when it was finally approved on July 26, 1995. None of the documents that were filed by Colina Oro Molina altered the approved Reclamation Plan filed on July 20, 1985. On June 16, 1998, ITEC Environmental became the successor operator to Colina Oro Molina of the Gold Hill Mill Permit No. M-1994-117. Although ITEC Environmental altered the permit boundaries and enlarged and rebuilt the tailings pond, this permitted operator did not revise the original Reclamation Plan filed by the Gold Hill Ventures Limited Partnership on July 20, 1985. Therefore, the pertinent documents may be found under the original Reclamation Plan filed with the Amendment to the Cash Mine Permit No. M-1983-141 on July 20, 1985.

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24) The operator provided a revised reclamation cost estimate that removes language regarding an incremental acreage increase and adds costs for decommissioning the Times Mine water pipeline. However, the estimate does not provide enough details for the Division to calculate the actual costs to reclaim the site based on what it would cost the State of Colorado using an independent contractor to complete reclamation, as required by Rule 6.3.4(2). Please provide more details for the tasks listed in the estimate, including specific structures to be removed, and material volumes, dimensions, lengths, etc. Additionally, please provide an estimated distance to the site at which demolished/removed materials will be disposed.

CMC Response: The only structures that would be removed are the Gold Hill Mill Waterline and the Pump Station. The elimination of the formerly proposed (and subsequently withdrawn) footbridge across Left Hand Creek eliminates some of the time and effort to reclaim the Left Hand Creek Pump Station, but CMC is not reducing the cost estimate because of this decision. The specific structures that would be removed at the Left Hand Creek Pump station would still include the 8 by 10 foot metal conex. The maximum size of the fuel tank that would be inside a containment sump would also be 8 x 10 feet. This would require a Fork Lift and a Flat Bed/Trailer and an operator for this equipment. Two laborers would be needed to assist the Fork Lift and Flat Bed/Trailer operator/driver. This should not require more than one full day to complete this work based on previous experience of the Applicant. However, the maximum time that might be required by an independent contractor could be two full days. The Gold Hill Mill Pipeline will still require two workers cutting the two (2) inch HDPE pipeline into manageable lengths of approximately ten (10) foot lengths and hauling these pipe sections down hill to the nearest of the four historic mine access roads that come in from Lickskillet Road to the Waterline. CMC has estimated that it will take 2 laborers working 8 hours a day for 5 days to complete the removal of the pipeline based on previous experience. A contractor might need seven days to complete this task. If the lower 1,500 to 2,000 feet of the pipeline is installed using two (2) inch galvanized steel pipe in twenty-one foot lengths, the cost of removing the Pipeline

will increase because of the extra time involved in removing these lengths of galvanized steel pipe. Inasmuch as the pipe is still the same two (2) inches in diameter, the volume of pipeline removed will be the same, but an additional two days could be required to remove this portion of the Pipeline. It will be located at the bottom end of the Pipeline, in an area that is fairly flat and is very close to the old mine access road that parallels the Pipeline. All of these features are very close to Lickskillet Road, so the removal of this lower section should be much easier than on the steeper sections of the Pipeline. The distance to the Western Disposal Yard in Boulder is no more than fifteen miles from the lowest point that a Flat Bed/Trailer would be loaded with pipe segments. The average round trip between the Gold Hill Mill Waterline and the disposal site would be less than thirty miles.

Exhibit E – Map (Rule 6.3.5):

25) The operator's response to item no. 35 states the mining and reclamation plan maps have been revised so that the entire area of the Gold Hill Mill operation is depicted. However, only the revised map labeled E-4 - Surface Ownership and Permit Area shows the entire affected area. The revised map labeled E-1 – Mine Plan shows only the proposed permit area near the creek, and the revised map labeled E-3 – Reclamation Plan shows only the proposed permit area to add through this amendment application. Given the scale of the permit area, the separate maps submitted showing closer views of portions of the permit area are very helpful. However, please submit at least one mining plan map and one reclamation plan map that depict the entire affected area of the Gold Hill Mill operation.

CMC Response: CMC is submitting a Revised E-1 Mine Plan Map to depict all of the permanent man-made structures near Left Hand Creek; a Revised E-2 Surface Ownership and Permit Area Map; a Revised E-3 Mine Reclamation Plan Map; a Revised E-4 Revised Surface Ownership and Permit Area Map; a new map E-5 of the Gold Hill Millsite; as well as a Floodplain Map of the area where the Pump Station will be located above the five-hundred year floodplain. Map E-1 now shows the location of the Power Line and the Power Poles and the location of the FEMA Flood Plain in relation to the permanent man-made structures in this location. Map E-2 shows the new location of the Pump Station and the fuel tank situated on the twelve foot Waterline Easement and the two (2) inch Pipeline up to the Times Mine portal that will be installed under the Mining Plan. Map E-3 shows the Pump Station and the fuel tank and the two (2) inch Pipeline that will be removed under the Reclamation Plan. Map E-4 has been revised to show all of the features from the Left Hand Creek to the Gold Hill Millsite and the property ownership adjacent to the Permit Area. Map E-5 shows the Gold Hill Millsite in relation to the Waterline as it enters the Times Mine portal. Maps E-3 and E-4 depict the entire affected area of the Gold Hill Mill operation.

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26) The operator's response to item no. 36 states the mining plan map has been revised to show the location of any permanent man-made structures within 200 feet of the affected area; and that all structures can be correlated with the description provided in Exhibit B. However, the only revised map labeled Mine Plan is E-1, and this map only shows structures located in the area

near the creek. Please provide a mining plan map that shows the location of all permanent, man-made structures within 200 feet of the entire affected area, including the existing mill site.

CMC Response: Maps E-3 and E-4 have been revised to show the location of all permanent, man-made structures within 200 feet of the entire affected area including the existing Gold Hill Millsite.

Exhibit F – List of Other Permits and Licenses (Rule 6.3.6):

27) The operator's response to item no. 38 states a Plan of Operations has been prepared for the Gold Hill Mill and will be submitted (to the BLM) as soon as the Division has completed its review of this amendment application. Please commit to providing the Division with a copy of the BLM approval once attained.

CMC Response: CMC commits to providing the DRMS with a copy of the Bureau of Land Management approval once it is attained.

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28) The operator's response to item no. 39 states a Plan of Operations has been prepared for the Gold Hill Mill's Left Hand Creek pump station and will be submitted (to the USFS) as soon as the Division has completed its review of this amendment application. Please commit to providing the Division with a copy of the USFS approval once attained.

CMC Response: CMC commits to providing the DRMS with a copy of the U.S. Forest Service approval once it is attained.

Exhibit L – Permanent Man-Made Structures (Rule 6.3.12):

29) The operator's response to item no. 45 states Exhibit L has been revised to include a detailed list of all permanent, man-made structures located within 200 feet of the affected land. The revised exhibit states there are 7 permanent man-made structures located within 200 feet of the operation or affected land, as well as an Excel Energy Corporation pole-mounted utility line extending east-west along the northern boundary of the pump station area. The exhibit also states all structures are shown on the E-1 Mine Plan Map. Firstly, the revised list does not include Sunshine Canyon Drive, Lickskillet Road, or Lefthand Canyon Drive, which are all permanent, man-made structures located within 200 feet of the affected area. Please add these structures to the list. Secondly, the Division could not locate the pole-mounted utility line on the E-1 Mine Plan Map. Please be sure this structure is located on the mining plan map.

CMC Response: Exhibit L – Permanent Man-Made Structures has been revised to include the Power Line and Power Poles owned by Excel Energy in this location and they are now depicted on Map E – 1 Mine Plan Map.

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30) Please provide demonstration that structure agreements have been attempted with all owners of permanent, man-made structures located on or within 200 feet of the affected land in accordance with Rule 6.3.12(a) and (c). Demonstration may be in the form of return receipts for Certified Mailing (or proof of hand delivery) and copies of the structure agreements that were sent to each structure owner.

CMC Response: Structure Agreements were hand delivered to Excel Energy and the Boulder County Transportation Department. CMC does not believe that the proposed infrastructure at the Left Hand Creek Pump Station poses any adverse damage potential with respect to the three wooden frame structures that are located on the Mammoth Millsite. The nature of the proposed operations is limited to that normally associated with a small diameter, segmented waterline. No mining operations are proposed along the entire length of the Gold Hill Mill Waterline. There will not even be any excavation at the lower end of the Pipeline, because the Pump Station will be connected with a high pressure rubber hose to the intake that will be inserted in Left Hand Creek to draw water from the creek. The three wooden frame structures on the Mammoth Millsite will not be subjected to shock waves or vibration from the pumping operations, and there is no potential for subsidence since no underground mining operations are ever going to occur in this location. There will be no significant disturbance of the land surface with the installation and removal of the pipeline and the Pump Station because all of the pipe will be set on the ground without the need for any excavation with a backhoe or front end loader. The nearest structure on the Mammoth Millsite is approximately one (100) hundred feet from the two (2) inch pipeline, and approximately two (200) hundred feet from the new proposed location of the Pump Station which will house the Bean pump and the generator in an insulated metal conex. The closest power pole is approximately one (100) hundred feet from the pipeline and nearly two (200) hundred feet from the Pump Station. The relatively insignificant volume of water that can be maintained within a given segment of the Pipeline (due to the line being equipped with check valves every one (1,000) thousand feet and the Bean pump having an automatic shut-off pressure control mechanism) really limits the amount of water that can escape from the Gold Hill Mill Waterline.

The four man-made structures that are located on the Eureka Millsite are covered by a permanent Easement for a Water Line between the owners of the property and CMC which grants access for the purposes of installing, laying, constructing, maintaining, inspecting, repairing, removing, replacing, renewing, using, and operating a Water Line, including the right of ingress and egress for any of these purposes. Gene L. Sapp and Dene F. Sapp granted this Easement on September 24, 2015 to the Colorado Milling Company, LLC. This Water Line easement includes language that requires CMC to restore the real property of the owners of the Eureka Millsite to "as nearly as reasonably possible to its condition prior to any material disturbance from the construction, operation, maintenance, repair, or replacement of the Water Line." A copy of this Easement for the Waterline and Access is attached to this Response Letter.

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31) The operator's response to item no. 46 does not address potential impacts to Sunshine Canyon Drive from utilization of the Times Mine for water conveyance and storage. Given the operator's activities in the Times Mine adit which led to Violation No. MV-2017-036, it is

especially important the stability of Sunshine Canyon Drive be addressed in this amendment application. Please provide a notarized structure agreement with the owner of Sunshine Canyon Drive. If such an agreement cannot be reached, please provide an appropriate engineering evaluation that demonstrates this road will not be damaged by activities occurring at the mining operation in accordance with Rule 6.3.12(b).

CMC Response: CMC and the Boulder County Transportation Department entered into an Agreement to address the stability and safety of that portion of Sunshine Canyon that was damaged when the Times Mine adit's old timbers collapsed. For the last two years, the slope above the Times Mine adit portal has been observed and monitored for any signs of weakness or slope failure. Because the galvanized culvert was extended much further out from the hard rock entrance to the Times Mine Cross-cut, the angle of repose of the material built up over the years is now much less steep than before. Additional material composed of decomposed granite was used to lessen the angle of repose above the Times Mine adit, and the slope above the entrance to the mine appears to have stabilized. The Boulder County Transportation Department was given a notarized Structure Agreement, and it is under consideration and will be forwarded to the DRMS as soon as possible.

Additional Item(s):

32) The Division previously forwarded all comment letters received for the amendment application during the public comment period that closed on January 24, 2018. Please respond to any jurisdictional concerns expressed by objectors, including the Pine Brook Water District (objection letter enclosed).

CMC Response: CMC responded to everyone who sent the DRMS negative comments about the Amendment Application. Copies of all of the letters that CMC sent to the objectors, including the Pine Brook Water District are attached to this Response Letter.

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33) The Division accepts the operator's response to comments received from Boulder County Parks and Open Space, Boulder County Land Use Department, Colorado Historical Society, and Division of Water Resources. Please address any concerns or recommendations in agency comment letters received from the U.S. Army Corps of Engineers (February 6, 2018; comment letter enclosed) and the City of Boulder Public Works (March 5, 2018; comment letter enclosed).

CMC Response: CMC addressed any concerns and accepted the recommendations of the U.S. Army Corps of Engineers by contacting the Boulder County Engineer's Office about obtaining a Floodplain Development Permit for the installation of the lowermost portion of the Gold Hill Mill Waterline. This will now be limited to the flexible hose and the metal screened box that the intake pipe will be inserted into to pump water from Left Hand Creek under the terms of the Water Court Decree obtained on October 2, 1985.

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34) Pursuant to Rule 1.6.2(e), the operator must submit proof of the notice to all owners of record of surface and mineral rights of the affected land, and to the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement owners. To comply with this Rule, the operator submitted copies of return receipts of Certified Mailing. However, the following receipts were copied in a way that portions of the Certified Mailing number are not visible: Gene Sapp and Dene Sapp, Rene Murphy, and Finnlandia Minerals. Please either provide the Certified Mailing numbers for these receipts, or submit new copies of these receipts which show the entire Certified Mailing number.

CMC Response: The Certified Mailing Numbers for the receipts showing proof of notice to these adjacent landowners are as follows:

Gene Sapp and Dene Sapp: 7017 2400 0000 8703 5451; Rene Murphy: 7017 2400 0000 8703 5413; and Finnlandia Minerals: 7017 2400 0000 8703 5345.

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35) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

CMC Response: CMC will provide the DRMS with a file stamped receipt or an affidavit from the Boulder County Clerk and Recorder's Office.

Please contact me at (303) 651-2985 in Longmont if you have any questions regarding this Response Letter.

Sincerely,

Mark A. Steen

Mark A. Steen
For: Colorado Milling Company, LLC

RECEIPT OF DELIVERY

OFFICE OF BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street

Boulder, Colorado

CERTIFICATION

I, Katie Tymicanich certify that a copy of the Second Response Letter and Attachments to the Colorado Milling Company, LLC's Application for an Amendment to MLRD Permit No. M-1994-117 for the Gold Hill Mill, dated January 4, 2019, addressed to the Colorado Division of Reclamation, Mining, and Safety was hand- delivered to me on January 4, 2019.

Signed; Katie Tymicanich

Dated: 1-4-19

10. **Location information:** The center of the area where the majority of mining will occur lies in:

COUNTY: Boulder

PRINCIPAL MERIDIAN (check one): ☑ 6th (Colorado) ☐ 10th (New Mexico) ☐ Ute

SECTION (write number): S 2, 11, 12

TOWNSHIP (write number and check direction): T _____ ☑ North ☐ South

RANGE (write number and check direction): R _____ ☐ East ☑ West

QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☐ SW

QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☐ SW

GENERAL DESCRIPTION (miles and direction from nearest town and approximate elevation): _____

Approximately 9 5 miles from Boulder, Colorado, by driving up Sunshine Canyon Drive (County Road No 52) Elevation of the Gold Hill Mill is 8,445 feet, at the Times Mine it is 8,355 feet, and at the Left Hand Creek Pump Station it is approximately 7,713.

11. **Primary Mine Entrance Location** (report in either Latitude/Longitude OR UTM):

Latitude/Longitude:

Example: (N) 39° 44′ 12.98″
(W) 104° 59′ 3.87″

Latitude (N): deg 40 min 03 sec 55.74 (2 decimal places)

Longitude (W): deg 105 min 24 sec 00.12.1 (2 decimal places)

OR

Example: (N) 39.73691°
(W) -104.98449°

Latitude (N) _____._____ (5 decimal places)

Longitude (W) -_____.12.1 (5 decimal places)

OR

Universal Tranverse Mercator (UTM)

Example: 201336.3 E NAD27 Zone 13
4398351.2 N

UTM Datum (specify NAD27, NAD83 or WGS 84) WGS 84 Zone 12

Easting _____

Northing _____

12. **Primary future (Post-mining) land use (check one):**

☐ Cropland(CR)
☐ Rangeland(RL)
☐ Residential(RS)
☐ Developed Water Resources(WR)
☐ Pastureland(PL)
☑ Forestry(FR)
☐ Recreation(RC)
☐ General Agriculture(GA)
☐ Wildlife Habitat(WL)
☐ Industrial/Commercial(IC)
☐ Solid Waste Disposal(WD)

13. **Primary present land use (check one):**

☐ Cropland(CR)
☐ Rangeland(RL)
☐ Residential(RS)
☐ Developed Water Resources(WR)
☐ Pastureland(PL)
☑ Forestry(FR)
☐ Recreation(RC)
☐ General Agriculture(GA)
☐ Wildlife Habitat(WL)
☐ Industrial/Commercial(IC)
☐ Mining(MN)

Attached to this page is **EXHIBIT E – MAPS** showing Revised E-1 Mine Plan Map to depict all of the permanent man-made structures near Left Hand Creek; a Revised E-2 Surface Ownership and Permit Area Map; a Revised E-3 Mine Reclamation Plan Map; a Revised E-4 Revised Surface Ownership and Permit Area Map; a new map E-5 of the Gold Hill Millsite; as well as a Floodplain Map of the area where the Pump Station will be located above the five-hundred year floodplain. Map E-1 now shows the location of the Power Line and the Power Poles and the location of the FEMA Flood Plain in relation to the permanent man-made structures in this location. Map E-2 shows the new location of the Pump Station and the fuel tank situated on the twelve foot Waterline Easement and the two (2) inch Pipeline up to the Times Mine portal that will be installed under the Mining Plan. Map E-3 shows the Pump Station and the fuel tank and the two (2) inch Pipeline that will be removed under the Reclamation Plan. Map E-4 has been revised to show all of the features from the Left Hand Creek to the Gold Hill Millsite and the property ownership adjacent to the Permit Area. Map E-5 shows the Gold Hill Millsite in relation to the Waterline as it enters the Times Mine portal. Maps E-3 and E-4 depict the entire affected area of the Gold Hill Mill operation.

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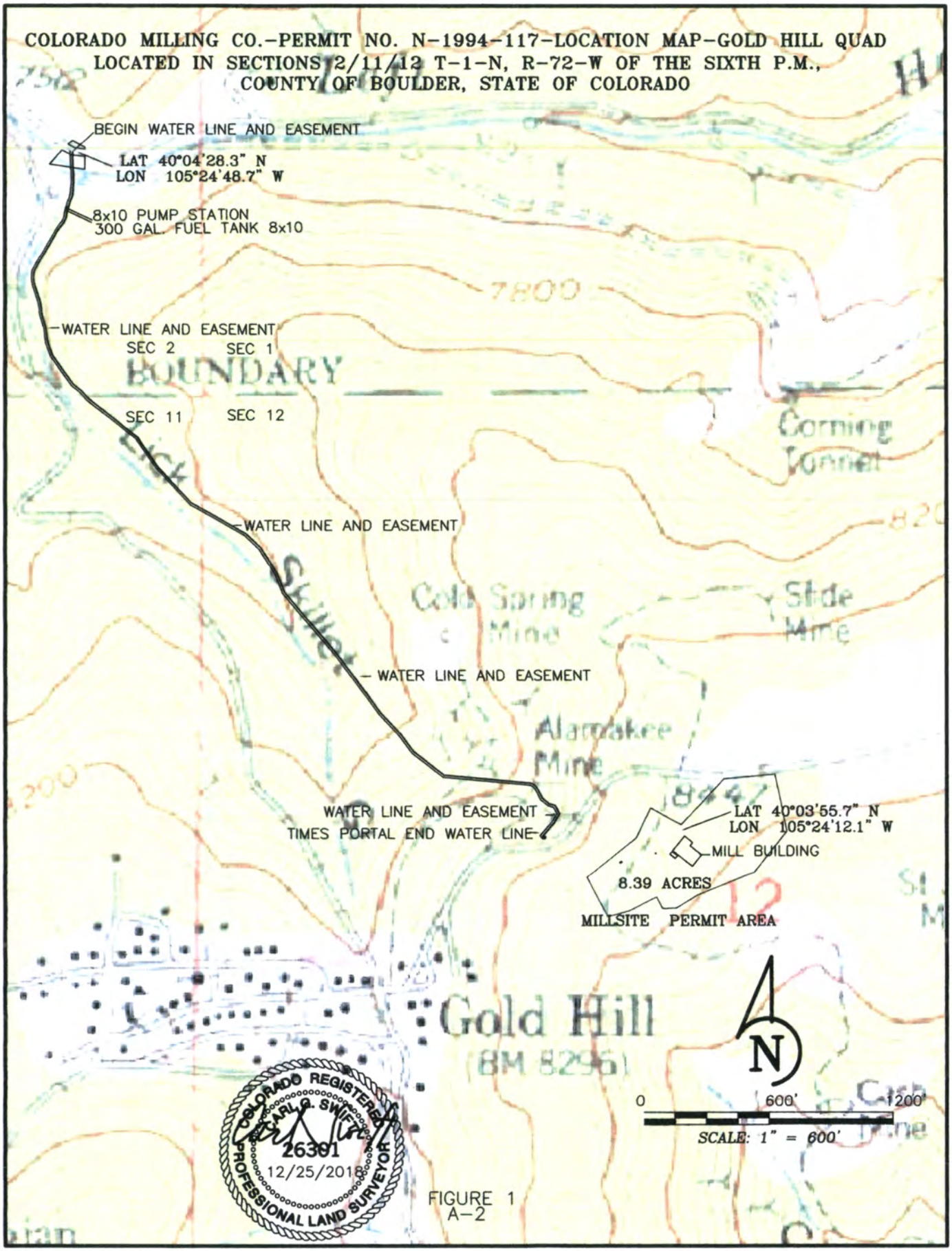
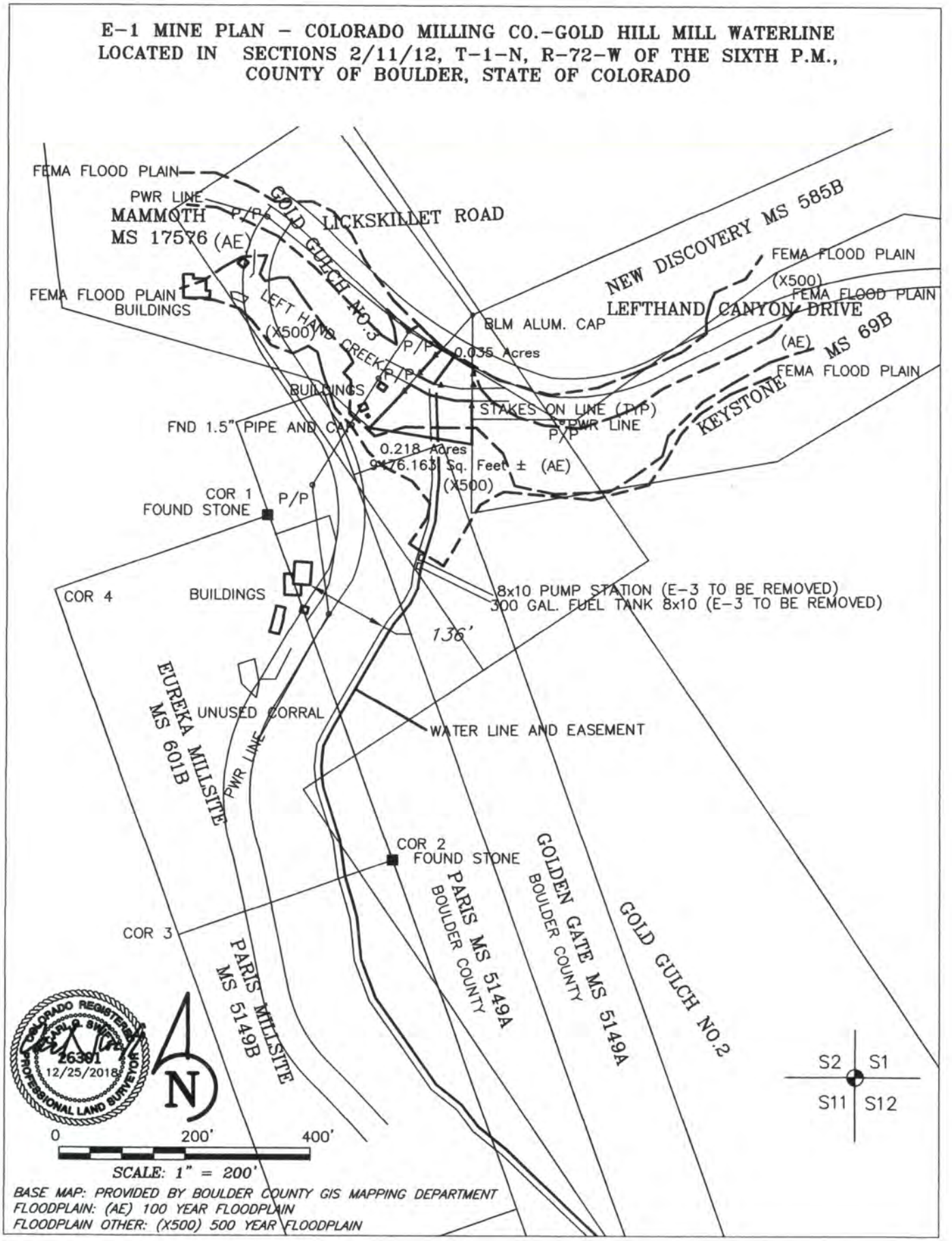
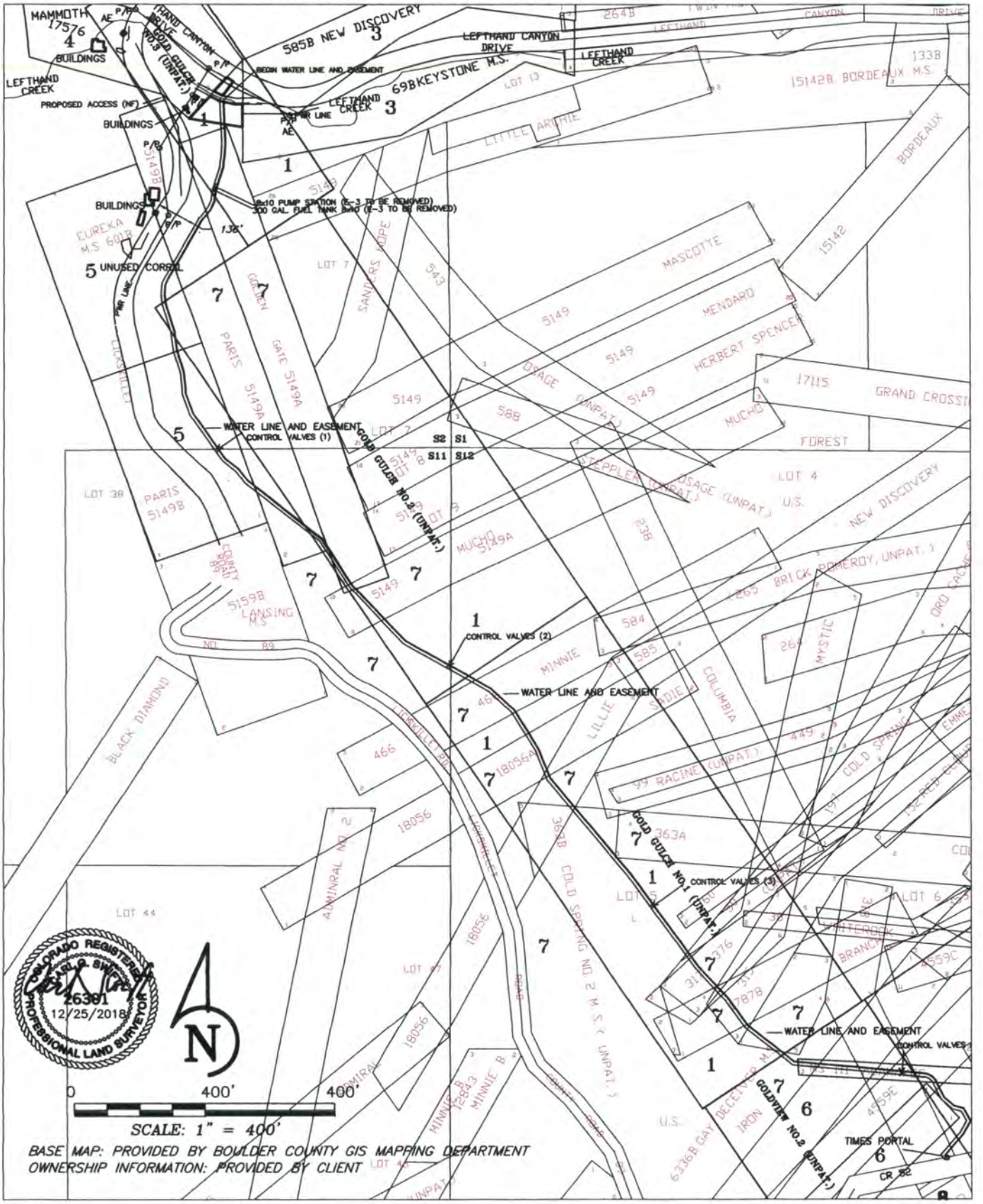


FIGURE 1
A-2

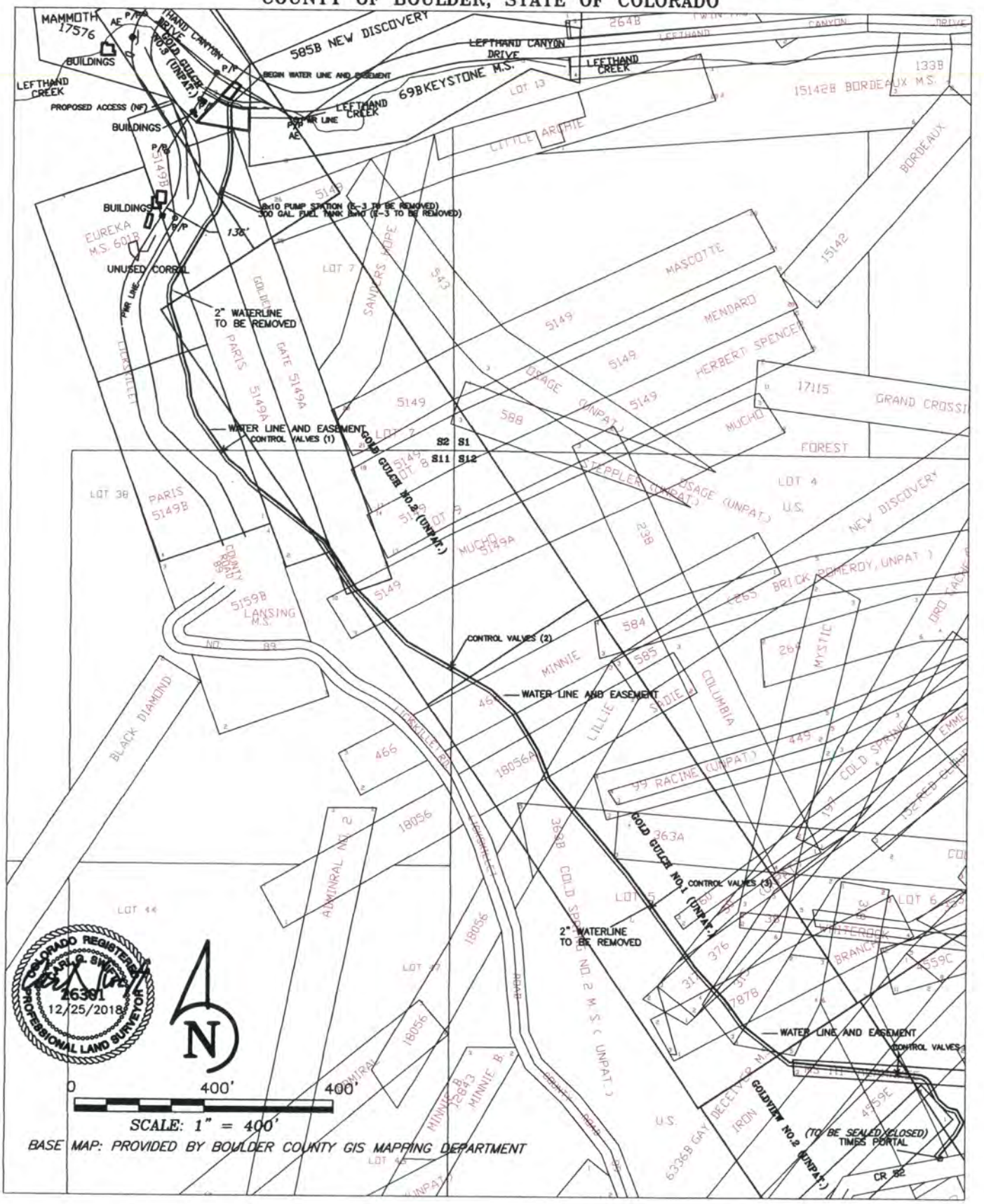
all Maps 11x17" or smaller


E-1 MINE PLAN – COLORADO MILLING CO.–GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO
FEMA FLOOD PLAIN
PWR LINE
MAMMOTH
MS 17576 (AE)
P/P
GOLD GULCH NO.3
LICKSKILLET ROAD
NEW DISCOVERY MS 585B
FEMA FLOOD PLAIN
(X500)
FEMA FLOOD PLAIN
FEMA FLOOD PLAIN
BUILDINGS
LEFT HAND CREEK
(X500)
P/P
BLM ALUM. CAP
0.035 Acres
LEFTHAND CANYON DRIVE
(AE)
MS 69B
FEMA FLOOD PLAIN
BUILDINGS
STAKES ON LINE (TYP)
PWR LINE
P/P
KEYSTONE
FND 1.5" PIPE AND CAP
0.218 Acres
9476.163 Sq. Feet ± (AE)
(X500)
COR 1
FOUND STONE
P/P
COR 4
BUILDINGS
8x10 PUMP STATION (E-3 TO BE REMOVED)
300 GAL. FUEL TANK 8x10 (E-3 TO BE REMOVED)
136'
EUREKA MILLSITE
MS 601B
UNUSED CORRAL
PWR LINE
WATER LINE AND EASEMENT
COR 2
FOUND STONE
PARIS MS 5149A
BOULDER COUNTY
GOLDEN GATE MS 5149A
BOULDER COUNTY
GOLD GULCH NO.2
COR 3
PARIS MILLSITE
MS 5149B
COLORADO REGISTERED
EARL G. SWIFT
26381
12/25/2018
PROFESSIONAL LAND SURVEYOR
N
0
200'
400'
SCALE: 1" = 200'
S2
S1
S11
S12
BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT
FLOODPLAIN: (AE) 100 YEAR FLOODPLAIN
FLOODPLAIN OTHER: (X500) 500 YEAR FLOODPLAIN

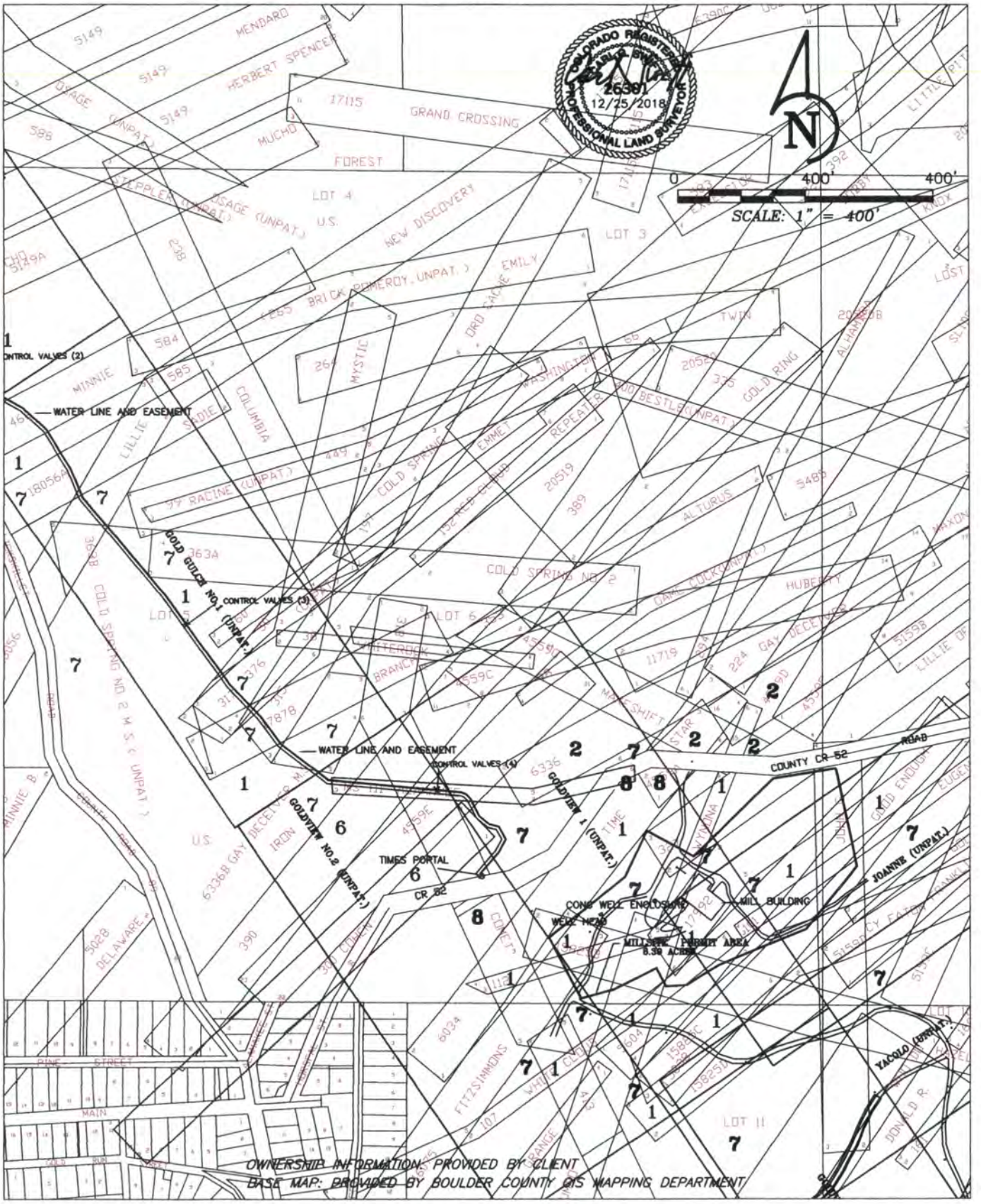
E-2 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOUNDER, STATE OF COLORADO



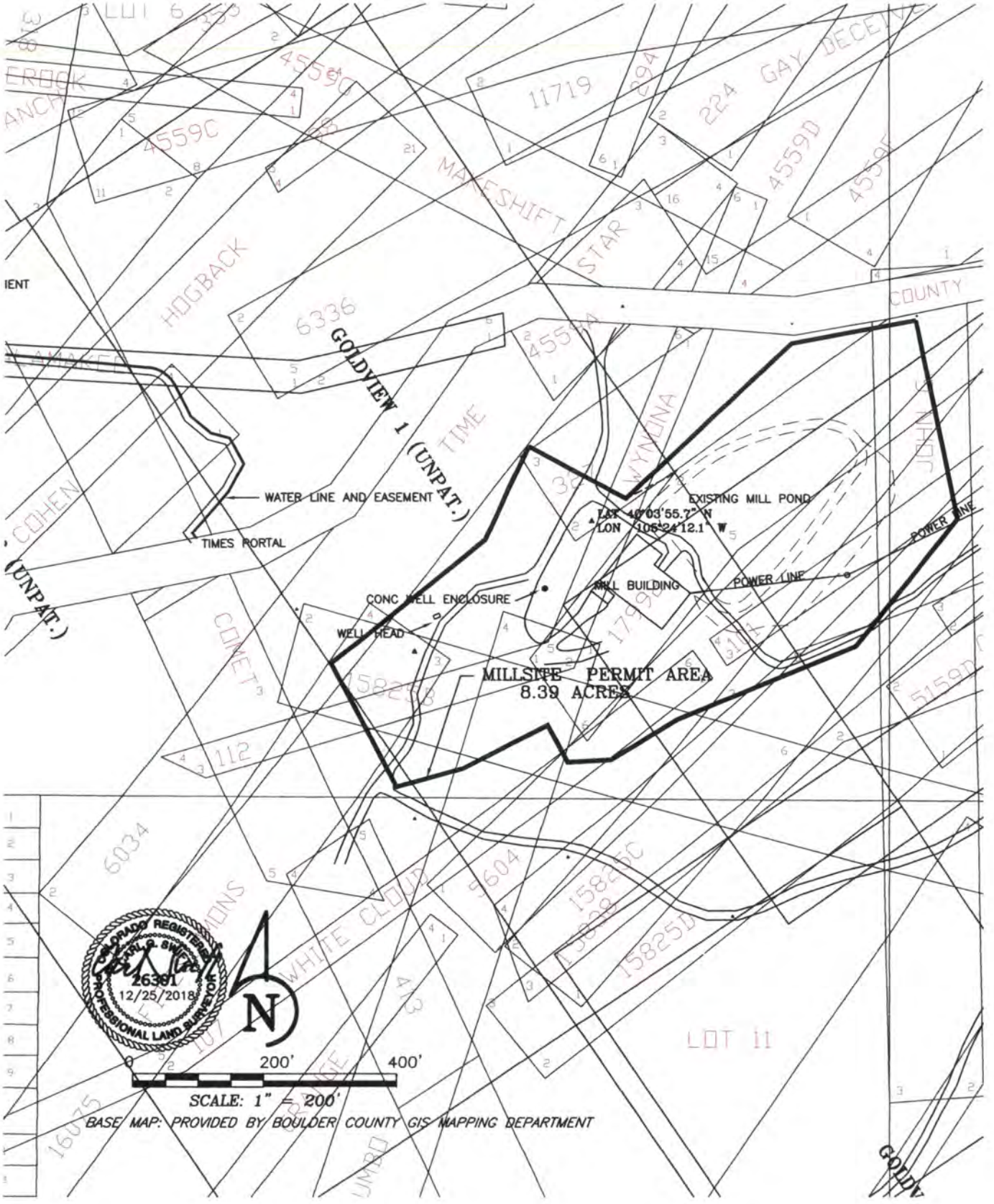
E-3 MINE RECLAMATION PLAN
COLORADO MILLING CO.- GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



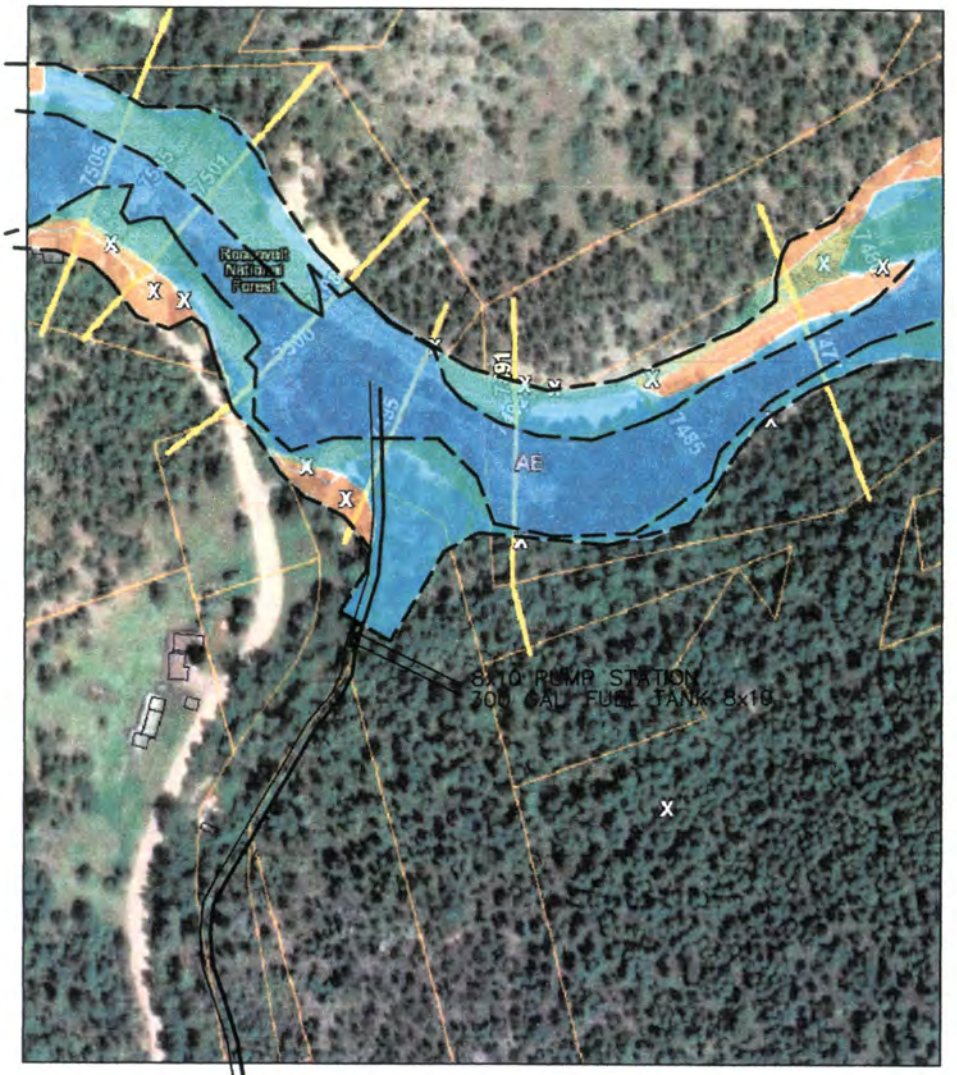
E-4 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



E-5 MILLSITE - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



FLOODPLAIN – FEMA – COLORADO MILLING CO.–GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T–1–N, R–72–W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



FLOODPLAIN: (AE) 100 YEAR FLOODPLAIN
FLOODPLAIN OTHER: (X500) 500 YEAR FLOODPLAIN

COLORADO REGISTERED
CARL G. SWIFT
26391
12/25/2018
PROFESSIONAL LAND SURVEYOR

N

0 200' 400'

SCALE: 1" = 200'

BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT

EXHIBIT L – PERMANENT MAN-MADE STRUCTURES

There are three small wooden structures located on the Mammoth Millsite MS No. 17576, 4591 Lickskillet Road, Gold Hill, Colorado 80302. The Mammoth Millsite is owned by James K. McCumber and Amy Fortunato, P.O. Box 1927, Boulder, Colorado 80306. There is a single family residence, a storage shed, a small barn, and an unused corral located on the Eureka Millsite MS No. 601B, 4801 Lickskillet Road, Gold Hill, Colorado 80302. The owners of the Eureka Millsite are Gene L. Sapp and Dene F. Sapp. There are also power poles and power lines within 200 feet of the affected area that are owned by Excel Energy, 2655 63rd Street, Boulder, Colorado 80301. In addition, Left Hand Canyon Drive, County Road No. 106, and Lickskillet Road, County Road No. 106 are located within 200 feet of the affected area in this location. Sunshine Canyon Drive, County Road No. 52 is also within 200 feet of the affected area. These are owned by Boulder County and maintained and administered by the Boulder County Transportation Department, 2525 13th Street, Boulder, Colorado, 80304.

Attached to this page are Receipts for Hand Delivered Structure Agreements between the Colorado Milling Company, LLC and Xcel Energy and the Boulder County Transportation Department.

An example Structure Agreement which meets the requirements of the Statutes is shown below.
****

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or

b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or

c) Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20)*

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. Excel Energy poles and power lines within 200 feet of permit boundaries.
2. _____
3. _____
4. _____
5. _____

(*Please list additional structures on a separate page*)

CERTIFICATION

The Applicant, Colorado Milling Company, LLC (print applicant/company name), by Mark A. Steen (print representative's name), as Agent (print representative's title), does hereby certify that Xcel Energy (structure owner) shall be compensated for any damage from the proposed mining operation to the above listed structure(s) located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation Permit Application for Gold Hill Mill (operation name), File Number M-1994-117.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

NOTARY FOR PERMIT APPLICANT

ACKNOWLEGED BY:

Applicant Colorado Milling Company, LLC Representative Name Mark A Steen

Date January 2, 2019 Title Agent: Mark A. Steen

STATE OF Colorado)
) ss.
COUNTY OF Boulder)

The foregoing was acknowledged before me this 02 day of January, 2019, by Mark A Steen as Agent of Colorado Milling Co.

Notary Public My Commission Expires: 08/29/2019

CEMRAN LAMICHHANE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154019413
MY COMMISSION EXPIRES JUNE 29, 2019

Received By
Robert Yaeger
Xcel Energy
1/31/2019

NOTARY FOR STRUCTURE OWNER

ACKNOWLEGED BY:

Structure Owner _____ Name _____

Date _____ Title _____

STATE OF _____)
) ss.
COUNTY OF_____)

The foregoing was acknowledged before me this____ day of _____, 20___, by _____ as _____ of _____.

_____ My Commission Expires:_____
Notary Public

An example Structure Agreement which meets the requirements of the Statutes is shown below.
****

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or

b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or

c) Where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility. (*Construction Materials Rule 6.3.12 and Rule 6.4.19 & Hard Rock/Metal Mining Rule 6.3.12 and Rule 6.4.20)*

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. Sunshine Canyon Drive, County Road No. 52.
2. Lickskillet Road, County Road No. 89.
3. Left Hand Canyon Drive, County Road 106.
4. _____
5. _____

(Please list additional structures on a separate page)

RECEIVED
JAN 02 ~~2018~~ 2019
mo
Boulder County
Transportation

CERTIFICATION

The Applicant, Colorado Milling Company, LLC (print applicant/company name), by Mark A. Steen (print representative's name), as Agent (print representative's title), does hereby certify that Boulder County Transportation Department (structure owner) shall be compensated for any damage from the proposed mining operation to the above listed structure(s) located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation Permit Application for Gold Hill Mill (operation name), File Number M-1994-117.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

NOTARY FOR PERMIT APPLICANT

ACKNOWLEGED BY:

Applicant Colorado Milling Company, LLC. Representative Name Mark A. Steen

Date January 2, 2019 Title Agent: Mark A. Steen

STATE OF Colorado)
) ss.
COUNTY OF Boulder)

The foregoing was acknowledged before me this 02 day of January, 2019, by Mark A Steen as Agent of Colorado Milling Co.

Notary Public My Commission Expires: 06/29/2019

RECEIVED
JAN 02 2018 2019 MD
Boulder County Transportation

NOTARY FOR STRUCTURE OWNER

ACKNOWLEGED BY:

Structure Owner _____ Name _____

Date _____ Title _____

STATE OF _____)
) ss.
COUNTY OF_____)

The foregoing was acknowledged before me this____ day of _____, 20___, by _____ as _____ of _____.

_____ My Commission Expires:_____
Notary Public

Attached to this page is a copy of an EASEMENT FOR WATER LINE WITH ACCESS between GENE L. SAPP and DENE F. SAPP and the COLORADO MILLING COMPANY, LLC dated September 24, 2015.

03493314 12/29/2015 03:02 PM
RF: $41.00 DF: $0.00 Page: 1 of 7
Electronically recorded in Boulder County Colorado. Recorded as received.

EASEMENT FOR WATER LINE WITH ACCESS

THIS EASEMENT FOR WATER LINE WITH ACCESS is granted this 29th day of September, 2015 between GENE L. SAPP and DENE F. SAPP ("Grantors") whose legal address is 4801 Lickskillet Road, Boulder, County of Boulder, State of Colorado, and COLORADO MILLING COMPANY, LLC, a Colorado Limited Liability Company, ("Grantee") whose legal address is 9145 Sunshine Canyon Drive , Boulder, County of Boulder, State of Colorado.

WITNESSETH: That the Grantors for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, hereby grants and conveys to the Grantee, and its successors and assigns, a permanent Easement for a Water Line and appurtenances thereto ("Easement") as follows:

1. **Nature and Location of Easement.** The Easement granted by Grantors herein shall be a permanent and perpetual twelve (12) foot wide Easement for the benefit of Grantee over, upon, across and through the following described Real Property to wit:

Eureka Millsite, MS 601B, situated, located and being in the Gold Hill Mining District, County of Boulder, State of Colorado, such Easement as legally described on **Exhibit "A"** attached hereto and incorporated herein by this reference, as that portion depicted on **Exhibit"B"** of the Easement labelled (A) through (G), for the purposes of installing, laying, constructing maintaining, inspecting, repairing, removing, replacing, renewing, using, and operating a Water Line together with all connectors and appurtenances ("Water Line"), including the right of ingress and egress for said purposes. The use of this Easement is restricted to the width and location as legally described on **Exhibit "A"** and **Exhibit "B"** attached hereto and incorporated herein by this reference.

2. **Access Easement.** Grantors also hereby dedicates, conveys and grants to Grantee a permanent and perpetual non-exclusive access easement for ingress and egress over the portion of the Real Property described above, the Eureka Millsite, MS 601B, situated, located, and being in the Gold Hill Mining District, County of Boulder, State of Colorado, such Access Easement as legally described on **Exhibit "A"** attached hereto and incorporated herein by this reference, as that portion labeled (A) through (G).

3. **Right of Entry.** Grantee shall have the right to enter upon the Real Property to install, lay, construct, maintain, inspect, repair, remove, replace, renew, use and operate the Water Line for the benefit of Grantee. Grantee agrees to restore the real property as nearly as reasonably possible to its condition prior to any material disturbance from the construction, operation, maintenance, repair, or replacement of the Water Line.

4. **Encroachment/Construction Activity.** Grantors shall not undertake, authorize, permit or consent to any construction or excavation including, without limitation, digging or other forms of construction activity on or near the Easement which might in any fashion undermine or damage the Water Line, provided Grantors shall have full use of the surface of the Real Property within the Easement, so long as such use does not interfere with the Easement or the Water Line.

5. **Binding Effect/Warranty of Title.** The Easement and the covenants, terms, and conditions contained herein are intended to and shall run with the Real Property and shall be binding upon the Grantee and Grantors and their respective successors, heirs, and assigns. Grantors warrant that Grantors has good title to the Real Property and warrants the Grantee title to and quite enjoyment of the Easement.

6.) **Expiration.** This Easement shall expire upon the the written agreement and mutual consent of the Grantors and Grantee and their respective successors, heirs, and assigns.

7.) **Recording**. Upon its execution, the Easement shall be recorded with the Boulder County Clerk and Recorder's Office, Boulder, Colorado.

IN WITNESS WHEREOF, the Grantors and Grantee have executed this Easement for Water Line with Access on the date set forth above.

BY: Gene L Sapp

Gene L. Sapp, Grantor

By: Dene Sapp

Dene F. Sapp, Grantor

By:

Member of Colorado Milling Company, LLC, Grantee

State of Colorado)
) ss.
County of Boulder)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 14th DAY OF August, 2015 BY Gene L. Sapp, Grantor. Witness my Hand and Official Seal:

My Commission Expires 8-29-2018

Notary Public

WILLIAM R. SMELLAGE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19984020650
MY COMMISSION EXPIRES 08/29/2018

State of Colorado)
) ss.
County of Boulder)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 14TH DAY OF August, 2015

BY Dene F. Sapp, Grantor. Witness my Hand and Official Seal:

My Commission Expires 8-29-2018

Notary Public State of

WILLIAM R. SMELLAGE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #19984020660
MY COMMISSION EXPIRES 08/29/2018

State of Utah)
) ss.
County of Grand)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 24th DAY OF September, 2015

BY Michael H Byrnes, Grantee, Member of Colorado Milling Company, a Colorado Limited Liability Company. Witness my Hand and Official Seal.

My Commission Expires 9.14.2019

Notary Public

LADONNA M KINISTON
Notary Public
State of Utah
Comm. No. 684717
My Comm. Expires Sep 14, 2019

EXHIBIT "A"

A WATERLINE AND ACCESS EASEMENT 12.00 FEET IN WIDTH LOCATED IN THE NW 1/4 SECTION 12, AND THE NE 1/4 SECTION 11, SE 1/4 SECTION 2, TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, SAID EASEMENT BEING 2.00 FEET ON THE EASTERLY SIDE OF THE FOLLOWING DESCRIBED LINE, AND 10.00 FEET ON THE WESTERLY SIDE OF THE FOLLOWING DESCRIBED LINE, SAID LINE BEING AN EXISTING WATERLINE, AND SIDELINES TO BE EXTENDED OR SHORTENED TO ELIMINATE GAPS AND OVER LAPS:

COMMENCING AT THE NW CORNER OF SECTION 12, TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, FROM WHICH POINT
CORNER NO.1 OF THE COMET LODE MINERAL SURVEY NO. 318
BEARS S 42°35'04" E A DISTANCE OF 1834.25 FEET;
THENCE S 35°23'54" E A DISTANCE OF 2705.84 FEET
TO THE PORTAL OF THE TIMES TUNNEL AND
THE TRUE POINT OF BEGINNING OF THIS EASEMENT DESCRIPTION;

THENCE N 37°42'29" W A DISTANCE OF 11.19 FEET;
THENCE N 41°00'07" E A DISTANCE OF 85.27 FEET;
THENCE N 28°22'20" E A DISTANCE OF 48.08 FEET;
THENCE N 28°01'54" W A DISTANCE OF 44.21 FEET;
THENCE N 75°24'30" W A DISTANCE OF 29.65 FEET;
THENCE N 50°10'04" W A DISTANCE OF 41.56 FEET;
THENCE N 27°11'40" W A DISTANCE OF 49.09 FEET;
THENCE N 04°00'36" W A DISTANCE OF 68.93 FEET;

THENCE ALONG AN ARC OF A CURVE TO THE LEFT
HAVING AN ARC LENGTH OF 90.30 FEET,
WITH A DELTA ANGLE OF 86°13'38",
WITH A RADIUS OF 60.00 FEET,
WITH A CHORD BEARING OF N 47°07'25" W,
AND A CHORD LENGTH OF 82.01 FEET;

THENCE N 86°45'59" W A DISTANCE OF 157.44 FEET;
THENCE S 79°28'24" W A DISTANCE OF 57.26 FEET;
THENCE S 71°55'18" W A DISTANCE OF 176.87 FEET;
THENCE N 51°57'31" W A DISTANCE OF 185.35 FEET;
THENCE N 36°08'52" W A DISTANCE OF 107.26 FEET;
THENCE N 42°49'18" W A DISTANCE OF 135.81 FEET;
THENCE N 35°50'13" W A DISTANCE OF 357.75 FEET;
THENCE N 39°52'57" W A DISTANCE OF 387.17 FEET;
THENCE N 21°24'36" W A DISTANCE OF 97.29 FEET;
THENCE N 31°47'55" W A DISTANCE OF 146.15 FEET;
THENCE N 46°57'44" W A DISTANCE OF 97.57 FEET;
THENCE N 60°22'18" W A DISTANCE OF 302.44 FEET;
THENCE N 45°58'56" W A DISTANCE OF 241.27 FEET;
THENCE N 36°38'23" W A DISTANCE OF 171.69 FEET;
THENCE N 46°21'24" W A DISTANCE OF 237.60 FEET TO POINT "A";
THENCE N 50°49'13" W A DISTANCE OF 56.85 FEET;
THENCE N 36°46'37" W A DISTANCE OF 43.37 FEET;
THENCE N 51°20'58" W A DISTANCE OF 53.33 FEET;
THENCE N 34°46'28" W A DISTANCE OF 171.19 FEET;
THENCE N 19°52'50" W A DISTANCE OF 67.17 FEET;
THENCE N 05°38'08" W A DISTANCE OF 67.46 FEET;

THENCE N 16°11'40" W A DISTANCE OF 69.18 FEET,
MORE OR LESS, TO LINE 2-3 OF EUKEKA MILLSITE MS 601B,
FROM WHICH POINT CORNER (2) EUREKA MILLSITE MS 601B
BEARS N70°25'E 80.78'FEET;

(A)THENCE CONTINUING N 16°11'40" W A DISTANCE OF 1.89 FEET;
(B)THENCE N 08°05'07" W A DISTANCE OF 59.65 FEET;
(C)THENCE N 17°31'35" W A DISTANCE OF 88.51 FEET;
(D)THENCE N 06°01'36" W A DISTANCE OF 34.97 FEET;
(E)THENCE N 06°05'35" E A DISTANCE OF 32.69 FEET;
(F)THENCE N 26°57'09" E A DISTANCE OF 28.76 FEET;

(G)THENCE N 29°42'01" E A DISTANCE OF 29.51 FEET
MORE OR LESS, TO LINE 1-2 OF EUREKA MILLSITE MS 601 B,
FROM WHICH POINT CORNER (2) EUREKA MILLSITE MS 601B
BEARS S 19°35' E A DISTANCE OF 251.29 FEET;

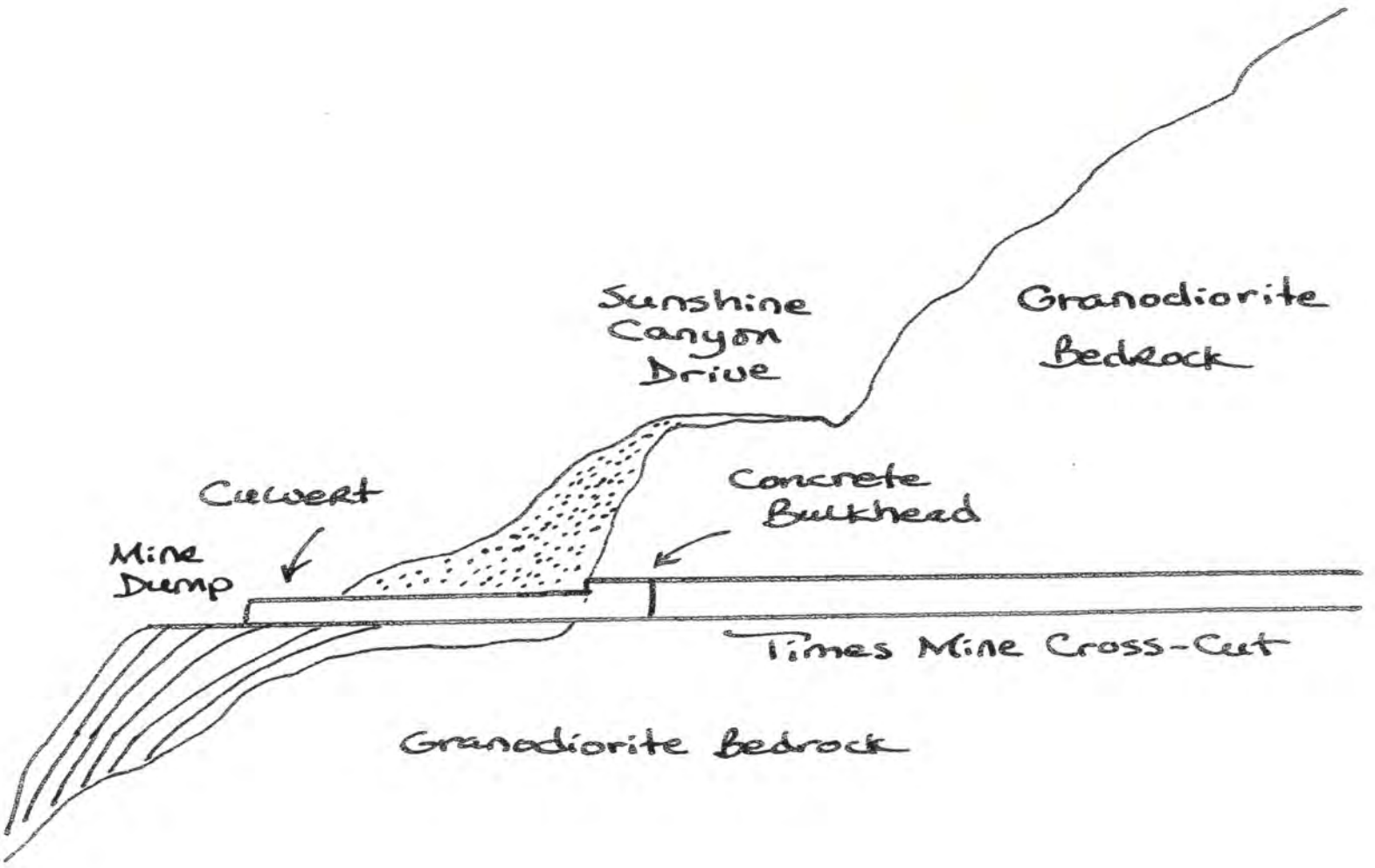
CONTINUING EASEMENT;

THENCE CONTINUING N 29°42'01" E A DISTANCE OF 168.29 FEET;
THENCE N 38°32'38" E A DISTANCE OF 43.46 FEET;
THENCE N 25°42'03" E A DISTANCE OF 27.15 FEET;
THENCE N 08°06'45" E A DISTANCE OF 32.05 FEET;
THENCE N 17°06'59" E A DISTANCE OF 81.25 FEET;
THENCE N 04°21'05" E A DISTANCE OF 70.16 FEET;
THENCE N 01°47'42" W A DISTANCE OF 140.22 FEET
TO THE APPROXIMATE CENTERLINE OF LEFT HAND CREEK AND
TO THE POINT OF TERMINUS OF THIS EASEMENT DESCRIPTION.

TOGETHER WITH,
AN ACCESS EASEMENT 12.00 FEET IN WIDTH LOCATED IN THE NE 1/4 SECTION 11, TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, SAID EASEMENT BEING 6.00 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE, SIDELINES TO BE EXTENDED OR SHORTENED TO ELIMINATE GAPS AND OVER LAPS:

BEGINNING AT POINT "A" IN THE ABOVE DESCRIPTION;
THENCE S 39°10'47" W A DISTANCE OF 4.00 FEET;
THENCE N 71°15'15" W A DISTANCE OF 86.48 FEET;
THENCE N 56°14'21" W A DISTANCE OF 60.53 FEET;
THENCE S 62°07'05" W A DISTANCE OF 12.00 FEET
TO THE APPROXIMATE CENTERLINE OF COUNTY ROAD 89,
COMMONLY KNOWN AS "LICK SKILLET ROAD", AND
TO THE POINT OF TERMINUS OF THIS EASEMENT DESCRIPTION.

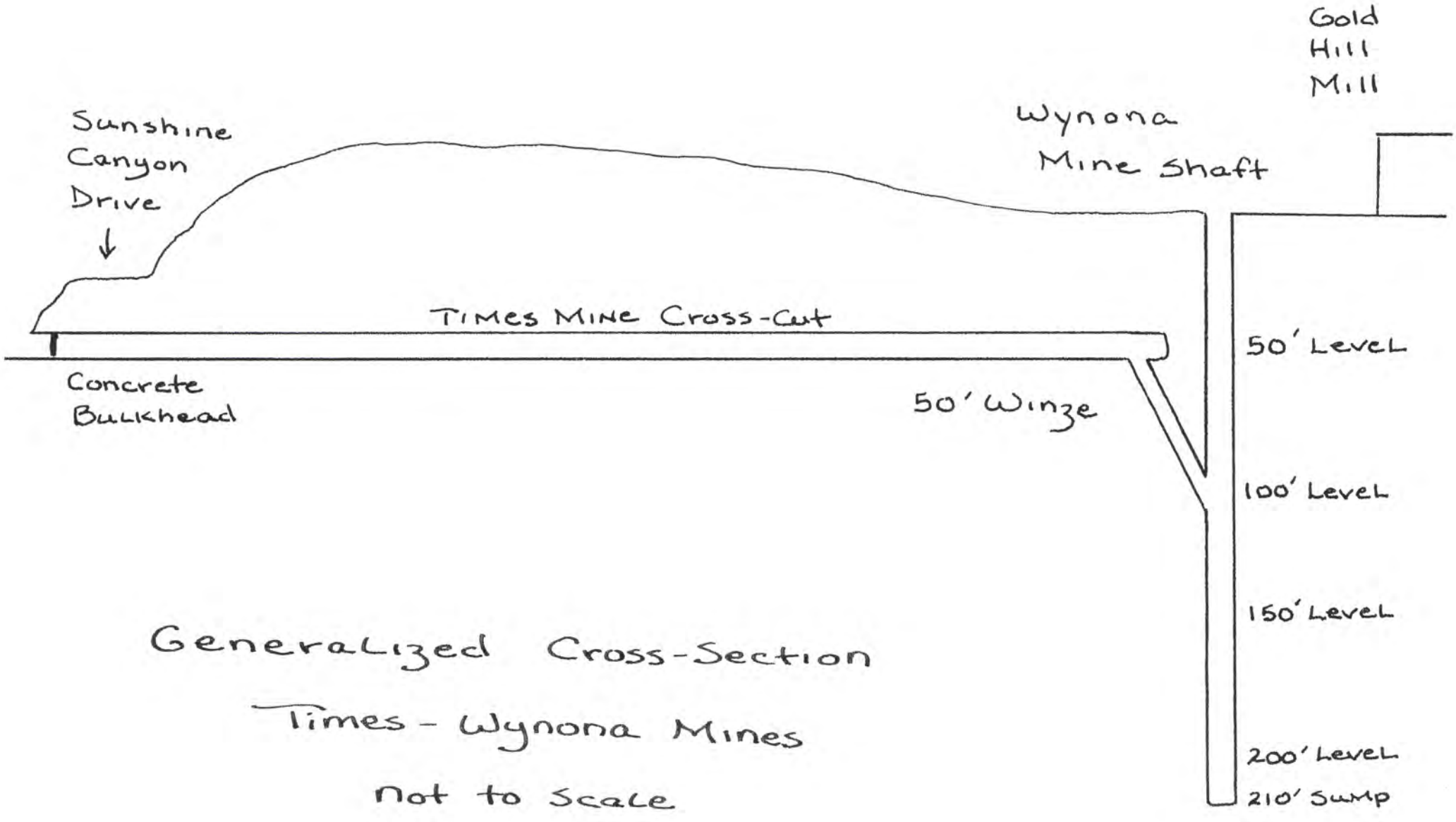
Attached to this page is a copy of a Generalized Cross-Section of the Times Mine Adit located below Sunshine Canyon Drive showing the 100 foot culvert and the concrete bulkhead in the Times Mine.



Times Mine Adit

1" = 50'

Attached to this page is a Generalized Cross-Section of the Times-Wynona Mines and the Underground Mine Workings where the Colorado Milling Company, LLC will be storing water from Left Hand Creek for processing ore in the Gold Hill Mill.



Generalized Cross-Section

Times - Wynona Mines

Not to Scale

Attached to this page are the Response Letters sent to the Individuals, Organizations, and Agencies who wrote comments to the DRMS regarding the Colorado Milling Company, LLC's Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Gretchen Diefenderfer
9147 Sunshine Canyon Drive
Boulder, Colorado 80302

<gretchend@me.com>

December 25, 2018

Gretchen Diefendefer:

The Colorado Milling Company, LLC is herewith responding to your regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

As you know, Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina's on-site Mill Superintendent was totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill until it was competently managed. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the

facility and permit were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company's breakeven price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The point of recounting all of this history is to inform and remind you just who was actually responsible for all of the past problems you are revisiting in your letter. As for your claimed lack of stewardship shown in the past, the Colorado Milling Company, LLC has gone to great lengths to clean up the mess left behind when Mount Royale Ventures was forced off the property. It has spent considerable effort and funds cleaning up after the previous operators of the Gold Hill Mill. This should be easily discoverable to anyone who simply looks around the millsite.

The Colorado Milling Company, LLC is committed to following the terms and conditions of the original permit issued on September 26, 1985, and that includes restoring the use of the legal source of water for the Gold Hill Mill. It remains something of a mystery that you never broached the subject of the Gold Hill Mill Waterline's lack of repair and utilization during the years when Mount Royale Ventures was the permitted operator of the Gold Hill Mill.

The Colorado Milling Company, LLC's representatives are prepared to address any other legitimate concerns or problems that you want to bring to their attention.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Joe Grant
855 Main Street
Gold Hill, Colorado 80302

December 27, 2018

<joegrant@gmail.com>

Joe Grant :

The Colorado Milling Company, LLC is herewith responding to your letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina's on-site Mill Superintendent was completely incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill until it was competently managed.

Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits. Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman

finally departed the site in 1997, the facility and permits were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company's breakeven price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015 but has not yet begun processing ore in the facility. This company has, however, spent considerable effort and funds cleaning up after the previous operator of the Gold Hill Mill, Mount Royale Ventures.

The point of recounting all of this history is to help inform you just who was actually responsible for all of the past problems you are revisiting in your letter. The Colorado Milling Company is actually the first owner of the Gold Hill Mill in more than twenty-eight years that is adhering to the legal terms and conditions of the original Gold Hill Mill Permit. As for the water rights issues, as you know, there is a Water Court Decree in place that determines how the Colorado Milling Company, LLC will withdraw, transport, store and consume its process water. The Application for an Amendment to the Gold Hill Mill Limited Impact Permit filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit is this company's fulfillment of the original, approved Permit issued on September 26, 1985, by the Colorado Mined Land Reclamation Board.

As for your expression of concern regarding the "use of incredibly large amounts of water for mining" being "irresponsible" in a such a high risk area for wildfires, please know that we offered to make the water stored underground in the Times Mine available for use by the Gold Hill Volunteer Fire Department many months ago. The Colorado Milling Company, LLC's representatives are prepared to address any other concerns or problems that you want to bring to their attention.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Mr. Dick Cole:
<goldhillcole@gmail.com>

December 28, 2018

The Colorado Milling Company, LLC is herewith responding to your email regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117 filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

Your comments have been noted.

Sincerely,

Mark A. Steen

Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Gold Hill Town Meeting
Tony Vrba, Chairwoman
<tonyvrba@gmail.com>

December 29, 2018

Tony Vrba:

The Colorado Milling Company, LLC is herewith responding to the Gold Hill Town Meeting's letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

In your email addressed to the Review Board, you posed several questions by writing: "As per your website and report there are many violations listed. Has there been any effort by the operators to make corrections? Is there a trend of fixing violations in a timely manner? The owner's prior actions and reliability to make the area safe needs to be a consideration when further decisions are made."

Since some of your members were not residents of Gold Hill when the Gold Hill Mill was permitted on September 26, 1985, the following history may be useful to those of your membership who want to know what has actually transpired at the property during the last thirty-three years.

The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina's on-site Mill Superintendent was totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility.

Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits. Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer

except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernable to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company's breakeven price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015 but has not yet begun processing ore in the facility. This company has, however, spent considerable effort and funds cleaning up after the previous operator of the Gold Hill Mill, Mount Royale Ventures. This should be easily discoverable to anyone who simply looks around the millsite.

The point of recounting all of this history is to inform and remind your members just who was actually responsible for all of the past problems you are revisiting in your letter. With regard to the other issues that were brought up at the Gold Hill Town Meeting's Special Town Meeting the following answers may be helpful:

There are no rusty pipes on the Waterline Easement. All of the pipes that have ever been installed on the Gold Hill Mill Waterline are made of plastic. The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was first permitted on September 26, 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine Adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipes and claiming that they were polluting the land and were a hazard to wildlife and hikers. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill Permit.

Concern about noise from generators or pumping stations to move water. There are only two means of providing power to the Left Hand Creek Pump Station. One is though the installation of electricity to power the pump. This requires the installation of a pole and a powerline to bring electricity to the water pump. This can not be accomplished without an easement being granted by the owners of the Mammoth Millsite. The second method of providing power to the Pump Station is through the generation of electricity on site. The generator that will be employed to supply electricity to the pump will be housed in an insulated metal conex and will be muffled to reduce the noise of its operation.

All of the water quality issues were previously addressed when the Gold Hill Mill was originally permitted in the answers to public comments, the review by the Gold Hill Committee on Mining & the Environment, and public meetings that were held in the months between when the permit was applied for and when it was issued. There are many pages of comments and reports that are available on the DRMS website regarding this matter.

Contamination of water in case of flood. This has been addressed by moving the Pump House and fuel storage for the generator well above the Left Hand Creek floodplain and floodway. The Colorado Milling Company, LLC will be compliance with all of the applicable Rules and Regulations that apply to the Gold Hill Mill Waterline before anything is installed along the length of the Water Pipeline Easement Deed.

The Colorado Milling Company, LLC has expended a considerable amount of funds and effort in restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. It is also following the original, approved plan for obtaining a legal source of process water for milling operations. Incidentally, access to the water that is stored in the Times Mine has now been restored, and this considerable volume of water was offered to the Volunteer Fire Department months ago. It is something of a mystery why access to all this water has not been followed up by anyone in the town of Gold Hill. The Colorado Milling Company, LLC's representatives are prepared to meet and discuss their plans with any of your members willing to make constructive suggestions about improving our Gold Hill Mill Waterline and future mining and milling operations.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Norman Skarstad
Cynthia Michaels
10180 Lefthand Canyon Drive
Jamestown, Colorado 80455

December 29, 2018

Norman Skarstad & Cynthia Michaels:

The Colorado Milling Company, LLC is herewith responding to your letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina's on-site Mill Superintendent was a completely uneducable ignoramus, a congenital liar, and totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernible to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The

only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company's breakeven price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015, but has not yet begun processing ore in the facility. This company has, however, spent considerable effort and funds cleaning up after the previous operator of the Gold Hill Mill, Mount Royale Ventures. This should be easily discoverable to anyone who simply looks around the millsite.

The point of recounting all of this history is to inform you just who was actually responsible for all of the past problems you raised in your letter. With regard to the other issues that you brought up in your letter the following answers may be helpful:

The two of you expressed a concern that the site where the pump was going to be placed was too near Left Hand Creek. This has been addressed by moving the location of Pump House and fuel storage for the generator well above the Left Hand Creek floodplain and floodway.

You both commented on the condition of the Gold Hill Mill Waterline. The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was first permitted on September 26, 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine Adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipes and claiming that they were an eyesore and a permanent piece of trash. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill Permit. The removal of the Waterline and the Pumphouse are included in the Permit Bonding Section of the Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

The Colorado Milling Company, LLC has expended a considerable amount of funds and effort in restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. It is also following the original, approved plan for obtaining a legal source of process water for milling operations. The Colorado Milling Company, LLC's representatives are prepared to address any other concerns or problems that you want to bring to their attention.

Sincerely,

Mark A. Steen

Mark A. Steen

Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 8050

Chris and Leslie Finn
960 Pine Street
Gold Hill
Boulder, Colorado 80302

December 29, 2018

Chris and Leslie Finn:

The Colorado Milling Company, LLC is herewith responding to your letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine Adit portal to the affected land boundary of the Gold Hill Mill Permit.

Your comment that "the mining company chose to build and operate the pipeline outside of its legal boundaries" is not supported by the records on file with the Colorado Division of Mining, Reclamation and Safety. The Left Hand Creek Pump Station, Water Pipeline, and the Times Mine Adit portal were all permitted by the Colorado Mined Land Reclamation Board on September 26, 1985. At that time, the Division of Reclamation and Mining did not require the Gold Hill Mill's Waterline and the Times Mine's portal to be included in the boundaries of the mill permit, because there was very little surface disturbance involved with the installation of the Waterline. However, removal of the pipeline was included in the amount of the permit bonding calculations. This mining company is actually following the original, approved plan for obtaining a legal source of process water for milling operations with this Application for an Amendment to the Gold Hill Mill Permit.

Your assertion " that the mining company tried to bring in ore from off-site tailings, shows a lack of understanding of where their legal limits stands" is also not borne out by an honest examination of the operational history of this property. The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina's on-site Mill Superintendent was totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just

a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernable to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company's breakeven price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015 but has not yet begun processing ore in the facility. However, this company has spent considerable effort and funds in restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. This is easily discoverable to anyone who simply looks around the millsite.

You both commented on the condition of the Gold Hill Mill Waterline. The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was first permitted on September 26, 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine Adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipeline. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill

Permit, and it will remain in place as long as it is needed. The removal of the Waterline and the Pump house are included in the Permit Bonding Section of the Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

Your statements regarding the pump that will be employed to move the water from Left Hand Creek to behind the Times Mine's bulkhead seem to rely entirely on the opinions of the aforementioned J. Wayne Tatman. When you state that the manager made "many statements during his time at the mine indicating that the plan to pump water up from Lefthand was a "pipe dream." According to him, witnessed by us, the engineers realized that pumping water up thousands of feet from Lefthand creek "would take a pump the size of the Blue Bird Lodge to push the water.", you must be repeating something he said. J. Wayne Tatman is hardly a credible source for anything remotely related to the proper management of the Gold Hill Mill.

The selection of a three stage Bean pump was made after consulting with several competent engineers. However, in the event that the three stage Bean pump is not up to the task of supplying process water to the Gold Hill Mill, then a second pump will be installed along the twelve foot Water Pipeline Easement Deed. That is why the Easement Deed includes language for improving the existing water pipeline. If a larger, more powerful pump is needed at the Pump Station, it certainly will not be so large that it will not fit comfortably inside the metal container selected to house the Bean pump. This is hardly the greatest distance or rise in elevation that engineers have ever overcome by the selection of the proper pumping equipment to achieve the goal of moving water from its source to its place of consumption.

The two of you also expressed concern about regulating the water that will be pumped from Left Hand Creek. The October 2, 1985, Water Court Decree contains specific language regarding the consumptive use of the water controlled by the shares in the Left Hand Ditch Company. A copy of that Water Court Decree was among the documents furnished to the Division of Reclamation back in 1985, when proof was provided that the mill had a legal source of water for its operations.

You raised a question about the amount of water that will be pumped from Left Hand Creek having an impact on the "fish population that is still recovering from the flood?" While it is not very likely that the insertion of a single two (2) inch screened pipe pumping a maximum of fifty gallons a minute from this creek could really impact a thriving fish population, we are open to considering any serious suggestions about protecting the fish population in Left Hand Creek from either of you or anybody else.

Finally, if you believe that the "proposed water usage" could "hinder the fire department's ability to fight fire" you should reconsider the offer that was made to you months ago to make the very large volume of water that is stored in the Times Mine available for emergency use. Since the access to the Times Mine Adit portal was restored, all that needs to be accomplished to make this water available for the Fire Department is the installation of several hundred feet of steel pipe and several valves to ensure that this water could be used by the Fire Department. It is considerably closer than Left Hand Creek, and it contains ten times more water than any cisterns in Gold Hill that I know of from discussions with your fellow citizens.

By installing the Left Hand Creek Pump Station, restoring the Gold Hill Mill Waterline, and improving access to the Times Mine Adit bulkhead, the Colorado Milling Company, LLC is following the original terms and conditions of the permit that was issued for the proper operation of the mill. The representatives of the Colorado Milling Company, LLC are prepared to address any legitimate concerns or problems that you want to bring to their attention.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 8050

Amy Fortunato/James K. McCumber
4891 Lick Skillet Road
Jamestown, Colorado 80455

December 29, 2018

Amy Fortunato/James K. McCumber:

The Colorado Milling Company, LLC is herewith responding to your letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

In your letter, the two of you expressed concerns about the Colorado Milling Company's Application for an Amendment to the Gold Hill Mill Permit. You stated that it had been brought to your attention at the Special Gold Hill Town Meeting "that the Colorado Milling Company has, in the past, been in violation of the MLRB Rules and Regulations in regard to trucking off-site tailings to the mine to be milled." You considered this "specific example of blatant disregard of the rules" to indicate "a lack of business, legal, and safety responsibility." Since neither of you were living in the area when the Gold Hill Mill was permitted by the Mined Land Reclamation Board on September 26, 1985, the following outline of the operational history of our milling facility should be of some interest to both of you.

The Gold Hill Mill has only been owned and actually operated by four companies since it was constructed in 1986 and 1987. The first was the original permitted operator, the Gold Hill Ventures Limited Partnership; the second was a company called Colina Oro Molina; the third company was ITEC Environmental; and the fourth was Mount Royale Ventures. Of the four companies that owned and operated the milling facility, only one, Colina Oro Molina, was responsible for all of the operational violations at the Gold Hill Mill.

Colina Oro Molina was owned and controlled by Gwen Fraser of Seattle, Washington. She placed her brother, J. Wayne Tatman, in control of the Gold Hill Mill on October 23, 1990. The fact that Colina Oro Molina's on-site Mill Superintendent was totally incapable of managing the Gold Hill Mill quickly became apparent to anyone in contact with J. Wayne Tatman. He had convinced his naïve and very gullible sister that he could make her tens of millions of dollars by processing just a few thousand tons of platinum, palladium and gold ore from a secret placer deposit he owned if he only had access to the Gold Hill Mill's processing equipment. When this ridiculous geologic impossibility came to naught, the owners of the Cash Mine refused to ship any ore to the mill as long as J. Wayne Tatman was in control of the facility. Shortly after this, Colina Oro Molina began importing ore from all over the place in clear violation of the original State and County Permits.

Every serious violation at the Gold Hill Mill dates from Mr. Tatman's appointment to a position that he proved entirely unsuited for to every observer except his devoted sister. In almost every instance, the undersigned individual was responsible for alerting the Division of Reclamation, the Boulder County Land Use Department, and the Gold Hill Committee on Mining & the Environment of J. Wayne Tatman's permit violations. This is readily discernable to anyone who looks through the correspondence on file with the Division of Reclamation regarding this permit. At no time did the owners of the mines in this district ever attempt to import ore from off-site. The only material that was ever brought to the mill from any site other than the Cash Mine was imported there by Colina Oro Molina. When J. Wayne Tatman finally departed the territory in 1997, the facility and permit were in complete disarray and his sister was considerably poorer if not much wiser.

The next permitted operator of the Gold Hill Mill was ITEC Environmental. This company spent a great deal of time and money addressing the problems created by the aforementioned J. Wayne Tatman. When the price of gold fell below this company's breakeven price, they sold the Gold Hill Mill back to the original owners before they had processed any significant ore through the mill. There were no operational permit violations during the time when ITEC Environmental was in charge of the Gold Hill Mill.

Mount Royale Ventures, a wholly owned subsidiary of a Canadian public company, was the next permitted operator of the Gold Hill Mill. They were only processing at the Gold Hill Mill for approximately eighteen months during 2007 and 2008. Mismanagement and wasteful expenditures doomed this company to failure, but there were no serious permit violations discovered by the Division of Reclamation while this company was operating the Gold Hill Mill.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015 but has not yet begun processing ore in the facility. However, this company has spent considerable effort and money restoring the Gold Hill Mill to its original condition inside the building and making the property presentable. This is easily discoverable to anyone who simply looks around the millsite.

You both commented on the condition of the Gold Hill Mill Waterline. In your letter, you stated that the pipeline "is considered by locals to be unsafe to humans and wildlife as well as an eyesore." The original installation of this pipeline and the replacement and improvement of the Waterline were included when the Gold Hill Mill was permitted back in 1985. The Waterline and Access Easement with Boulder County anticipated that the Left Hand Creek Pump Station, the Water Pipeline and the Times Mine adit would be maintained, repaired and improved during the unlimited time period of the Easement. I would note that there has not been a single letter addressed or forwarded to anyone associated with any of the permitted operators of the Gold Hill Mill complaining of the condition of the pipeline. The Colorado Milling Company, LLC will be removing and replacing the old Waterline after it is granted an Amendment to the previously approved Gold Hill Mill Permit, and it will remain in place and be improved as long as it is needed. The removal of the Waterline and the Pump Station are included in the Permit Bonding Section of the Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

The next matter that you mentioned was in regard to the safety of the area residents because of the above ground pipeline that would be installed to pump water out of Left Hand Creek. You expressed a concern that the Water Pipeline would make the old mine access road along the South side of Left Hand Creek impassable in case of an emergency. This is a legitimate concern, and the pipeline could be buried in that location, or it could be a flexible hose between the water intake and the Pump House that could be removed or pulled up in an emergency. What do both of you believe would be the best solution to this question of how to deal with the Water Pipeline in this location?

With regard to the Times Mine adit, the mine entrance has been rehabilitated and secured with a set of heavy timbers around the old mine entrance, and a galvanized culvert has been emplaced to provide safe access to the mine entrance. The slope above the culvert has been stabilized, and there is no indication that this mine site will cause any problems in the future, as it was properly restored to a safe condition. The Left Hand Creek Pump Station, Water Pipeline, and the Times Mine Adit portal were all permitted by the Colorado Mined Land Reclamation Board on September 26, 1995. At that time, the Division of Reclamation and Mining did not require the Gold Hill Mill's Waterline and the Times Mine's portal to be included in the boundaries of the mill permit, because there was very little surface disturbance involved with the installation of the Waterline. However, removal of the pipeline was included in the amount of the permit bonding calculations. This mining company is actually following the original, approved plan for obtaining a legal source of process water for milling operations with this Application for an Amendment to the Gold Hill Mill Permit.

With regard to the use of the "well-worn foot trail through the woods that connects Left Hand Canyon and the town site of Gold Hill" you are referring to the historic mine access road that was built before Lick Skillet Road was constructed. This historic road is part of the Water Pipeline Easement Deed with Boulder County that provides for "Access to and to maintain, repair, and improve the existing water pipeline along Lick Skillet Road for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for mining and processing ore." This Easement Deed does not restrict foot traffic along the old mine access roads in this area, but the owners of the Water Pipeline Easement are guaranteed access to these roads for the purpose of maintaining, repairing and improving the Gold Hill Mill Waterline.

Your first hand knowledge of the effects of the 2013 flood is recognized by the representatives of the Colorado Milling Company, LLC. The location of the Pump Station has been moved above the floodplain and the floodway. The location of a gap between the patented mining claims and your patented millsite has obviated the need for a footbridge across Left Hand Creek. The volume of water that can be taken from Left Hand Creek is determined by the Water Court Decree, and the amount of water that can be pumped from the creek and the effect on downstream users was a consideration when the water rights were purchased.

The Colorado Milling Company, LLC is following the original, approved plan for obtaining a legal source of process water for milling operations. It is actually the first owner of the Gold Hill Mill in more than twenty years that is adhering to the legal terms and conditions of the original Gold

Hill Mill Permit. As the closest residents where the Pump House will be located, and since both of you and your dogs are probably the most frequent users of the old mine access roads in this area, the Colorado Milling Company, LLC's representatives are prepared to address any other concerns or problems that you want to bring directly to their attention. Thank you for considering our side of this discussion.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 8050

City of Boulder Public Works
Jeffrey M. Arthur, Director
1739 Broadway
Boulder, Colorado 80306

December 30, 2018

Subject: Gold Hill Mill, DRMS File No. M-1994-117

Mr. Arthur:

The Colorado Milling Company, LLC is herewith responding to your letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine Adit portal to the affected land boundary of the Gold Hill Mill Permit.

The Colorado Milling Company, LLC has been the permitted operator of the Gold Hill Mill since August 25, 2015 but has not yet begun processing ore in the facility. However, this company has spent considerable effort and money restoring the Gold Hill Mill to its original condition inside the building and cleaning up the property. The Left Hand Creek Pump Station, Water Pipeline, and the Times Mine Adit portal were all permitted by the Colorado Mined Land Reclamation Board on September 26, 1995. At that time, the Division of Reclamation and Mining did not require the Gold Hill Mill's Waterline and the Times Mine's portal to be included in the boundaries of the mill permit, because there was very little surface disturbance involved with the installation of the Waterline.

This Application for an Amendment to the Gold Hill Mill Limited Impact Permit was filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine Adit portal to the affected land boundary of the Gold Hill Mill Permit. It is this company's fulfillment of the original, approved Permit issued on September 26, 1985, by the Colorado Mined Land Reclamation Board.

The Colorado Milling Company, LLC will be employing the proper spill-prevention techniques and other precautions during construction and operation of the Left Hand Creek Pump Station. The Bean pump and the generator will be housed in a metal conex that will have containment barriers around each piece of equipment. The fuel for the generator will be stored in a metal tank set in a HDPE spill containment vessel with a capacity to hold any fuel that could possibly escape by accident or vandalism.

The Colorado Milling Company, LLC has moved the location of the Pump House and the fuel storage tank well above the Left Hand Creek floodplain and floodway. It is very unlikely that these structures could be mobilized by a flood in this location. The need for a footbridge is no longer an issue, because our Registered Mineral Surveyor has located a gap between the patented mining claims and the patented millsite in this area that will provide our employees with a safe access to operate and service the pump and generator.

With regard to your concerns about the release of water from the mill tailings impoundment, the present tailings impoundment has never been the source of process water flowing into Four Mile Creek. The Gold Hill Mill is operated as a zero discharge facility. There has never been a loss of tailings from this pond. It is situated on Horsfal Flats, which is well above any streams or water courses. The lined tailings pond and the diversion ditches that protect it were properly designed and regularly inspected. They all worked as designed during the unprecedented 2013 flood.

As to the other concern that you expressed regarding the possibility of a loss of water from a malfunction of the pump, the three stage Bean pump will have an automatic pressure sensitive shut-off system installed on it. At the fifty gallons per minute maximum rate of withdrawal from Left Hand Creek, it is not possible that a malfunction of the pump could cause excess diversions from the creek that would be in exceedance of the decreed water rights allowance. The Colorado Milling Company, LLC will have employees monitoring the Gold Hill Mill Waterline during all of the hours that it will be pumping water. Records will be kept showing compliance with the terms and conditions of the Water Court Decree that entitles the company to divert, transport, store and consume this water.

The Colorado Milling Company, LLC will obtain all of the permits that are required to operate its milling facility to ensure that it is in compliance with all of the applicable County of Boulder, State of Colorado, and U.S. Federal Agencies and Departments' Rules and Regulations.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 8050

Department of the Army
Corps of Engineers, Omaha District
Planning, Programs, and Project Management Division
Eric A. Laux
Chief, Environmental Resources Section
1616 Capitol Avenue
Omaha, Nebraska 68102

December 30, 2018

Dear Mr. Laux,

The Colorado Milling Company, LLC is herewith responding to your letter regarding the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, filed to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit.

The Colorado Milling Company, LLC has been in contact with the Colorado Division of Water Resources regarding this Application for an Amendment to its existing Gold Hill Mill Limited Impact Permit. The company has also been in contact with the Colorado Division of Wildlife regarding fish and wildlife resources on the land included in this Permit Amendment. The Colorado State Historic Preservation Office reviewed this Application for an Amendment to ensure that there are no potential cultural resources in the project area.

Any construction associated with this project will be located outside of the floodway, and as far from the stream channel as possible. The Pump House and fuel storage tank are being located above the Left Hand Creek floodplain and the floodway. Our plans will be submitted to the proper floodplain management offices here in Colorado to ensure that the project is in compliance with the floodplain management criteria of Boulder County and the State of Colorado.

Thank you for your recommendations.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

COLORADO MILLING CO.-PERMIT NO. N-1994-117-LOCATION MAP-GOLD HILL QUAD
LOCATED IN SECTIONS 2/11/12 T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO

BEGIN WATER LINE AND EASEMENT

LAT 40°04'28.3" N
LON 105°24'48.7" W

8x10 PUMP STATION
300 GAL. FUEL TANK 8x10

WATER LINE AND EASEMENT

SEC 2 SEC 1

BOUNDARY

SEC 11 SEC 12

WATER LINE AND EASEMENT

WATER LINE AND EASEMENT

WATER LINE AND EASEMENT

WATER LINE AND EASEMENT
TIMES PORTAL END WATER LINE

LAT 40°03'55.7" N
LON 105°24'12.1" W

MILL BUILDING

8.39 ACRES

MILLSITE PERMIT AREA

N

0 600' 1200'

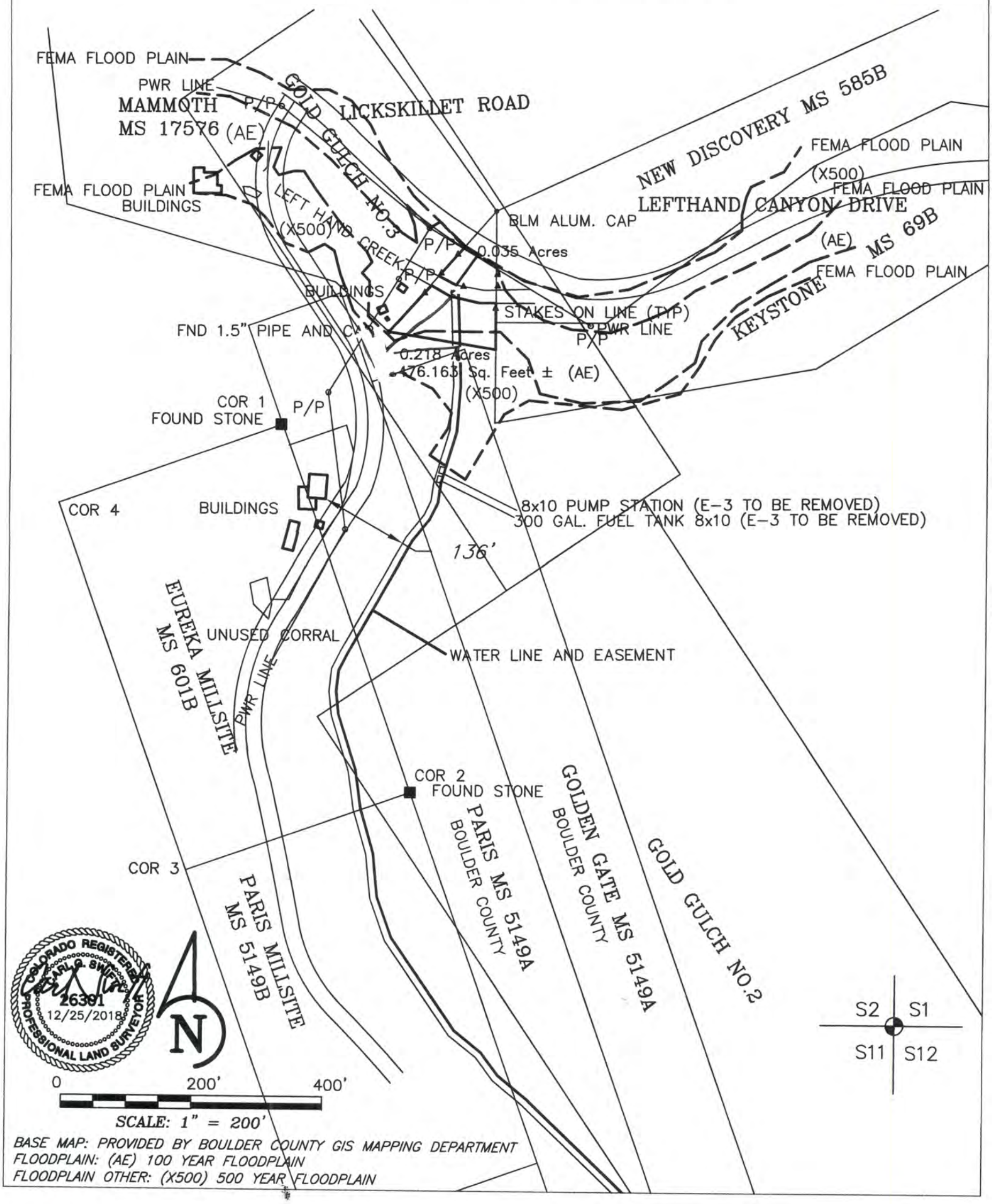
SCALE: 1" = 600'

COLORADO REGISTERED
CARL G. SWIFT
26301
12/25/2018
PROFESSIONAL LAND SURVEYOR

FIGURE 1
A-2

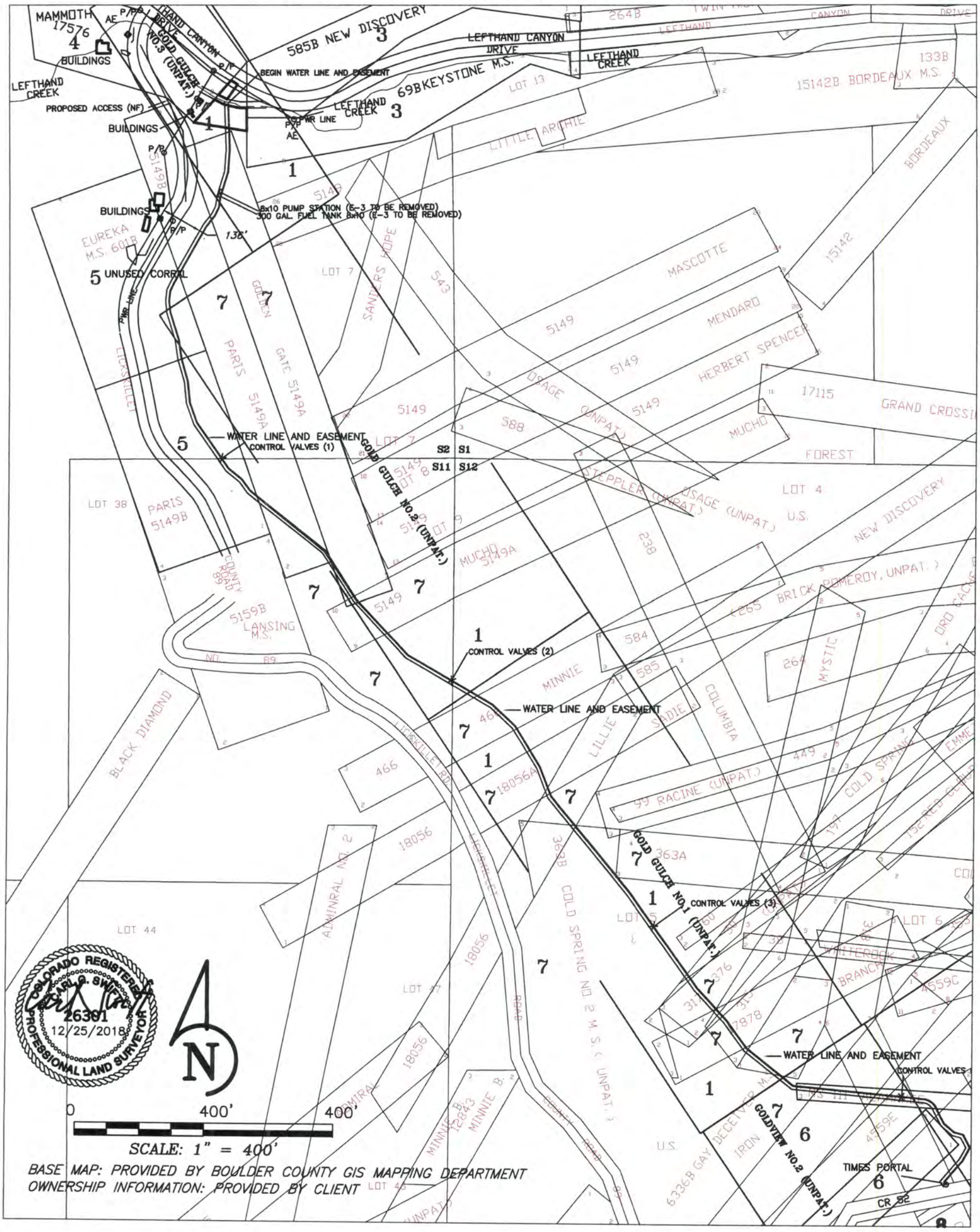
Colorado Milling Company, LLC
M-1994-117
Exhibit 15

E-1 MINE PLAN - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



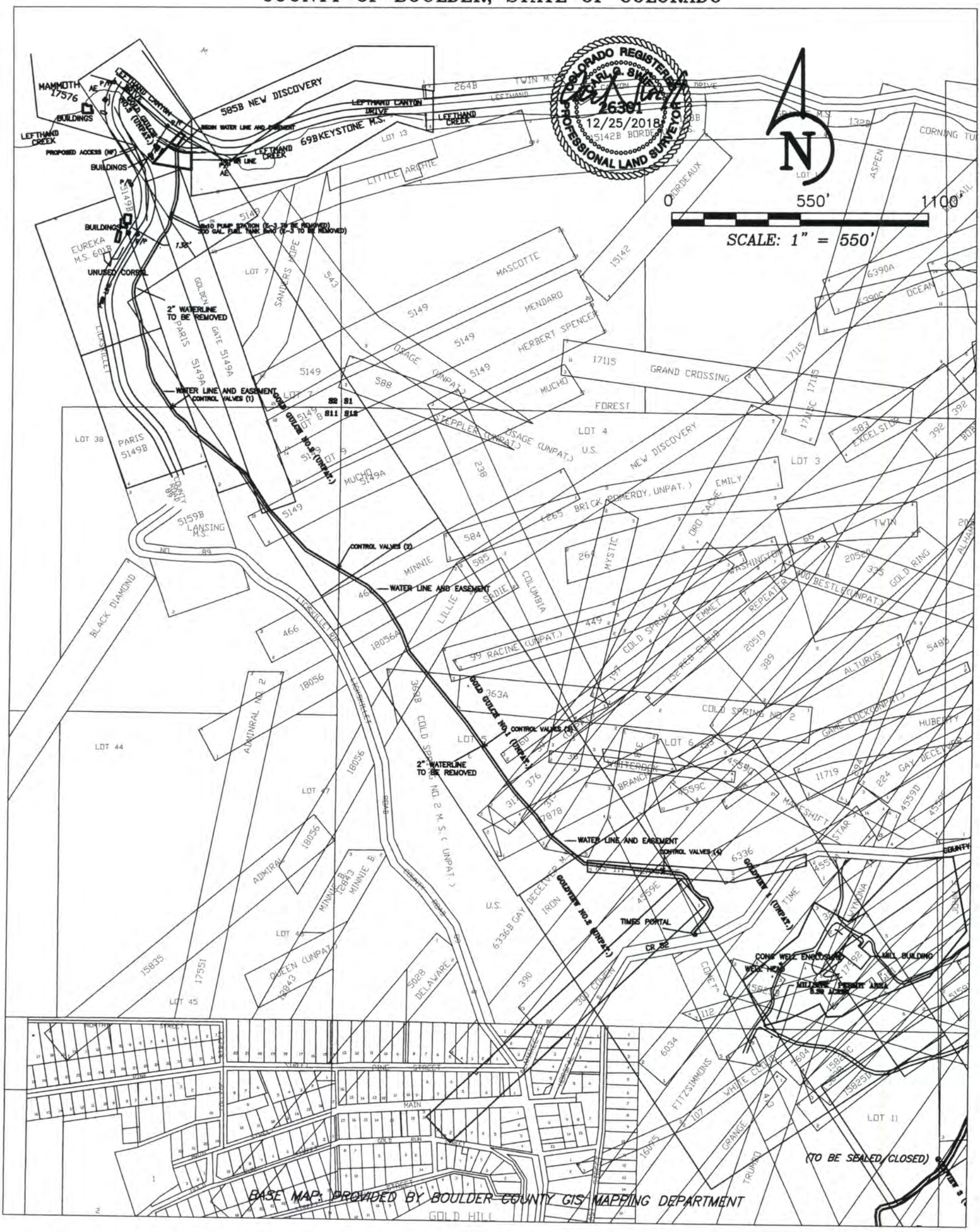
Colorado Milling Company, LLC
M-1994-117
Exhibit 15

E-2 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO

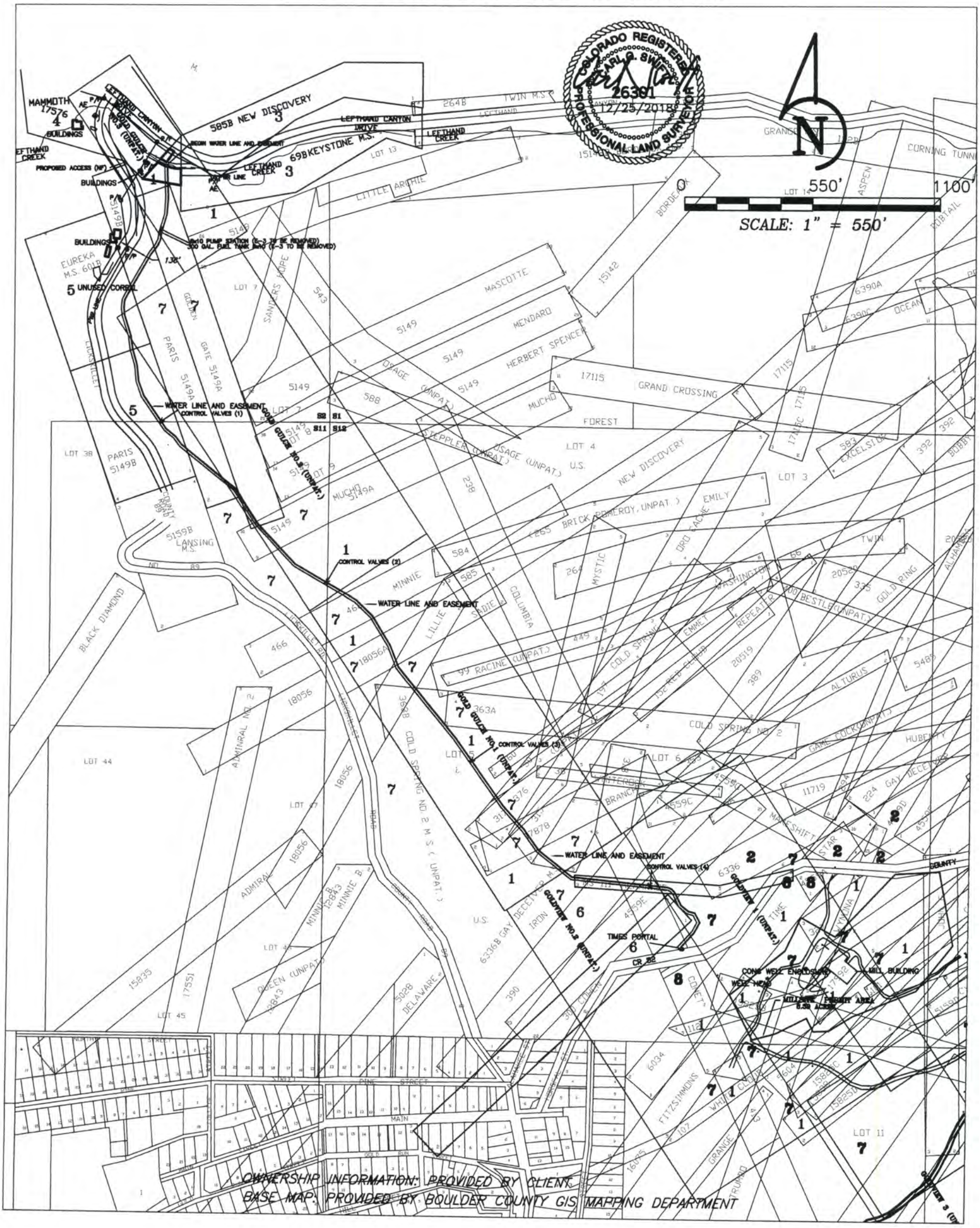


Colorado Milling Company, LLC
M-1994-117
Exhibit 15

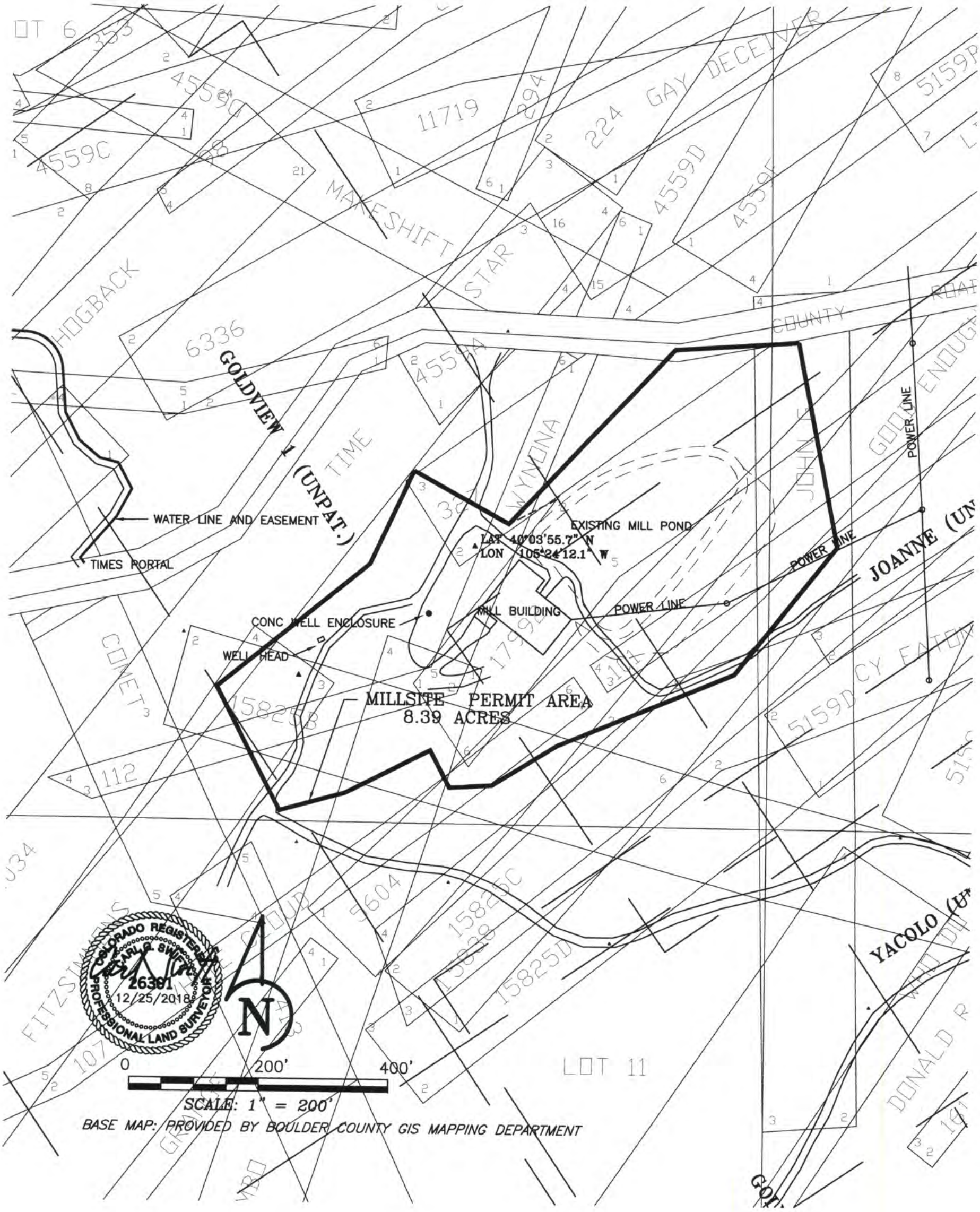
E-3 REVISED MINE RECLAMATION PLAN
COLORADO MILLING CO.- GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



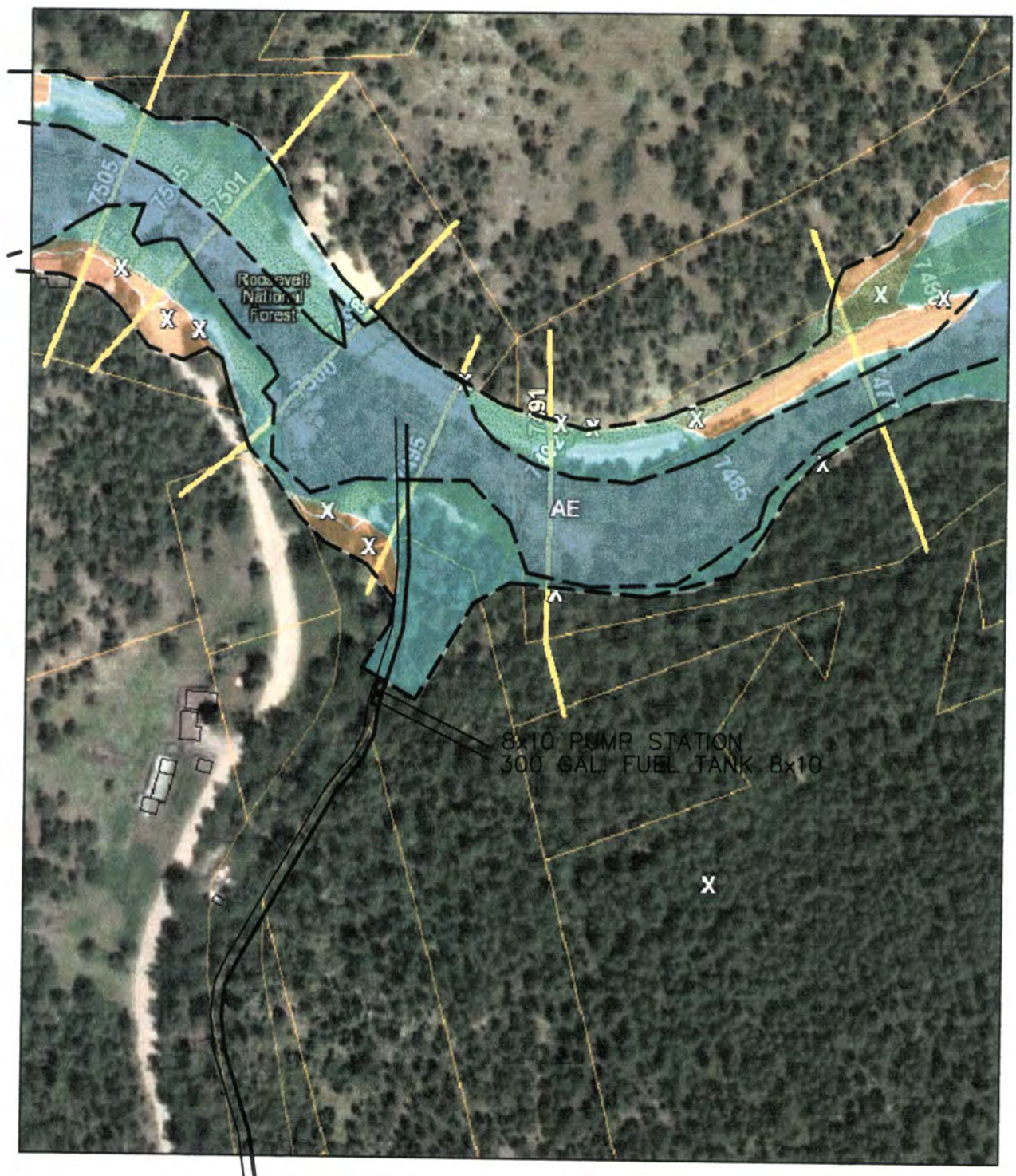
E-4 REVISED SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



E-5 MILLSITE - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



FLOODPLAIN - FEMA - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



FLOODPLAIN: (AE) 100 YEAR FLOODPLAIN
FLOODPLAIN OTHER: (X500) 500 YEAR FLOODPLAIN

COLORADO REGISTERED
EARL G. SWIFT
26301
12/25/2018
PROFESSIONAL LAND SURVEYOR

N

0 200' 400'

SCALE: 1" = 200'

BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 16

COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

January 14, 2019

Mark A. Steen
Colorado Milling Company, LLC
P.O. Box 1523
Longmont, CO 80502

Re: Gold Hill Mill, Permit No. M-1994-117
Amendment Application (Revision No. AM-01), Adequacy Review No. 3

Mr. Steen:

The Division of Reclamation, Mining and Safety (Division) has completed its third adequacy review of the materials submitted for the above referenced amendment application. All comment and review periods for the application began on January 4, 2018, when the application was called complete for filing purposes. The decision date for the application, **January 4, 2019**, has expired. The operator has requested a 90-day extension of this date. However, pursuant to Rule 1.4.1(9), the Division is unable to approve an extension beyond 365 days from the date the application was filed. Therefore, the operator's request has been set for consideration by the Mined Land Reclamation Board (Board) at the February 20-21, 2019 Board meeting.

After reviewing the operator's adequacy response submitted on January 4, 2019, the Division has identified adequacy items requiring clarification or additional information. These items are identified below under their respective exhibit heading, and are numbered sequentially. The item numbers referenced in this letter correlate with the Division's adequacy items identified in its review letter sent to the operator on December 21, 2018.

Exhibit C – Mining Plan (Rule 6.3.3):

1) The operator's response to item no. 8 states the footbridge will no longer be installed, and that a field survey has disclosed a gap between the Mammoth MS No. 17576 and the Paris MS No. 5149A that will provide access to the pump station from Lickskillet Road. This open area is located entirely on the Gold Gulch unpatented lode mining claim owned by the operator. Please describe this new proposed access to the pump station. Is there an existing trail/road in this area? If so, will it need to be improved and/or widened for access by the operation? Will any vegetation need to be removed from this area? This information is needed for the Division to determine whether the access is considered affected land pursuant to Rule 1.1(4). Please show this proposed access on the E-1 – Mine Plan Map.

2) The operator's response to item no. 9 includes a generalized cross-section of the Times Mine adit and a generalized cross-section of the Times-Wynona Mines. The Times-Wynona Mines cross-

section shows a different scenario than what is depicted in the cross-section of these workings submitted with the December 11, 2018 response. Firstly, the new submittal shows the 50 foot winze dropping down at an angle to connect to the 100 foot level of the Wynona Mine, while the previous submittal shows the 50 foot winze dropping vertically to connect to this level. Secondly, the new submittal does not show the tunnels for each of the four levels in the Wynona Mine. Please explain the differences between these two cross-sections.

Additionally, please add more details to these cross-sections, including:

a. the elevation of the Times Mine portal
b. the floor elevation at the bulkhead location
c. the collar elevation of the 50 foot winze
d. the collar elevation of the Wynona Mine shaft
e. the proposed maximum water level to be maintained in the mine workings
f. the length and diameter of the culvert installed in the Times Mine adit
g. the dimensions of the concrete bulkhead in the Times Mine adit
h. the distance to the bulkhead from the portal entrance
i. the distance between the bulkhead and the winze opening
j. the location of any equipment installed or to be installed in the Times Mine adit and/or Wynona Mine shaft

These details are needed to better depict the proposed water storage scenario, and thus help the Division determine whether disturbances to the prevailing hydrologic balance will be minimized, as required by Rule 3.1.6(1).

3) The operator's response to item no. 9 states that water will be drawn from the Times and Wynona Mine workings from drill holes and pumps that will be connected to these mine workings. It was the Division's understanding that water would only be pumped out for mill use from the Wynona Mine shaft. Please describe any other locations proposed for obtaining water from these workings. Additionally, please be sure these locations are clearly identified on the E-5 - Mill Site map.

4) The operator's response to item no. 10 states the operation will access the water pipeline easement using four historic mine roads. Please describe these existing roads. Will the roads need to be improved and/or widened for use by the operation? Will any vegetation need to be removed from these areas? This information is needed for the Division to determine whether the access roads are considered affected land pursuant to Rule 1.1(4). Please show these historic mine roads on the E-1 through E-5 maps.

5) The operator's response to item no. 10 states the legal right to cross the property between the county roads and the waterline was preserved in the Water Pipeline Easement Deed with Boulder County. The Easement for Water Line with Access agreement was submitted with the response. This agreement grants the operator a permanent and perpetual 12 foot wide easement with access for ingress and egress over a portion of the Eureka Millsite, MS 601B (from Lickskillet Road, County Road 89). This appears to be the only access location covered by the agreement.

However, the operator has stated the operation will use four historic mine roads to access the water pipeline easement. Does one or more of the historic mine roads cross the Eureka Millsite, MS 601B? Please describe the properties on which the four historic mine roads exist. Additionally, please provide demonstration the operator has a legal right to access/cross these properties as proposed.

6) The operator's response to item no. 11 indicates the operation proposes retaining water behind the Times Mine bulkhead above the collar elevation of the 50 foot winze connecting the Times Mine to the Wynona Mine, potentially filling the Times Mine cross-cut with water. This appears to contradict the operator's response to item no. 12 which states the maximum elevation that water will be retained in the mine is 8,360 feet, the collar elevation of the 50 foot winze. Please explain this contradiction. Additionally, please explain how/when the collar elevation of the winze was obtained.

7) The operator's response to item no. 13 indicates the Times Mine bulkhead is already impounding some water. Please provide demonstration the bulkhead is designed to impound water for the full height of the bulkhead, with completely flooded workings (Times Mine cross-cut filled with water). This demonstration must include certification by a professional engineer. Alternatively, the operator can commit to maintaining water levels in the mine workings below the collar elevation of the 50 foot winze (said to be 8,360 feet). In either case, please describe the monitoring system that will be utilized to monitor bulkhead pressure.

8) The operator's response to item no. 12 states that water levels will be monitored by periodic manual measurements in the Wynona Mine shaft well casing. Please state the frequency that water levels will be monitored during operations. Additionally, please commit to maintaining the monitoring records on site to be made available for Division review during inspection.

9) The operator has indicated the Wynona Mine workings are currently flooded to some extent. Therefore, please commit to measuring water levels in these workings on a quarterly basis for five quarters, and submitting this data to the Division a minimum of 60 days prior to commencing with operations. This information will help demonstrate whether the proposed water storage is a closed system, thus minimizing disturbances to the prevailing hydrologic balance.

10) The operator's response to item no. 14 states the Wynona Mine water will be sampled on a quarterly basis (and analyzed for a total of 12 water quality parameters), when the operation begins storing water in the mine and when the mill is in operation. Firstly, please add the following parameters approved in Technical Revision No. 9 to the Winona Mine sampling parameter list: Manganese, Temperature, and Conductivity. Secondly, please commit to collecting a grab sample of the current mine-pool and providing the results to the Division a minimum of 60 days prior to pumping out the water for mill use or pumping any additional water behind the Times Mine bulkhead. Lastly, please commit to reporting the Wynona Mine water quality sampling results to the Division on a quarterly basis along with the other required water monitoring data for the site once operations have commenced.

11) The operator's response to item no. 15 states the discrepancy between the estimated annual water usage for the mill and the amount of water the operator is authorized (per Decree) to withdraw from Left Hand Creek during irrigation season was a mathematical error. However, no further explanation was provided. Please describe the error. Will the mill be limited to operating less than 50 tons of ore per day and/or less than 260 days per year due to the water requirements (4 tons water/1 ton ore)?

12) The operator's response to item no. 17 states the Wynona Mine shaft has been caved from about 10 feet down to about 70 or 80 feet below the surface for many years, and no water has ever been observed flowing from the collar of the shaft.

    The Division has the following questions/comments regarding the Wynona Mine shaft:

    a. Please describe any work that will need to be done to the shaft prior to using it for the operation.
    b. How does the operator know the location of the collapse? Has the shaft been characterized since caving in?
    c. Will this collapse interfere with the operator's ability to obtain accurate water level readings or collect water quality samples from the shaft?
    d. How does the operator intend to install the necessary infrastructure through the collapsed shaft to pump water from the workings? Is there existing infrastructure that will be utilized?

Exhibit D – Reclamation Plan (Rule 6.3.4):

13) Please describe the proposed reclamation plan for the Wynona Mine shaft. Additionally, please be sure the closure costs for this shaft are included in the reclamation cost estimate.

Exhibit E – Map (Rule 6.3.5):

14) The operator's response to item no. 25 included revised Exhibit E maps. Map E-3 – Revised Mine Reclamation Plan indicates the proposed pump station, fuel tank, and 2" water line will be removed for reclamation. However, the map does not clearly describe the components of the reclamation plan for the Times Mine adit, or the mill site, including the Wynona Mine shaft. Please include these details on the reclamation plan map. Because Map E-3 is very busy due to the surface ownership information being included, it would be helpful to also include the reclamation information for the Times Mine and the mill site on a map showing a closer view of those areas (i.e., Map E-5). Please be sure any mining plan and reclamation plan maps are labeled accordingly.

Exhibit L – Permanent Man-Made Structures (Rule 6.3.12):

15) The operator's response to item no. 30 included proof of hand-delivery of structure agreements to Excel Energy (for the power poles and lines) and to Boulder County (for Lefthand Canyon Dr.,

Lickskillet Rd., and Sunshine Canyon Dr.). Please submit copies of the executed structure agreements, or per Rule 6.3.12(b), provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

For the structures owned by Gene L. Sapp and Dene F. Sapp, the operator states they are covered by the Easement for Water Line with Access (submitted with the response) which grants the operator legal right of entry to their property, the Eureka Millsite, MS 601B to access the water line easement. The Division could not find any language in the agreement regarding structures owned by the landowners. Therefore, the easement agreement does not satisfy the requirements of Rule 6.3.12(a), as it does not include language that the operator will provide compensation for any damage to structures. Please provide demonstration that structure agreements have been attempted for these structures (proof of hand-delivery or Certified Mailing). If a structure agreement cannot be reached for these structures, per Rule 6.3.12(b), please provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

For the structures owned by James K. McCumber and Amy Fortunato, the operator provides discussion as to why the proposed infrastructure at the Left Hand Creek pump station should pose no potential for adverse damage to these structures. The Division understands the proposed activities in this area are minimal with no excavations. However, the operator's information does not fully demonstrate the stability of these structures will not be adversely affected by the operation. Therefore, please provide demonstration that structure agreements have been attempted for these structures (proof of hand-delivery or Certified Mailing). If a structure agreement cannot be reached for these structures, per Rule 6.3.12(b), please provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

Additional Item(s):

16) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

17) Please be informed, the Division has changed the inspection frequency for this permit to annually. The operator will be noticed of any future change to this frequency.

This concludes the Division's third adequacy review of your amendment application. Pursuant to Rule 1.4.1(10), the operator has the burden of demonstrating that the application meets the minimum requirements of the Act, Rules, and Regulations. Therefore, all adequacy items identified by the Division must be sufficiently addressed in order for the application to be approved.

As mentioned above, the decision date for the application, January 4, 2019, has expired, and your extension request has been set for consideration by the Board at the February 20-21, 2019 Board

meeting. Pursuant to Rule 1.4.1(9), at the hearing, the Board may at the request of the operator extend the review period and decision date, deny the application, or approve the application with or without conditions.

If you have any questions, you may call me at (303) 866-3567, ext. 8129, or email me at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger

Amy Eschberger
Environmental Protection Specialist

Cc: Mike Bynum
Colorado Milling Company, LLC
50 West 100 South St.
Moab, UT 80342

Michael Cunningham, DRMS

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 17

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

RECEIVED
MAY 17 2019
DIVISION OF RECLAMATION
MINING AND SAFETY

May 16, 2019

*all small maps!
<11" x 17"

Colorado Division of Reclamation, Mining and Safety
Amy Eschberger
Environmental Protection Specialist
1313 Sherman Street – Room 215
Denver, Colorado 80203

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 3

Attention: Amy Eschberger:

This is the Colorado Milling Company, LLC's Response Letter to the Amy Eschberger's January 14, 2019 Adequacy Review No. 3 of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Amy Eschberger's Adequacy Review comments.

Exhibit C – Mining Plan (Rule 6.3.3):

1)The operator's response to item no. 8 states the footbridge will no longer be installed, and that a field survey has disclosed a gap between the Mammoth MS No. 17576 and the Paris MS No. 5149A that will provide access to the pump station from Lickskillet Road. This open area is located entirely on the Gold Gulch unpatented lode mining claim owned by the operator. Please describe this new proposed access to the pump station. Is there an existing trail/road in this area? If so, will it need to be improved and/or widened for access by the operation? Will any

vegetation need to be removed from this area? This information is needed for the Division to determine whether the access is considered affected land pursuant to Rule 1.1(4). Please show this proposed access on the E-1 – Mine Plan Map.

CMC Response: This lowermost access to the Gold Hill Mill Waterline will be a three (3) foot wide foot unimproved path between Lickskillet Road and the area below the location of the Pump Station. It will be located entirely on the Gold Gulch No. 3 unpatented lode mining claim. This foot path will be approximately two-hundred and fifty (250) feet long. The foot path will be located on a grassy slope for a distance of approximately one-hundred and twenty-five (125) feet, until it reaches the Southeast corner of the Mammoth Millsite, MS No. 17576, where the land flattens in the Left Hand Creek flood plain. Aside from this grassy slope, most of the foot path will be situated on sand and gravel deposited in this area by the fluvial activity of Left Hand Creek. The use of this foot path will not require the removal of any large pine trees or significant vegetation along the course of this access path to the lower end of the Gold Hill Mill Waterline. Most of the larger species of vegetation in this area consists of small deciduous trees such as Quaking Aspen, Narrow Leaf Cottonwood, Mountain Alder, and Rocky Mountain Maple trees. Some of these may have to be trimmed to provide access to the lower segments of the Waterline, but it is not expected that any trees will have to be removed for this purpose, unless necessary to facilitate ingress and egress to the Pump Station.

---

2) The operator's response to item no. 9 includes a generalized cross-section of the Times Mine adit and a generalized cross-section of the Times-Wynona Mines. The Times-Wynona Mines cross section shows a different scenario than what is depicted in the cross-section of these workings submitted with the December 11, 2018 response. Firstly, the new submittal shows the 50 foot winze dropping down at an angle to connect to the 100 foot level of the Wynona Mine, while the previous submittal shows the 50 foot winze dropping vertically to connect to this level. Secondly, the new submittal does not show the tunnels for each of the four levels in the Wynona Mine. Please explain the differences between these two cross-sections.

Additionally, please add more details to these cross-sections, including:

a. the elevation of the Times Mine portal b. the floor elevation at the bulkhead location c. the collar elevation of the 50 foot winze d. the collar elevation of the Wynona Mine shaft e. the proposed maximum water level to be maintained in the mine workings f. the length and diameter of the culvert installed in the Times Mine adit g. the dimensions of the concrete bulkhead in the Times Mine adit h. the distance to the bulkhead from the portal entrance i. the distance between the bulkhead and the winze opening j. the location of any equipment installed or to be installed in the Times Mine adit and/or Wynona Mine shaft

These details are needed to better depict the proposed water storage scenario, and thus help the Division determine whether disturbances to the prevailing hydrologic balance will be minimized, as required by Rule 3.1.6(1).

CMC Response: The exact attitude of the Times Mine winze was not determined prior to pumping water behind the bulkhead in the mine in 1987, but it was observed to be an inclined winze at the time that the mine was cleaned up by Gold Hill Ventures' miners. The generalized cross-section of the Times-Wynona Mines shows the location of the four known levels driven along the vein off the Wynona Mine shaft. None of these four levels are known to connect with any other mine workings in this area, other than the Times Mine via the winze. The previously submitted cross-section of the underground mine workings in the Wynona Mine was drawn along the vein. The cross-section of the Times-Wynona Mines was drawn along the cross-cut that was driven at a right angle to access the Times vein, which has the same general attitude as the Wynona vein. Both of these veins are striking northeast-southwest. The internal shaft, or winze, was most likely sunk to access the Wynona Mine for ventilation when both of these mines were last active.

These details (as determined by a survey completed by a Colorado Registered Mineral Land Surveyor) have been added to the cross-section prepared for this Response Letter:

a. The elevation of the Times Mine portal is 8,342.60 feet.
b. The floor elevation at the bulkhead location is 8,342.40 feet.
c. The collar elevation of the 50 foot winze is 8,347.70 feet.
d. The collar elevation of the Wynona Mine shaft is 8,444.98 feet.
e. The proposed maximum water level to be maintained in the mine workings is 8,364.50 feet at the top of the Times Mine stope above the winze.

f.The length and diameter of the culvert installed in the Times Mine adit is 50 feet in length by 5 feet in diameter.

g.The dimensions of the concrete bulkhead in the Times Mine adit are approximately 6 feet in height by 4.5 feet in width by 3 feet in thickness.

h.The distance to the bulkhead from the portal entrance is 108.14 feet.

i.The distance between the bulkhead and the winze opening is 356.00 feet.

j.There will not be any equipment installed in the Times Mine adit and/or Wynona Mine shaft.

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3)The operator's response to item no. 9 states that water will be drawn from the Times and Wynona Mine workings from drill holes and pumps that will be connected to these mine workings. It was the Division's understanding that water would only be pumped out for mill use from the Wynona Mine shaft. Please describe any other locations proposed for obtaining water from these workings. Additionally, please be sure these locations are clearly identified on the E-5 - Mill Site map.

CMC Response: CMC will pump water from both the Times Mine and the Wynona Mine workings from existing drill holes and pumps that will be installed in these mines. Both of these drill holes are clearly identified on Map E-5-Millsite Map.

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4)The operator's response to item no. 10 states the operation will access the water pipeline easement using four historic mine roads. Please describe these existing roads. Will the roads need to be improved and/or widened for use by the operation? Will any vegetation need to be removed from these areas? This information is needed for the Division to determine whether the access roads are considered affected land pursuant to Rule 1.1(4). Please show these historic mine roads on the E-1 through E-5 maps.

CMC Response: The Gold Hill Mill Waterline will be accessed using four historic mine roads. The main historic mine access road to the Gold Hill Mill Pipeline Easement is located off of

Lickskillet Road on the Paris Millsite, MS No. 5149B. This lowermost access road connects with the historic mine road from Left Hand Canyon to Gold Hill. It provides access to the Pipeline Easement in both directions towards Left Hand Creek to the North, and as far as the Cold Spring No. 2 Lode Claim to the South. The second historic mine access road to the Pipeline Easement extends from Lickskillet Road with two branches to the Red Cloud and Cold Spring Mines, which are located in this area. The third historic access road to the Pipeline Easement also extends from Lickskillet Road with two branches to the Alamakee Mine. The fourth, uppermost historic access mine road extends from Sunshine Canyon Road to the portal of the Times Mine. All of these historic mine access roads are shown on the Surface Ownership & Permit Area Map E-2, the Mine Reclamation Plan Map E-3, the Surface Ownership & Permit Area Map E-4, and the Access-Water Line and Easements Map E-6. None of these historic mine access roads will need to be improved or widened for use by the Gold Hill Mill operation. The only vegetation that will need to be removed consists of deadfall on the roads and live tree branches that will need to be cut back to provide access to the Gold Hill Mill Waterline. These historic mine access roads are not considered affected lands pursuant to Rule 1.1(4).

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5) The operator's response to item no. 10 states the legal right to cross the property between the county roads and the waterline was preserved in the Water Pipeline Easement Deed with Boulder County. The Easement for Water Line with Access agreement was submitted with the response. This agreement grants the operator a permanent and perpetual 12 foot wide easement with access for ingress and egress over a portion of the Eureka Millsite, MS 601B (from Lickskillet Road, County Road 89). This appears to be the only access location covered by the agreement. However, the operator has stated the operation will use four historic mine roads to access the water pipeline easement. Does one or more of the historic mine roads cross the Eureka Millsite, MS 601B? Please describe the properties on which the four historic mine roads exist. Additionally, please provide demonstration the operator has a legal right to access/cross these properties as proposed.

CMC Response: There are two Water Pipeline Easement Deeds involved in this Application for an Amendment to the Gold Hill Mill Limited Impact Permit. The first Water Pipeline Easement was dated May 4, 2001, by and between Boulder County and the owner of all of the land included

in the Gold Hill Mill Waterline. A copy of this Easement was attached to the Application for an Amendment to the Gold Hill Mill Permit filed on December 19, 2017. It provides for access to maintain, repair and improve the existing water pipeline for the purpose of supplying water from Left Hand Creek to the Gold Hill Mill for mining and processing ore. This included all of the existing historic mine access roads extending from the Boulder County Roads to the Water Pipeline Easement. The second Easement for a Water Line Easement was dated September 24, 2015 by and between the Sapp Brothers and the Colorado Milling Company, LLC. This Agreement grants access to the 12 foot wide Waterline Easement with ingress and egress over a portion of the Eureka Millsite, MS No. 601B. Both of these legally binding, recorded Water Pipeline Easements grant the operators of the Gold Hill Mill access to all of the access roads along the entire length of the Waterline.

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6) The operator's response to item no. 11 indicates the operation proposes retaining water behind the Times Mine bulkhead above the collar elevation of the 50 foot winze connecting the Times Mine to the Wynona Mine, potentially filling the Times Mine cross-cut with water. This appears to contradict the operator's response to item no. 12 which states the maximum elevation that water will be retained in the mine is 8,360 feet, the collar elevation of the 50 foot winze. Please explain this contradiction. Additionally, please explain how/when the collar elevation of the winze was obtained.

CMC Response: The operation is currently retaining water behind the Times Mine Bulkhead above the collar elevation of the winze that connects the Times Mine with the Wynona Mine. When the water stored in the Wynona Mine workings has been drawn down by pumping for milling operations, the water in the Times Mine will occasionally drop below the collar elevation of the winze. When water is pumped from Left Hand Creek behind the Times Mine Bulkhead, it will replenish the water stored in the underground mine workings in both mines and rise above the back (ceiling) of the cross-cut into the stoped area along the Times vein. All of the elevations in the Times Mine are from the original 1986-1987 surveying work completed by Carl Swift, a Colorado Registered Mineral Surveyor.

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7) The operator's response to item no. 13 indicates the Times Mine bulkhead is already impounding some water. Please provide demonstration the bulkhead is designed to impound water for the full height of the bulkhead, with completely flooded workings (Times Mine cross-cut filled with water). This demonstration must include certification by a professional engineer. Alternatively, the operator can commit to maintaining water levels in the mine workings below the collar elevation of the 50 foot winze (said to be 8,360 feet). In either case, please describe the monitoring system that will be utilized to monitor bulkhead pressure.

CMC Response: Deer & Ault Consultants, Inc., of Longmont, Colorado, were retained by CMC to provide an evaluation of the Times Mine Bulkhead, and their Technical Memorandum addresses all of the outstanding issues related to the Times Mine Bulkhead. Their Evaluation of the Times Mine Bulkhead by Christoph Goss, PhD, P.E. dated May 15, 2019 has been attached to this Response Letter to the DRMS as part of this Amendment to the Gold Hill Mill Limited Impact Permit.

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8) The operator's response to item no. 12 states that water levels will be monitored by periodic manual measurements in the Wynona Mine shaft well casing. Please state the frequency that water levels will be monitored during operations. Additionally, please commit to maintaining the monitoring records on site to be made available for Division review during inspection.

CMC Response: The water levels in the Wynona Mine will be monitored on a weekly basis when the Gold Hill Mill begins processing ore. This will help CMC determine the frequency and duration of pumping operations from Left Hand Creek to replenish the water being consumed in the Gold Hill Mill. Once the milling operation determines the rate of water consumption from mineral processing, the frequency of monitoring the water levels in the Wynona Mine may decrease. CMC will maintain the monitoring records on site for review during inspections by the DRMS.

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9) The operator has indicated the Wynona Mine workings are currently flooded to some extent. Therefore, please commit to measuring water levels in these workings on a quarterly basis for five quarters, and submitting this data to the Division a minimum of 60 days prior to commencing with operations. This information will help demonstrate whether the proposed

water storage is a closed system, thus minimizing disturbances to the prevailing hydrologic balance.

CMC Response: The use of the Wynona Mine workings for underground water storage was accepted when the Gold Hill Mill was approved by the Mined Land Reclamation Board on September 25, 1985. The Wynona Mine workings are currently storing water as originally permitted under the 1985 Cash Mine Permit Amendment. The Wynona Mine workings have been filled with water since 1987, when water was first pumped behind the Times Mine Bulkhead, and there has never been any observed, or reported, disturbance to the prevailing hydrologic balance in this area. No downgradient water rights or wells located in the town of Gold Hill have been affected by the underground storage of water in these mine workings. There has not been a single claim made by anyone during the last three decades asserting that their water rights have been injured by the water that was stored in the Times and Wynona Mines. The most recent water level measurements in the Wynona Mine shaft drill hole found the water to be approximately ninety (90) feet below the ground surface; and the water level in the Times Mine drill hole encountered water approximately eighty-nine (89) feet below the ground surface. This demonstrates that both of these mines are sharing the same underground water pool through the connection of the Times Mine winze with the Wynona Mine. Accordingly, any requirement to measure the water level in the Wynona Mine for fifteen months prior to starting milling operations in the Gold Hill Mill would be redundant and unnecessary.

A Hydrologic Study of this area was conducted by Adrian Brown Consultants, Inc. in 2006 for the last permitted operator of the Gold Hill Mill. This report provided useful information about the groundwater flow system of the area around the Gold Hill Mill. It was filed with the DRMS on December 8, 2006. Adrian Brown, P.E. reached several conclusions from his study of the hydrogeology of this area that confirms the same observations that were included in CMC's December 8, 2018 Response Letter to the DRMS's Adequacy Review No. 1. The groundwater level was measured in the four monitoring wells located below the Millsite. Groundwater was found to be approximately thirty (30) feet to sixty (60) feet below ground surface in all four wells. This indicated that the rockmass comprising Horsfal Flat is saturated close to the ground surface, which can only occur if the permeability of the rockmass is sufficiently low to be unable to remove the infiltration from precipitation in this area. The precipitation at Gold Hill is 19.5 inches per year,

and the infiltration to groundwater at this elevation would be expected to be in the order of 10% of this total, or 2 inches per year. This is equivalent to 0.1 gallons per minute per acre of area. Groundwater in the vicinity of the Millsite exists in a low permeability/low yield system typical of the granitic rocks of the Front Range. Yield of wells completed in the bedrock in this area is small; typically, a few gallons per minute at most. According to this report, the groundwater table is a muted reflection of the ground surface, and it intersects the ground surface in the deeper gulches and creeks. The Times Mine and the Wynona Mines are near the highest part of Horsfal Flat, where the groundwater water table is much lower than the steeper areas found in Lickskillet and Cash Gulches.

The general quality of the groundwater in the granitic country rock is good, as reflected in the water quality samples taken from the wells that are downgradient of the Millsite; while the ambient groundwater quality in the mineralized veins and fissures in the mines is of substantially lower quality. The groundwater found in the mines generally contains higher concentrations of sulfate and some metals, notably iron, manganese, and zinc that are elevated above that found in the groundwater in the granitic country rocks. The absence of any elevated sulfate or the presence of higher concentrations of these metals in any of the analyses of the water samples taken from these monitoring wells indicates that the water stored in these mines for more than thirty years is not flowing out of the mine workings. This confirms that the water stored in the Times and Wynona Mines is not migrating from these mines into any of these downgradient monitoring wells.

As part of the Comprehensive Water Monitoring Plan for the Cash Mine, a monitoring well located downgradient to the Gold Hill Mill was selected to monitor the quality of water in this area. This monitoring well is one-hundred and eighty-eight (188) feet deep and it was drilled in solid granitic country rock. The depth to groundwater ranges between fifteen (15) feet and thirty-five (35) feet. CMC has been sampling the groundwater in this well on a quarterly basis since it became the permitted operator of the Gold Hill Mill and the Cash Mine. Nothing has ever been detected in this downgradient monitoring well that would indicate that the water contained in the Wynona Mine workings was affecting the water quality in this area. This confirms the impermeable nature of the granitic country rocks surrounding the Times and Wynona mines.

10) The operator's response to item no. 14 states the Wynona Mine water will be sampled on a quarterly basis (and analyzed for a total of 12 water quality parameters), when the operation begins storing water in the mine and when the mill is in operation. Firstly, please add the following parameters approved in Technical Revision No. 9 to the Winona Mine sampling parameter list: Manganese, Temperature, and Conductivity. Secondly, please commit to collecting a grab sample of the current mine-pool and providing the results to the Division a minimum of 60 days prior to pumping out the water for mill use or pumping any additional water behind the Times Mine bulkhead. Lastly, please commit to reporting the Wynona Mine water quality sampling results to the Division on a quarterly basis along with the other required water monitoring data for the site once operations have commenced.

CMC Response: The water stored in the Wynona Mine workings was sampled and analyzed on a quarterly basis when the Gold Hill Mill was in operation during several different periods under four different permitted operators. However, the water in the Wynona Mine cannot be accessed for sampling and analysis at the present time, because the drill hole casing has shifted during the last two years. CMC will substitute the water stored in the Times Mine, which can be accessed from the drill hole situated above the winze or from the water behind the Times Mine Bulkhead. CMC will sample this water on a quarterly basis for the same parameters in mg/l (T) as was previously done when the mill was being operated, with the following elements: Arsenic, Cadmium, Copper, Iron, Lead, Mercury, Silver, Zinc and Manganese, along with pH, Solids (dissolved), Sulfate as SO4, mg/l, Temperature and Conductivity. These will be added to the approved Technical Revision No. 9 sampling parameter list for the Times Mine until such time that the Wynona Mine water can be accessed for quarterly sampling. In addition, CMC will commit to collecting a grab sample of the current mine-pool water and providing the results to the DRMS a minimum of 60 days prior to pumping out the water for milling or pumping any water behind the Times Mine Bulkhead.

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11) The operator's response to item no. 15 states the discrepancy between the estimated annual water usage for the mill and the amount of water the operator is authorized (per Decree) to withdraw from Left Hand Creek during irrigation season was a mathematical error. However, no

further explanation was provided. Please describe the error. Will the mill be limited to operating less than 50 tons of ore per day and/or less than 260 days per year due to the water requirements (4 tons water/1 ton ore)?

CMC Response: The underground water storage capacity in the Times Mine is approximately 187,000 gallons, and the water storage capacity in the Wynona Mine is approximately 660,000 gallons. The actual underground storage capacity of water for processing ore in the Gold Hill Mill has not yet been determined, because the last permitted operators of the milling facility did not utilize the Times and Wynona Mines for water storage. CMC will not know the actual underground water storage capacity until it resumes milling operations. The meters that will be installed at the Pump Station and the Wynona Mine will help determine how much water is being consumed during ore processing operations, and the actual underground water storage capacity of the Times and Wynona Mines. The recycling of some of the process water has always been a part of the plan of operations for the Gold Hill Mill, and that is expected to be employed at some point during future milling operations.

Additionally, it is CMC's intention to increase the tailings storage capacity at the processing facility on property retained for this purpose. At such time, the current tailings storage pond will be converted for use as a lined water storage feature. CMC anticipates that the Gold Hill Mill will then process at a level of 50 tons of ore per day for 260 days per year.

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12) The operator's response to item no. 17 states the Wynona Mine shaft has been caved from about 10 feet down to about 70 or 80 feet below the surface for many years, and no water has ever been observed flowing from the collar of the shaft.

The Division has the following questions/comments regarding the Wynona Mine shaft:

a.Please describe any work that will need to be done to the shaft prior to using it for the operation. b. How does the operator know the location of the collapse? Has the shaft been characterized since caving in? c. Will this collapse interfere with the operator's ability to obtain accurate water level readings or collect water quality samples from the shaft? d. How does the operator intend to install the necessary infrastructure through the collapsed shaft to pump water from the workings? Is there existing infrastructure that will be utilized?

CMC's Responses to these questions/comments regarding the Wynona Mine shaft are listed below:

a.Please describe any work that will need to be done to the shaft prior to using it for the operation.

CMC Response: No work will need to be done to the Wynona Mine shaft prior to using it for milling operations. However, the drill hole will need to be restored so that the water stored in the underground mine workings can be collected and sampled. The steel casing and the pump may have to be pulled and replaced prior to resuming milling operations.

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b. How does the operator know the location of the collapse? Has the shaft been characterized since caving in?

CMC Response: The Wynona Mine shaft was caved from approximately ten (10) feet down when the Cash Mine was originally permitted in 1984. ITEC Environmental backfilled the shaft to its present level, which is about four (4) feet below the surrounding surface elevation. CMC has determined that the shaft is filled with material down to about sixty (60) feet. This would indicate that there was about fifty (50) feet of material in the shaft before it was backfilled to its present elevation.

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c. Will this collapse interfere with the operator's ability to obtain accurate water level readings or collect water quality samples from the shaft?

CMC Response: As described above, the drill hole will probably have to be restored before accurate water level readings and water quality samples can be collected from the Wynona Mine workings.

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d. How does the operator intend to install the necessary infrastructure through the collapsed shaft to pump water from the workings? Is there existing infrastructure that will be utilized?

CMC Response: The operator intends to restore the upper sixty (60) feet of the existing drill hole casing that extends through the collapsed shaft. The water pump may have to be pulled from the shaft and replaced before the water stored in the Wynona Mine workings can be withdrawn and used to process ore in the Gold Hill Mill.

Exhibit D – Reclamation Plan (Rule 6.3.4):

13) Please describe the proposed reclamation plan for the Wynona Mine shaft. Additionally, please be sure the closure costs for this shaft are included in the reclamation cost estimate.

CMC Response: The Wynona Mine shaft will not be reclaimed. Neither will the Times Mine drill hole site. Both of these drill holes will be used by the Gold Hill Mill as a future source of emergency water in case of another forest fire similar to the 2010 Four Mile Canyon Fire that devastated the South side of the property now owned by CMC. A diesel or gasoline powered generator will be installed to provide electrical power to both of these drill hole sites, and a sprinkler system will be placed around the Millsite. This fire control system is necessary, because another large forest fire in this area is probably inevitable given the tremendous overgrowth on the North side of this property from Sunshine Canyon Drive to Left Hand Creek. In that event, the water in these two mines will be needed to protect the Gold Hill Millsite from another forest fire in this area. This will obviate the closure costs for reclaiming the Wynona Mine shaft and sealing the drill hole into the Times Mine workings.

Exhibit E – Map (Rule 6.3.5):

14) The operator's response to item no. 25 included revised Exhibit E maps. Map E-3 – Revised Mine Reclamation Plan indicates the proposed pump station, fuel tank, and 2" water line will be removed for reclamation. However, the map does not clearly describe the components of the reclamation plan for the Times Mine adit, or the mill site, including the Wynona Mine shaft. Please include these details on the reclamation plan map. Because Map E-3 is very busy due to the surface ownership information being included, it would be helpful to also include the

reclamation information for the Times Mine and the mill site on a map showing a closer view of those areas (i.e., Map E-5). Please be sure any mining plan and reclamation plan maps are labeled accordingly.

CMC Response: As described above, the Wynona Mine shaft and the Times Mine drill hole will not be reclaimed or sealed in order to use these two features for emergency water sources for forest fire protection. Map E-5 has been amended to include the reclamation information for the Times Mine Portal, and to clearly show that the Wynona Mine drill hole is located inside a Concrete Well Enclosure. It also shows the location of the Times Mine Well Head, and that the Mill Pond will be reclaimed to a natural ground surface following reclamation. This map has been renamed E-5 Millsite – Colorado Milling Co. - Gold Hill Mill Reclamation. The scale on this map has been increased to 1-inch equals 150-feet to provide a closer view of these features.

Exhibit L – Permanent Man-Made Structures (Rule 6.3.12):

15) The operator's response to item no. 30 included proof of hand-delivery of structure agreements to Xcel Energy (for the power poles and lines) and to Boulder County (for Lefthand Canyon Dr., Lickskillet Rd., and Sunshine Canyon Dr.). Please submit copies of the executed structure agreements, or per Rule 6.3.12(b), provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

CMC Response: CMC is awaiting the signed Structure Agreements that were hand delivered to Xcel Energy and to Boulder County. CMC has been in communication with these two entities and believes that these Structure Agreements will be accepted and executed by the respective parties. These will be forwarded to the DRMS as soon as they are received from these two adjacent property owners.

For the structures owned by Gene L. Sapp and Dene F. Sapp, the operator states they are covered by the Easement for Water Line with Access (submitted with the response) which grants the operator legal right of entry to their property, the Eureka Millsite, MS 601B to access the water

line easement. The Division could not find any language in the agreement regarding structures owned by the landowners. Therefore, the easement agreement does not satisfy the requirements of Rule 6.3.12(a), as it does not include language that the operator will provide compensation for any damage to structures. Please provide demonstration that structure agreements have been attempted for these structures (proof of hand-delivery or Certified Mailing). If a structure agreement cannot be reached for these structures, per Rule 6.3.12(b), please provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

CMC Response: CMC mailed a Structure Agreement to Gene L. Sapp and Dene F. Sapp on January 25, 2019. This Structure Agreement was sent via Certified Mail Numbered 7018 1130 0000 4221 7577. The Structure Agreement was not signed or returned to CMC. Attached to this Response Letter is a letter dated May 10, 2019 from Cynthia T. Kennedy, Attorney-at-Law. She has reviewed the Easement for Water Line With Access dated September 24, 2015 between the Sapp Brothers and CMC with regard to addressing the question of the extent of the indemnity afforded the owners of the Eureka Millsite , MS No. 601B, and agrees that CMC is required to indemnify and restore any structures and raw land damaged by the construction, operation, maintenance, repair, or replacement of the Gold Hill Mill Waterline.

For the structures owned by James K. McCumber and Amy Fortunato, the operator provides discussion as to why the proposed infrastructure at the Left Hand Creek pump station should pose no potential for adverse damage to these structures. The Division understands the proposed activities in this area are minimal with no excavations. However, the operator's information does not fully demonstrate the stability of these structures will not be adversely affected by the operation. Therefore, please provide demonstration that structure agreements have been attempted for these structures (proof of hand-delivery or Certified Mailing). If a structure agreement cannot be reached for these structures, per Rule 6.3.12(b), please provide an appropriate engineering evaluation that demonstrates these structures will not be damaged by activities occurring at the mining operation.

CMC Response: CMC mailed a Structure Agreement to James K. McCumber and Amy Fortunato on January 25, 2019. This Structure Agreement was sent via Certified Mail Numbered 7018 1130 0000 4221 7591. The Structure Agreement was not signed or returned to CMC. Therefore, CMC retained James M. Beck, PE to provide an engineering evaluation that demonstrates that the three wooden frame structures located on the Mammoth Millsite, MS No. 17576 within two-hundred (200) feet of the Gold Hill Mill Waterline shall not be damaged by any activities occurring on the Gold Gulch No.3 unpatented lode mining claim. Irrespective of this engineering evaluation, CMC commits to ensuring appropriate compensation for any damage determined in a court of law to be directly attributable to CMC's activities or operations at this site. A copy of the Memorandum prepared by James M. Beck; P.E. dated May 15, 2019 Evaluating the Risk Potential for the Mammoth Millsite is attached to this Response Letter.

Additional Item(s):

16) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date that this was done.

CMC Response: CMC will provide the DRMS with a file stamped receipt or an affidavit from the Boulder County Clerk and Recorder's Office.

Please contact me at (303) 651-2985 in Longmont if you have any questions regarding this Response Letter. Thank you and Michael Cunningham for your assistance with this Application for an Amendment to the Gold Hill Mill Limited Impact Permit.

Sincerely,

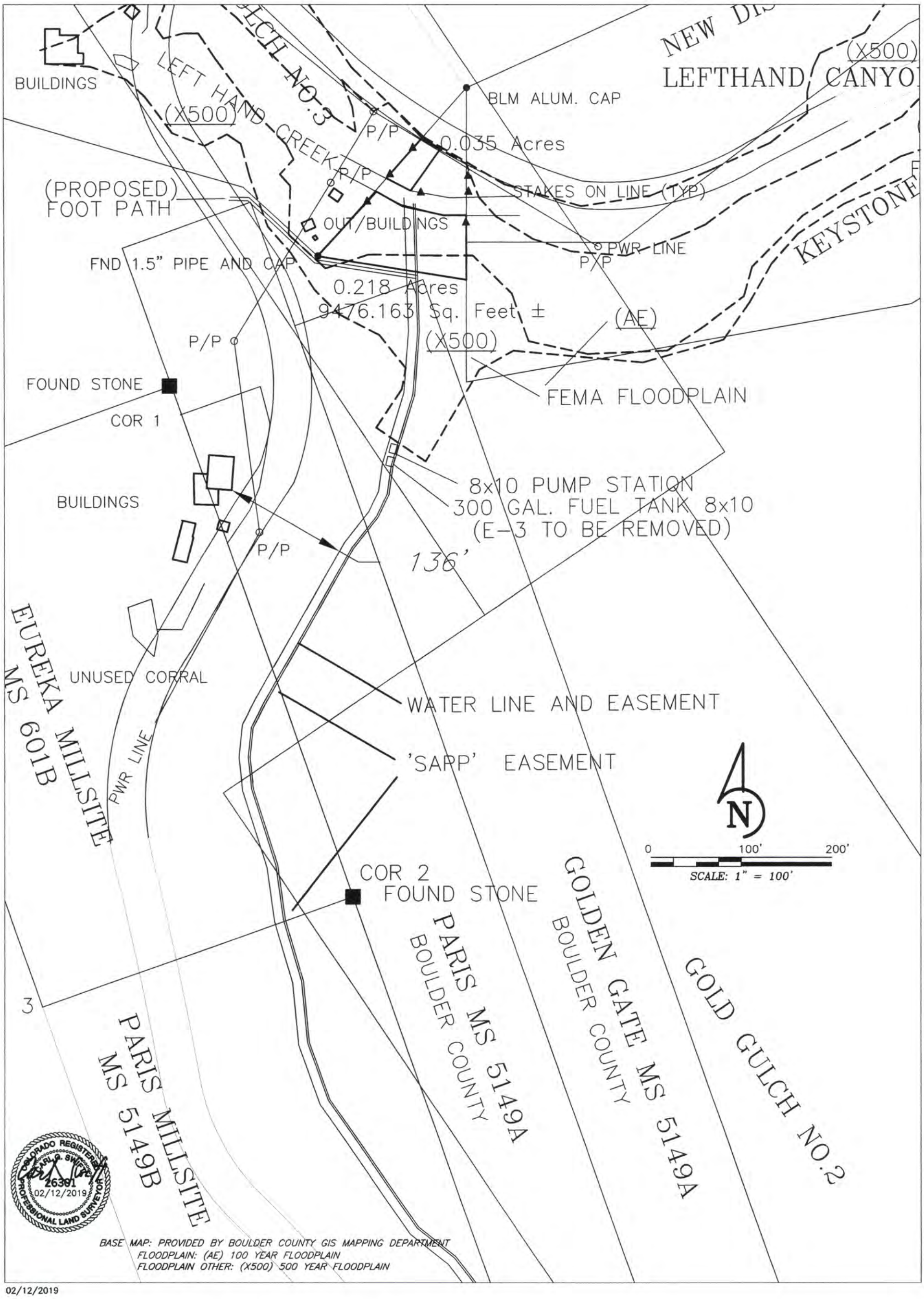
Mark A. Steen

Mark A. Steen
For: Colorado Milling Company, LLC

cc: Michael Cunningham

Accompanying this page is **EXHIBIT E – MAPS** showing Revised E-1 Mine Plan Map to depict all of the permanent man-made structures near Left Hand Creek and the proposed foot path on the Gold Gulch No.3 unpatented mining claim; a Revised E-2 Surface Ownership and Permit Area Map showing historic access roads; a Revised E-3 Mine Reclamation Plan Map showing the historic mine access roads and the Times Mine, the Wynona Mine and the Gold Hill Mill Pond; a Revised E-4 Surface Ownership and Permit Area Map; a new Map E-5 of the Gold Hill Millsite and the Times Mine Portal; a new Map E-6 showing the Access and Waterline Easements as well as a Floodplain Map of the area where the Pump Station will be located above the five-hundred year floodplain. Map E-1 now shows the location of the Power Line and the Power Poles and the location of the FEMA Flood Plain in relation to the permanent man-made structures in this location, as well as the proposed foot path on the Gold Gulch No. 3 mining claim. Map E-2 shows the new location of the Pump Station and the fuel tank situated on the twelve foot Waterline Easement and the two (2) inch Pipeline up to the Times Mine portal that will be installed under the Mining Plan. Map E-3 shows the Pump Station and the fuel tank and the two (2) inch Pipeline that will be removed under the Reclamation Plan. Map E-4 has been revised to show all of the features from the Left Hand Creek to the Gold Hill Millsite and the property ownership adjacent to the Permit Area. Map E-5 shows the Gold Hill Millsite in relation to the Waterline as it enters the Times Mine portal. Maps E-3 and E-4 depict the entire affected area of the Gold Hill Mill operation. Map E-5 shows the Gold Hill Mill Reclamation on a scale of 1-inch =150-feet.

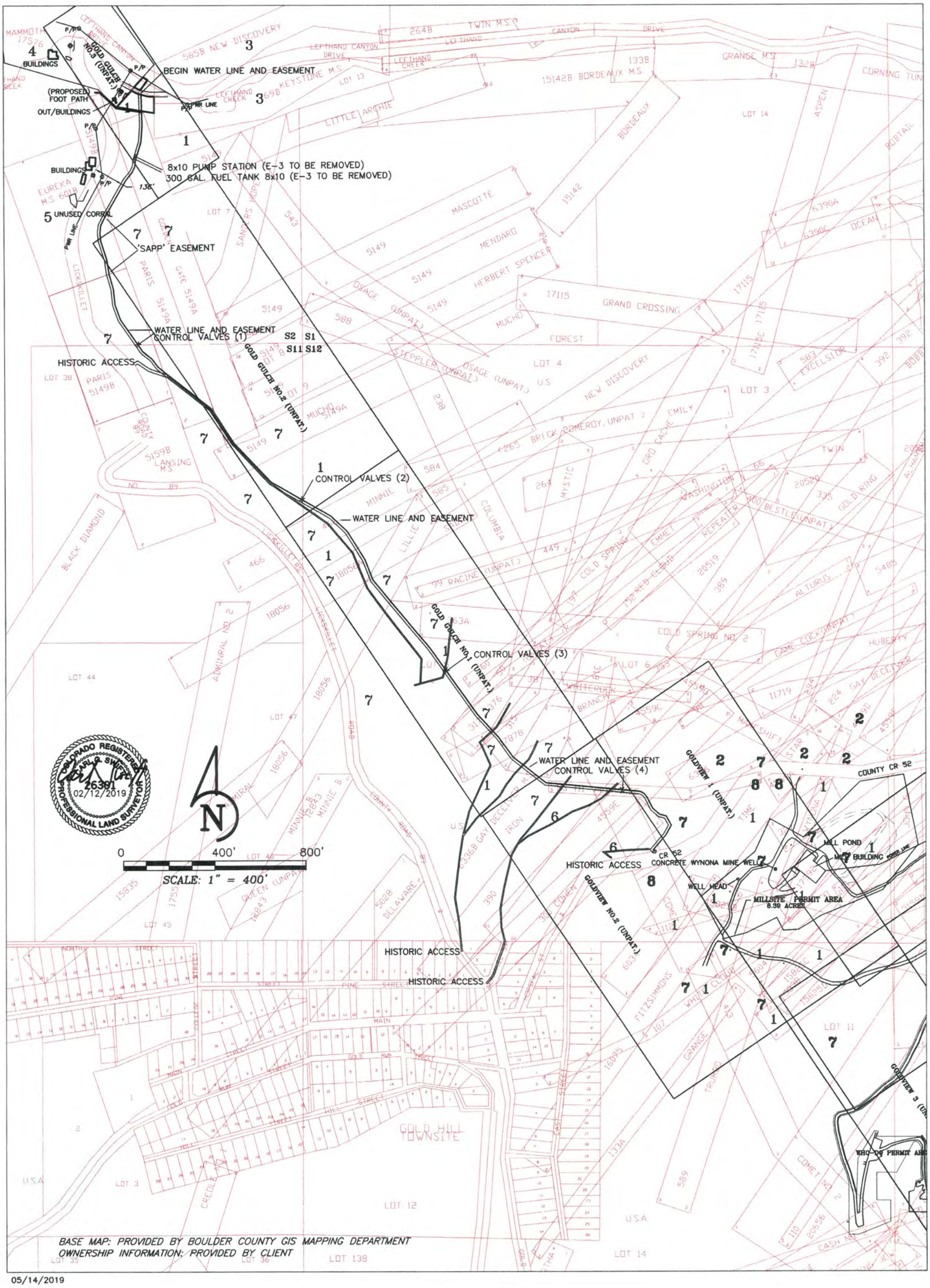
E-1 MINE PLAN - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



02/12/2019

Colorado Milling Company, LLC
M-1994-117
Exhibit 17

E-2 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



05/14/2019

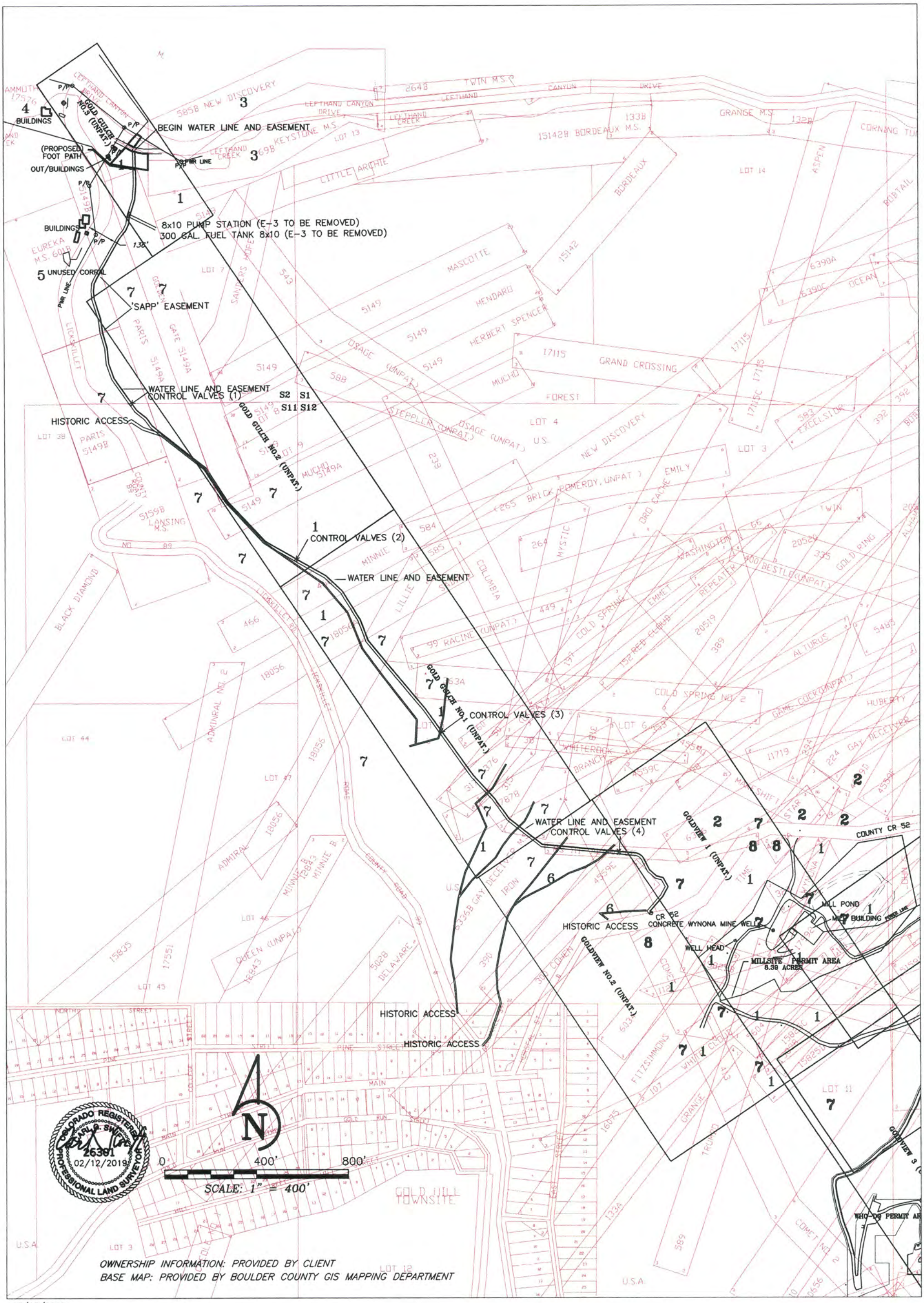
E-3 MINE RECLAMATION PLAN
COLORADO MILLING CO.- GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



05/14/2019

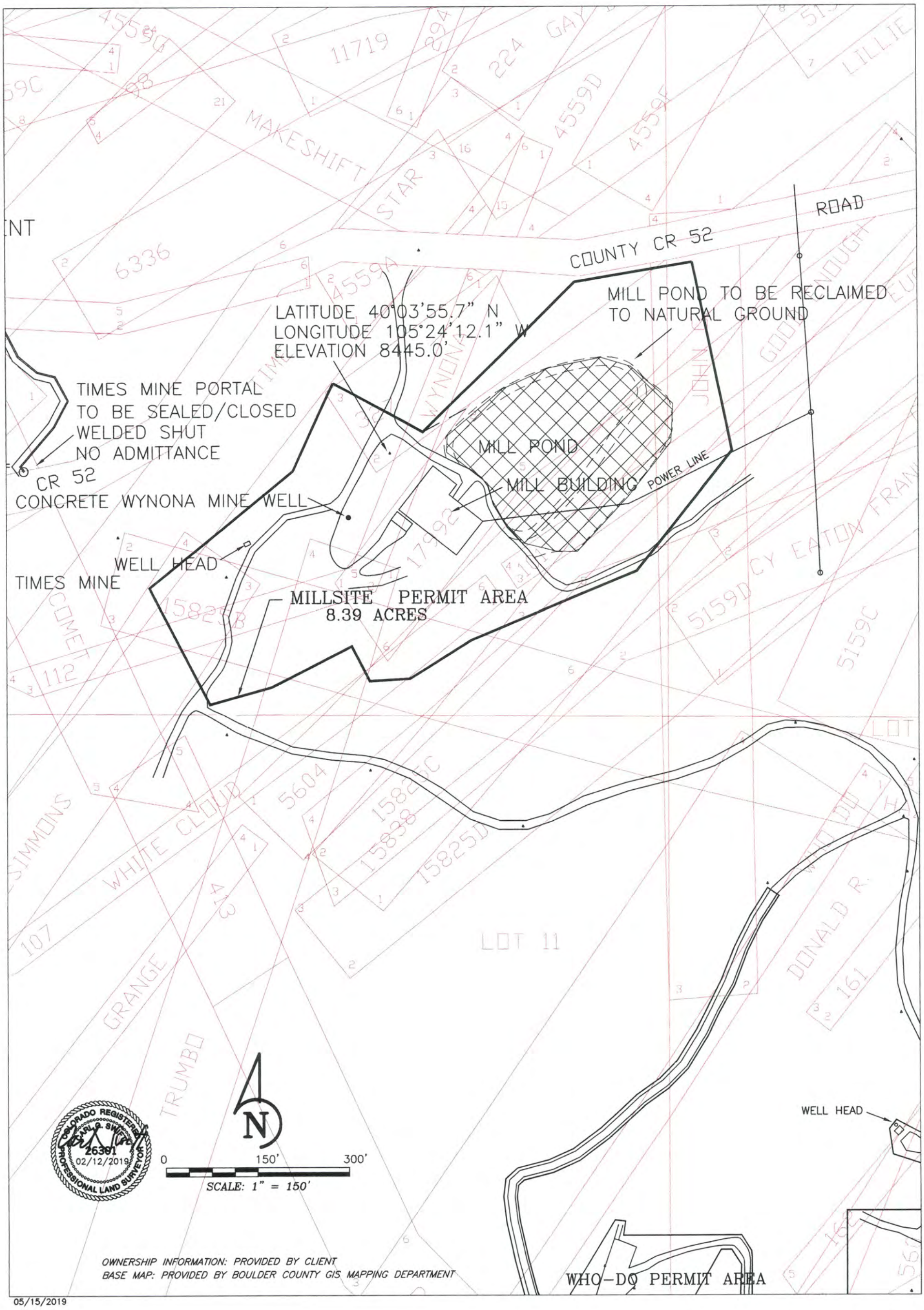
Colorado Milling Company, LLC
M-1994-117
Exhibit 17

E-4 SURFACE OWNERSHIP & PERMIT AREA
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



05/15/2019

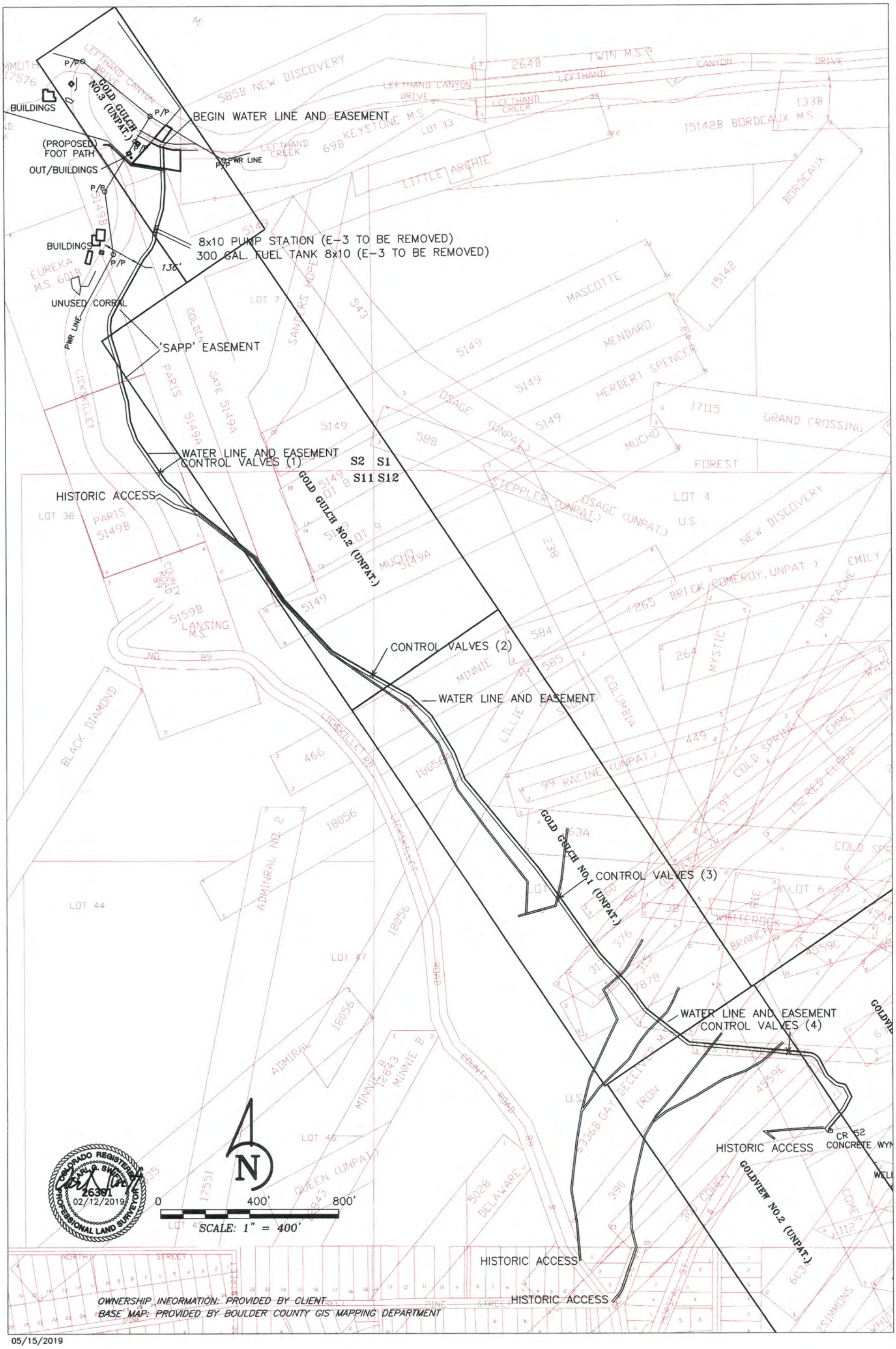
E-5 MILLSITE - COLORADO MILLING CO. - GOLD HILL MILL RECLAMATION
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



OWNERSHIP INFORMATION: PROVIDED BY CLIENT
BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT

05/15/2019

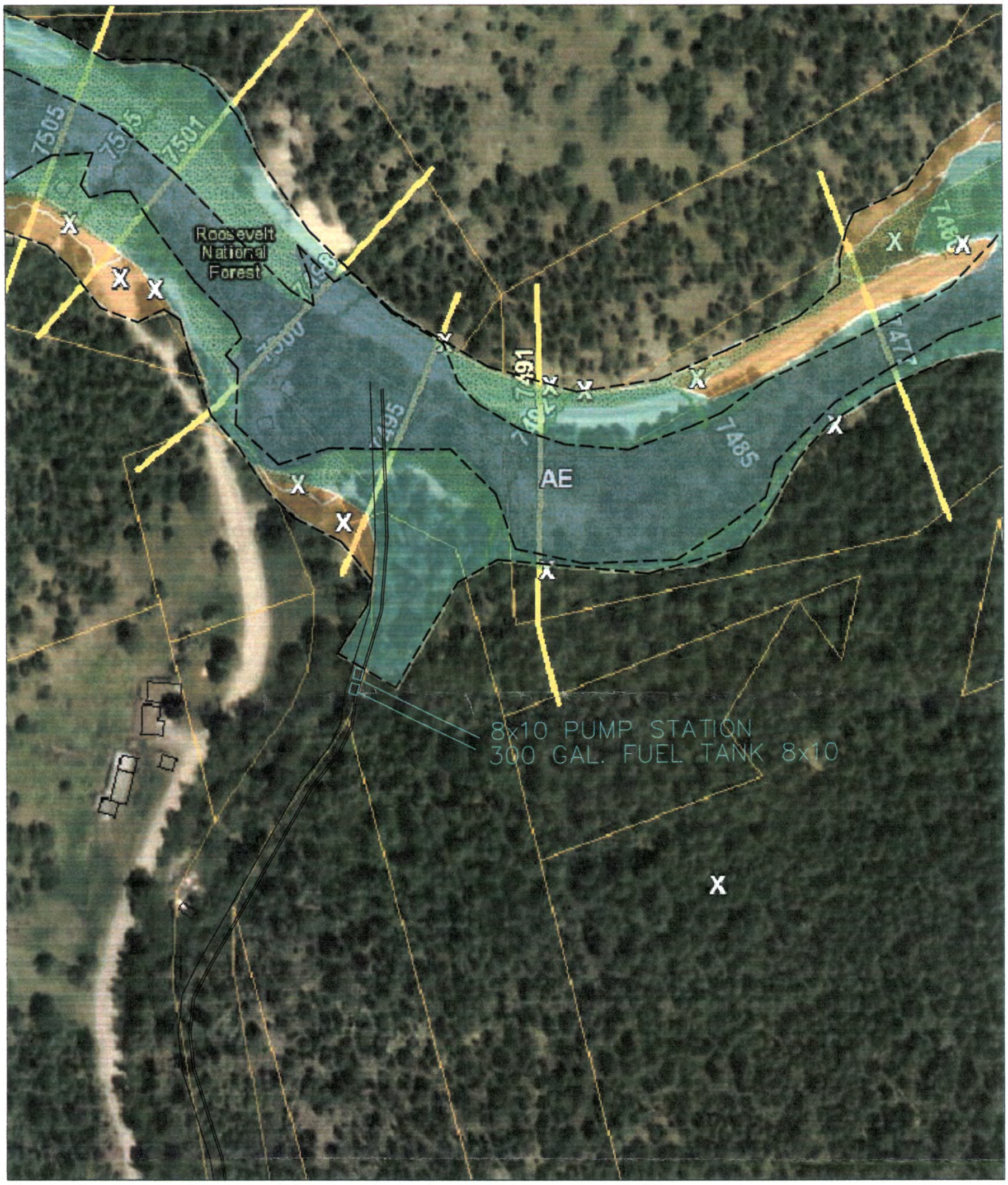
E-6 ACCESS- WATER LINE AND EASEMENTS
COLORADO MILLING CO. - GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



05/15/2019

Colorado Milling Company, LLC
M-1994-117
Exhibit 17

FLOODPLAIN - FEMA - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SECTIONS 2/11/12, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



COLORADO REGISTERED EARL G. SWIFT 26381 02/12/2019 PROFESSIONAL LAND SURVEYOR

N

0 100' 200'

SCALE: 1" = 100'

BASE MAP: PROVIDED BY BOULDER COUNTY GIS MAPPING DEPARTMENT
FLOODPLAIN: (AE) 100 YEAR FLOODPLAIN
FLOODPLAIN OTHER: (X500) 500 YEAR FLOODPLAIN

05/15/2019

COLORADO MILLING CO.–PERMIT NO. N–1994–117–LOCATION MAP–GOLD HILL QUAD
LOCATED IN SECTIONS 2/11/12 T–1–N, R–72–W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO

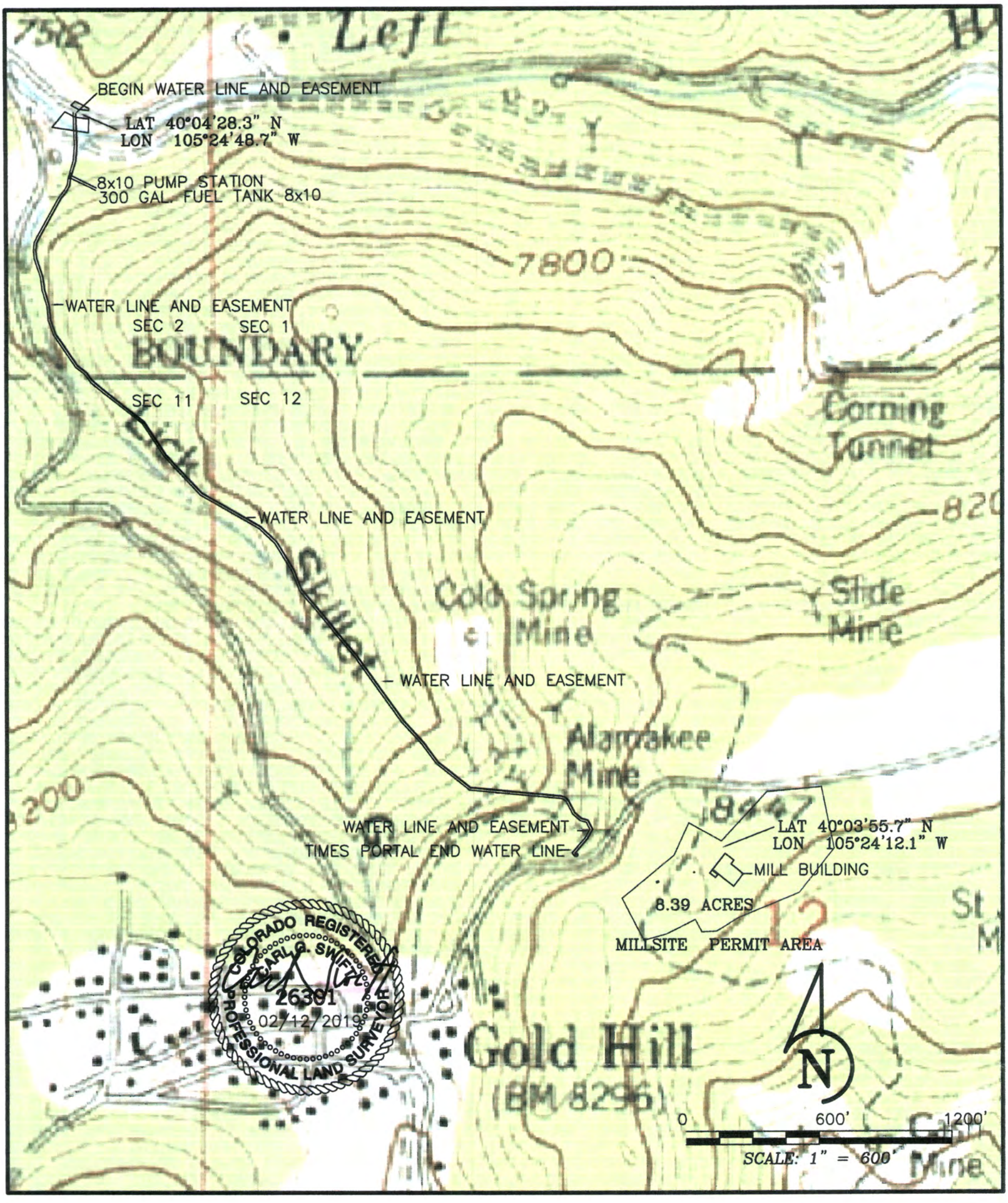


FIGURE 1
A–2

Attached to this page are the following documents:

Copies of U.S. Postal Service Certified Mail Receipts for two letters to the owners of the Mammoth Millsite, MS No. 17576, and the Eureka Millsite, MS No. 601B.

Certified letter dated January 25, 2019 sent to Amy Fortunato/James K. McComber transmitting a copy of a signed and notarized Structure Agreement for the owners of the Mammoth Millsite, MS No. 17576.

A Memorandum from James M. Beck, P.E., Subject: Evaluation of Risk Potential of the Intake Pipeline that will be located on the Gold Gulch No. 3 unpatented lode mining claim.

Certified letter dated January 25, 2019 sent to Gene L. Sapp and Dene F. Sapp transmitting a copy of a signed and notarized Structure Agreement for the owners of the Eureka Millsite, MS No. 601B.

A letter from Cynthia T. Kennedy, Attorney-At- Law, regarding her interpretation of the Easement for Water Line With Access between the Sapp Brothers and CMC dated September 24, 2015.



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- ☐ Return Receipt (electronic) $
- ☐ Certified Mail Restricted Delivery $
- ☐ Adult Signature Required $
- ☐ Adult Signature Restricted Delivery $

Postage
$

Total Postage and Fees
$

Postmark Here

Sent To
Dave & Gene Sapp
Street and Apt. No., or PO Box No.
4801 Lick Skillet Road
City, State, ZIP+4®
Jamestown, Co. 80455

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7018 1130 0000 4221 7577

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Extra Services & Fees (check box, add fee as appropriate)
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- ☐ Return Receipt (electronic) $
- ☐ Certified Mail Restricted Delivery $
- ☐ Adult Signature Required $
- ☐ Adult Signature Restricted Delivery $

Postage
$

Total Postage and Fees
$

Postmark Here

Sent To
Amy Fortunato / James McCumber
Street and Apt. No., or PO Box No.
P.O. Box 1927
City, State, ZIP+4®
Boulder, Co. 80302

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7018 1130 0000 4221 7591

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

CERTIFIED MAIL NUMBER: 7018 1130 0000 4221 7591

Amy Fortunato/James K. McCumber
P.O. Box 1927
Boulder, Colorado 80302

January 25,2019

Amy Fortunato/James K. McCumber:

The Colorado Milling Company, LLC is sending you this **Structure Agreement** as property owners with man-made structures located within two-hundred (200) feet of the Gold Hill Mill Waterline. The Division of Reclamation, Mining and Safety requires proof that this **Structure Agreement** has been sent to you by Certified Mail with a Return Receipt, and that is the purpose of this letter.

As you both know, the Colorado Milling Company, LLC has filed an Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. You are the owners of record of the Mammoth Millsite, MS No.17576, located at 4891 Lick Skillet Road, Gold Hill, Colorado 80455.

We have identified three wooden frame structures on the Mammoth Millsite. They are listed on the **Structure Agreement**. If you have any other significant, valuable and permanent man-made structures located within two-hundred (200) feet of the Gold Hill Mill Waterline, please list them. This will guarantee you compensation for any damage to your structures during the installation, operation and maintenance of the Gold Hill Mill Pipeline and the Left Hand Creek Pump Station.

In the event that you do not wish to enter into this Agreement, the Colorado Milling Company, LLC shall provide an appropriate engineering evaluation that demonstrates that your structures shall not be damaged by any of the activities occurring at this site.

While we do not believe that our activities will cause any damage to your structures, the Colorado Milling Company, LLC's representatives will consider any helpful suggestions that you may have to ensure that these structures are protected from any damages resulting from our activities at this location.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or

b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation.

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. Wooden Frame Structure.
2. Smaller Wooden Frame Structure.
3. Very Small Wooden Frame Structure.
4. _____
5. _____

CERTIFICATION

The Applicant, Colorado Milling Company, LLC by Mark A. Steen, acting as Agent, does hereby certify that Amy Fortunato/James K. McCumber (structure owners) shall be compensated for any damage from the proposed mining operation to the above listed structure(s) located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation Permit Application for an Amendment to the Gold Hill Mill, File Number M-1994-117.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

NOTARY FOR PERMIT APPLICANT

ACKNOWLEGED BY:

Applicant: Colorado Milling Company, LLC, Representative Name: Mark A. Steen

Date January 25, 2019 Title: Agent Mark A. Steen

STATE OFCOLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing was acknowledged before me this 25 day of January 2019, by Mark A Steen as Agent of the Colorado Milling Company, LLC .

_____ My Commission Expires: 06/29/19
Notary Public

CEMRAN LAMICHHANE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154019413
MY COMMISSION EXPIRES JUNE 29, 2019

NOTARY FOR STRUCTURE OWNER

ACKNOWLEGED BY:

Structure Owner(s)_____ Name(s)_____

Date _____ Title _____

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing was acknowledged before me this _____ day of _____ 2019, by _____ as _____ of _____.

_____ My Commission Expires:_____
Notary Public

MEMORANDUM

To: Mark Steen – Colorado Milling Company
From: James M. Beck, P.E.
Date: May 15, 2019
Subject: Evaluation of Risk Potential – Intake Pipeline

In response to your request for an evaluation of the risk and/or damage potential associated with a proposed water line intake conduit (serving the proposed Times Mine pump station), and more specifically, as pertaining to the damage potential at three (3) permanent, man-made structures proximal to the pipeline feature, I provide the following:

You have indicated that there are four (4) privately-owned (by others) wood-framed structures, or "outbuildings", present on the subject Mammoth Millsite claim, three (3) of which are situated within 200 feet of the proposed waterline, with one of those three being within approximately 100 feet of the pipeline. These structures are stated to be owned by Mr. James K. McCumber and Ms. Amy Fortunato, and are described as being a bunkhouse, music/art studio, and outhouse/privy, respectively (with the outhouse/privy being the structure that is closest to the pipeline, at a separation distance of approximately 100 feet). None of the structures are known to possess valid Certificates of Occupancy issued by Boulder County.

You have further indicated that a two (2) inch diameter line will be extended from a point commencing at or in Left Hand Creek to an approximately 275-feet distant and up gradient pump station. Preliminary design considerations suggest that this line would commence as a "flat hose" (that is, a woven, collapsible hose), extending upslope for a distance of approximately 100 feet, at which point it would transition to a HDPE (or equivalent) rigid pipe material, extending over the remaining approximately 175 feet to the intake pump inlet, which is to be situated interior to a permanent structure characterized as a "connex" box, or equivalent)

Based on the parameters of a 275 feet long pipeline of 2-inch ID (inside diameter), the maximum volume of water that could be present within the entire pipeline segment would be the equivalent of 44.88 gallons, or approximately forty-five (45) gallons.

My review of the provided Exhibit E-1 Mine Plan and the aerial base map entitled "Floodplain – FEMA – Colorado Milling Co. – Gold Hill Mill Waterline" suggests that greater than 95% of the pipeline's length (e.g., likely in excess of 265 of its overall 275 feet length) is situated (on-ground, as a temporary feature) to the east of the structures, and within and along the western edge of the FEMA designated 500-year floodplain extending southwesterly from Left Hand Creek at that location.

It is my opinion that a "worst-case" pump failure and/or pipeline rupture scenario would likely be a rupture at the approximate mid-point of the pipeline (as opposed to where the pipeline connects to the pump). In such a scenario, roughly one-half of the contained volume would be released to the ground surface, whereas the remainder would likely "backflow" to the creek due to gravitational forces and/or elevation differential. The mid-point of the pipeline would appear to be roughly cross-gradient of the elevation of the structure(s), so only that water in the line above that point could theoretically affect the structure(s). While fluids could theoretically reach the structure(s), assuming a positive flow gradient in that direction, the pump feature's location (immediately upslope) of the 500-year floodplain demarcation) and the pipeline's location (fully within the 500-year floodplain demarcation) would suggest that virtually all fluid loss (at the pipeline mid-point) would likely be contained within and dispersed along the natural flow course present within the

defined floodplain area, most likely as overland flow (assuming no infiltration), and in a general northeasterly direction (i.e., away from the structure(s) of concern).

In such a hypothetical "worst-case" scenario, approximately 22 to 27 gallons of fluid (roughly 50 to 60% of the total pipeline capacity) would likely be released to the ground surface. For the sake of conservatism, assume a 30 gallon release. At 7.48 gallons per cubic foot, this represents approximately 4 cubic feet of water. This volume, if it reports in entirety to the structure of concern, would result in a pool depth of slightly less than 0.5 inches over a nominal 10-feet by 10-feet area (absent representative measured dimensions, I have used this as an assumed representative structure footprint area). However, that theoretical maximum exposure potential of less than 0.5 inches of water would in most instances be significantly reduced by the effects of infiltration (stream banks above bedrock generally are comprised of fluvial materials), soil absorption, evaporation effects, flow course dispersal/deviation, localized elevational characteristics at and around the structure, and any super-elevation of the structure above grade (i.e., it is likely that the structure floor(s) are at or above grade).

Based on the foregoing, it is my opinion that the presence of the pump house inlet line serving the Times Mine pipeline does not pose any significant or meaningful risk of damage potential with respect to the subject permanent structure(s) present proximal to the pipeline, as described. This opinion is based on the above-stated pipeline design parameters and other information, to include aerial and survey mapping, as provided by Colorado Milling Company. No design drawings or improvement location survey(s) as pertaining to the subject structure(s) have been provided or reviewed. No onsite inspection specific to the subject evaluation has been conducted; however, the signatory below is familiar with the location and features thereon through multiple site visits conducted since 1998.

COLORADO REGISTERED JAMES M. BECK 25393 15 MAY 2019 PROFESSIONAL ENGINEER

James M. Beck, P.E.
Colorado Registered Professional Engineer No. 25393

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

CERTIFIED MAIL NUMBER: 7018 1130 0000 4221 7577

Gene L. Sapp
Dene F. Sapp
4801Lick Skillet Road
Jamestown, Colorado 80455

January 25, 2019

Gene L. Sapp & Dene F. Sapp:

The Colorado Milling Company, LLC is sending you this **Structure Agreement** as property owners with man-made structures located within two-hundred (200) feet of the Gold Hill Mill Waterline. The Division of Reclamation, Mining and Safety requires proof that this **Structure Agreement** has been sent to you by Certified Mail with a Return Receipt, and that is the purpose of this letter.

As you both know, the Colorado Milling Company, LLC has filed an Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. You are the owners of record of the Eureka Millsite, MS No. 601B, located at 4801 Lick Skillet Road, Gold Hill, Colorado 80455.

We have identified four structures on the Eureka Millsite. They are listed on the **Structure Agreement**. If you have any other significant, valuable and permanent man-made structures located within two-hundred (200) feet of the Gold Hill Mill Waterline, please list them. This will guarantee you compensation for any damage to your structures during the installation, operation and maintenance of the Gold Hill Mill Pipeline and the Left Hand Creek Pump Station.

In the event that you do not wish to enter into this Agreement, the Colorado Milling Company, LLC shall provide an appropriate engineering evaluation that demonstrates that your structures shall not be damaged by any of the activities occurring at this site. The **Easement For Water Line With Access** that you both granted on September 24, 2015, contains language that already provides for the restoration of your Real Property to its condition prior to any material disturbance from the construction, operation, maintenance, repair, or replacement of the Gold Hill Mill Waterline.

While we do not believe that our activities will cause any damage to your structures, the Colorado Milling Company, LLC's representatives will consider any helpful suggestions that you may have to ensure that these structures are protected from any damages resulting from our activities at this location.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

Structure Agreement

This letter has been provided to you as the owner of a structure on or within two hundred (200) feet of a proposed mine site. The State of Colorado, Division of Reclamation, Mining and Safety ("Division") requires that where a mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant shall either:

a) Provide a notarized agreement between the Applicant and the Person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or

b) Where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation.

The Colorado Mined Land Reclamation Board ("Board") has determined that this form, if properly executed, represents an agreement that complies with Construction Materials Rule 6.3.12(a), Rule 6.4.19(a), and C.R.S. § 34-32.5-115(4)(e) and with Hard Rock/Metal Mining Rule 6.3.12(a), Rule 6.4.20(a), and C.R.S. § 34-32-115(4)(d). This form is for the sole purpose of ensuring compliance with the Rules and Regulations and shall not make the Board or Division a necessary party to any private civil lawsuit to enforce the terms of the agreement or create any enforcement obligations in the Board or the Division.

The following structures are located on or within 200 feet of the proposed affected area:

1. A Single Family Residence.
2. A Storage Shed.
3. A Small Barn.
4. A Wooden Corral.
5. _____

CERTIFICATION

The Applicant, Colorado Milling Company, LLC by Mark A. Steen, acting as Agent, does hereby certify that Gene L. Sapp and Dene F. Sapp (structure owners) shall be compensated for any damage from the proposed mining operation to the above listed structure(s) located on or within 200 feet of the proposed affected area described within Exhibit A, of the Reclamation Permit Application for an Amendment to the Gold Hill Mill, File Number M-1994-117.

This form has been approved by the Colorado Mined Land Reclamation Board pursuant to its authority under the Colorado Land Reclamation Act for the Extraction of Construction Materials and the Colorado Mined Land Reclamation Act for Hard Rock, Metal, and Designated Mining Operations. Any alteration or modification to this form shall result in voiding this form.

NOTARY FOR PERMIT APPLICANT

ACKNOWLEGED BY:

Applicant: Colorado Milling Company, LLC, Representative Name: Mark A. Steen

Date January 25, 2019 Title: Agent Mark A. Steen

STATE OFCOLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing was acknowledged before me this 25 day of January 2019, by Mark A Steen as Agent of the Colorado Milling Company, LLC .

_____ My Commission Expires: 06/20/19
Notary Public

CEMRAN LAMICHHANE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154019413
MY COMMISSION EXPIRES JUNE 29, 2019

NOTARY FOR STRUCTURE OWNER

ACKNOWLEGED BY:

Structure Owner(s)_____ Name(s)_____

Date _____ Title _____

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing was acknowledged before me this _____ day of _____ 2019, by _____ as _____ of _____.

_____ My Commission Expires:_____
Notary Public

Kennedy Law Firm
A Professional Corporation

Cynthia T. Kennedy

308 ½ E. Simpson Street
Lafayette, Colorado 80026
Telephone: 303-604-1600
Fax: 303-604-1601
ctk@kennedylawyer.com

May 10, 2019

Colorado Division of Reclamation
Mining and Safety
1313 Sherman Street- Room 215
Denver, Colorado 80203

Re: Permit No. M-1994-117

To Whom It May Concern:

I write this letter on behalf of Colorado Milling Company, LLC in regard to its Application for an Amendment to the Gold Hill Mill Permit, Permit No. M-1994-117.

I have reviewed the Easement for Water Line With Access dated September 24, 2015 between Gene L. Sapp and Dene F. Sapp (the "Sapps") and Colorado Milling Company, LLC (the "Agreement") with regard to addressing the question of the extent of the indemnity afforded the Sapps under the Agreement and whether the Agreement is sufficient to provide for compensation in the event of damage to structures.

It is my opinion, having reviewed the recorded document (the Easement for Water Line With Access) that the definition of "real property" within that document at paragraph 1 includes the entire Eureka Millsite, MS 601B, and the provision at paragraph 3 requiring Colorado Milling Company, LLC as Grantee "to restore the *real property* as nearly as reasonably possible to its condition prior to any material disturbance from the construction, operation, maintenance, repair or replacement of the water line" is sufficient to require indemnification against any damage to structures on the Eureka Millsite as well as the raw land.

I have discussed this matter with Colorado Milling Company, LLC, and the entity acknowledges its obligations to restore structures as well as raw land should any damage occur as a result of the activities covered by the Agreement.

Please feel free to contact me if you have any further questions.

Very truly yours,

Cynthia T. Kennedy

cc: client

EXHIBIT O – DEERE & GAULT TECHNICAL MEMORANDUM

TIMES MINE BULKHEAD EVALUATION FROM: CHRISTOPH GOSS PhD, P.E.

RECEIVED

MAY 17 2019

DIVISION OF RECLAMATION
MINING AND SAFETY

RECEIPT OF DELIVERY

OFFICE OF THE BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street
Boulder, Colorado

CERTIFICATION

I, Richard Lacustey certify that a copy of the Colorado Milling Company, LLC's Response Letter to the Colorado Division of Reclamation, Mining and Safety's Adequacy Review No. 3 of the Application for an Amendment to the Limited Impact 110 (2) Permit No. 1994-117 for the Gold Hill Mill, dated May 16, 2019 was hand-delivered to me on May 17, 2019.

Signed: Richard Lacustey

Dated: 5/17/19

CMC's Proof of Filing with the Boulder County Clerk and Recorder.

DEERE & AULT
CONSULTANTS, INC.

RECEIVED
MAY 17 2019
DIVISION OF RECLAMATION
MINING AND SAFETY

TECHNICAL MEMORANDUM

COLORADO LICENSED
CHRISTOPH MICHAEL GOSS
38427
5/15/2019
PROFESSIONAL ENGINEER

TO: Mark A. Steen (Colorado Milling Company LLC)

FROM: Christoph Goss PhD, P.E.

DATE: May 15, 2019

RE: Times Mine Bulkhead Evaluation
D&A Job No. 0788.001.00

This technical memorandum is in response to a request by Colorado Milling Company, LLC to evaluate the Times Mine Bulkhead at the Gold Hill Mill site.

BACKGROUND

The Gold Hill Mill is an existing mineral processing facility in Boulder County, Colorado, near the town of Gold Hill (MLRD Limited Impact 110(2) Permit No. M-1994-117). The general location is shown in **Figure 1**. In December 2017, Colorado Milling Company, LLC (CMC) submitted an amendment to add several components to the permitted site. These include the Left Hand Creek Pump Station, Gold Mill Pipeline Easement, and Times Mine Adit Portal. Since the amendment application submittal, the Colorado Division of Reclamation, Mining, and Safety (DRMS) has issued three Adequacy Review letters dated 1/26/2018, 12/21/2018, and 1/14/19. CMC has responded to Adequacy Review letters 1 and 2 on 12/8/2018 and 1/4/2019, respectively. Based on this correspondence, there are various outstanding issues to be evaluated and addressed. Deere & Ault Consultants Inc, (D&A) has evaluated those issues related to the Times Mine Bulkhead.

In 1986, the owners of the Gold Hill Mill prepared the site for water storage in support of milling operations. The work included cleaning, surveying, and rehabilitating the upper level of the Times Mine, drilling a monitoring/pumping well into the Times Mine directly above the winze to the Wynona Mine, installing a concrete bulkhead with piping in the Times Mine, and installing a well casing into the Wynona Mine Shaft. The components are shown in **Figure 2**. The general proposed operations plan consists of pumping fresh water into Times Mine through the bulkhead and then pumping it out through the Wynona Shaft to the mill. **Figure 3** provides a plan and profile view of the Times and Wynona mines. A key feature of the project that becomes apparent in the profile is the hydraulic connection between the Times and Wynona Mines. Through the Wynona Winze, 150 Level, and shaft, the two mines act as a single mine pool with drainage at the Times Mine bulkhead and an overflow at the Wynona Shaft collar.

600 S. Airport Road, Building A, Suite 205
Longmont, CO 80503
Phone: 303-651-1468 • Fax: 303-651-1469

SITE VISIT

D&A staff visited the site on April 22, 2019 to document conditions and take measurements. Select photos are found attached. D&A measured water levels in both the Times Mine Well and the Wynona Shaft using a water level indicator. These levels were then used in the figures and analysis. Locations were geo-referenced using a Trimble R1 GNSS Receiver coupled to a tablet. Surface elevations were within a foot of those provided in documents by CMC and their survey consultant, Mountain Surveying LLC. D&A used the professionally surveyed elevations where available.

D&A entered the Times Mine to document the adit and bulkhead condition. The first 50 feet of adit consisted of a relatively new 5-foot diameter corrugated metal culvert pipe. Past the pipe, the rock of the adit was somewhat blocky with the main joints dipping moderately to steeply west. Nominal adit dimensions were 6-foot high by 5-foot wide. Ground support consisted of one timber set and several timber props. After 30 feet, the adit intersected a vein striking west and dipping steeply to the north. The vein and alteration halo ranged from 1 to 3 feet wide. The altered rock was soft while the surrounding rock was fractured but generally hard and competent. No ground support was in place. Conditions were dry. Two new PVC pipes ran the length of the adit and entered the bulkhead. Both had closed valves. **Figure 4** shows a profile of this drift.

The bulkhead was installed in this drift, approximately 20 feet from the adit intersection. Visible were the wooden concrete forms from the bulkhead placement. The forms were covered in iron precipitant. The bulkhead concrete was not visible. Seepage was noticeable along the back and upper edges of the contact between the bulkhead and the rock. The seepage consisted of a wet sheen with no concentrated flows. No flow was visible on the invert. No concentrated flow was observed at the pipe penetrations. Seepage and iron precipitant extended two and three feet past the bulkhead in the back, along the vein. See attached photos and **Figure 5** for additional detail.

Using site measurements, public data, and documentation from CMC and Mountain Surveying LLC, D&A developed a plan and profile of the site to better understand and explain the project. This is shown in **Figure 3**. Key elevations are summarized on the table below. Note that the difference in the water elevations at the Times Well and Wynona Shaft are mostly due to field measurement limitations. The elevations do appear to reflect the same mine pool.

Feature	Elevation (ft)	Notes
Wynona shaft top of Manhole	8450.0	D&A 4/22/19 estimated
Times Well Top of Casing	8449.3	Swift 2/10/2019
Times Well Ground	8446.8	Swift 2/10/2019
Collar of Wynona Shaft	8445.0	Swift 2/10/2019
Top of Wynona Winze in Times Mine	8364.5	Swift 2/10/2019
Bulkhead Pressure Design Elevation	8360.0	CMC 1/4/2019
Water Level in Times Well at D&A Site Visit	8357.6	D&A 4/22/19
Water Level in Wynona Shaft at D&A Site Visit	8356.5	D&A 4/22/19
Water Level in Times Well noted by others	8354.6	Swift 2/10/2019
Top of Times Mine Bulkhead	8348.3	D&A 4/22/19
Floor of Wynona Winze in Times Mine	8347.7	Swift 2/10/2019
Bottom of Times Mine Bulkhead	8342.4	Interpolated 95 ft at 1.7% grade
Floor of Times Mine Portal	8340.8	Swift 2/10/2019

BULKHEAD EVALUATION

Based statements by CMC in the permit documents, the bulkhead consists of a three-foot-thick concrete structure with some steel reinforcing where the concrete was cast directly against clean rock but not grouted. While no documentation of the structure exists, the design described is typical for underground mines and can be assumed to be correct. There are five loading conditions (water levels behind bulkhead invert) that were evaluated: proposed typical operational water level (4.5 ft), current water level (15.2 ft), design water level (17.6 ft), maximum proposed operational level (22.1 ft), and maximum possible water level where the mine pool overflows through the Wynona Shaft (102.6 ft).

When designing or evaluating mine bulkheads, one must consider the possible failure modes. These include hydraulic jacking of the surrounding rock mass, shear failure around the plug, structural failure of the plug, long term disintegration (chemical decomposition) of the concrete, and excessive seepage or piping past the plug (Lang, 1999; Abel, 1998).

Hydraulic jacking occurs when the water pressure behind the bulkhead is higher than the confining pressure of the ground in the area. The hydraulic jacking causes joints in the rock mass to open up, allowing more flow through them. This can be avoided by locating the bulkhead deep underground where the confining pressure (weight of rock above and related horizontal stresses) is high enough to resist the water pressure.

The Times Mine Bulkhead has approximately 26 feet of cover. Based in its location near the inside road edge, most of the cover is likely rock. Assuming 20 feet of rock cover with a density of 165 pcf results in an overburden pressure of 3300 psf (23 psi). Abel (1998) suggests that under typical circumstances, the pressure required to hydraulically jack rock is twice the overburden pressure. Hence, the Times Mine bulkhead could be subjected to 6600 psf (46 psi) of water pressure from the mine pool without hydraulically jacking. As shown below, hydraulic jacking becomes a likely failure mode only under the maximum possible mine pool level.

Hydraulic Jacking

Condition	Head (ft)	Pressure (psi)	Allowable Pressure (psi)	Factor of Safety
Operation	4.5	1.9	46	24.2
Current	15.2	6.6	46	7.0
Design	17.6	7.6	46	6.1
Max Op	22.1	9.6	46	4.8
Maximum	102.6	45	46	1.0

Perimeter shear failure occurs when the bulkhead moves along the concrete/rock interface or adjacent rock due to water pressure from the mine pool. This failure can be avoided by locating the bulkhead in good ground, roughening the surface at the rock/concrete interface, keying into the rock, and grouting the interface.

The shear capacity of the Times Mine Bulkhead can be calculated by multiplying the shear strength of the concrete by the total area that the concrete is in contact with the wall rock. Unless

the ground is heavily altered, the weakest shear strength is in the concrete. Based on the rock visible directly in front of the bulkhead it appears that the altered rock was mostly removed from the perimeter. Per ACI 318, the design shear strength of concrete is twice the square root of the compressive strength. Assuming a conservative compressive strength of 2000 psi, the design shear strength is 89 psi or 12,880 psf. Multiplying the perimeter of the bulkhead face (19.4 ft) by the length of 3 ft results in an area of 58.2 sf. Multiplying that by 12,880 psf results in a design shear load capacity of 749,602 pounds. The load on the bulkhead is a function of the water pressure on the face area. With a face area of 22 sf and a maximum water pressure of 45 psi (6480 psf), the driving force is 142,560 pounds. Dividing 749,602 by 142,560 gives a factor of safety of 5.3. Hence, shear is not a likely failure mode under any loading condition.

Structural failure occurs when the concrete plug itself fails due to deep beam bending or shear failure through the reinforced concrete due to water pressure or earthquake induced water hammer. It can be avoided by making the bulkhead long enough and adding rebar reinforcement at both faces.

The Times Mine Bulkhead structural strength can be calculated per ACI 318 deep beam analysis, as described in Abel 1998. This analysis compares the tensile bending stresses on air side face to the allowable concrete tensile strength. The rather involved calculations were done on a spreadsheet and the results are summarized below. For the proposed operational, current, design, and maximum operational conditions, a three-foot-thick unreinforced concrete bulkhead is acceptable. For the maximum load condition, rebar consisting of at least number 5 bars 12 inches on center each way would be required. Based on statements by CMC, rebar was used in the construction but the size and spacing are not known (no documentation available). Based on this, a structural failure is unlikely yet possible. Please note that these calculations do not take earthquake loading or water hammer effects into account. Should those be requested, D&A will have to research appropriate earthquake loads for the site.

Structural Failure

Condition	Head (ft)	Bulkhead Length (ft)	Minimum Required Bulkhead Length (ft)	Factor of Safety
Operation	4.5	3	0.9	3.3
Current	15.2	3	1.6	1.9
Design	17.6	3	1.7	1.8
Max Op	22.1	3	2.0	1.5
Maximum	102.6	3	4.2	0.7

Concrete degradation occurs when the acidic mine waters chemically break down the concrete. It can be avoided by using sulfate resistant cement (ASTM C-150 Type V), pozzolans like flyash and microsilica, and possibly permeability reducing admixtures in the mix. It is also common to place lime in the tunnel upstream of the bulkhead to neutralize the acidic mine waters in the vicinity of the bulkhead. This technique is effective in the short term but may provide only limited beneficial use in the long term.

For the Times Mine Bulkhead, there is no information on the concrete mix design used. Hence, one must assume that it contained standard Type-I cement. The quality of the water behind the

bulkhead is not known. If it is mostly fresh water, per the operations plan, then degradation is not an issue. If the water becomes more acidic, due to contact with the existing mine pool, then degradation could be a problem. If water testing reveals sulfate concentrations above 150 ppm, we suggest conducting a mortar bar test (ASTM C1038) using the mine water and standard Type-I cement to evaluate the reactivity.

The most likely failure mode of a bulkhead is seepage and piping. Excessive seepage past the plug occurs when the higher upstream head finds fractures in the downstream rock mass or concrete-rock interface and bypasses the bulkhead. The worst case would be where the gradient and seepage are high enough to wash out material in joints or shears, leading to a piping failure. Seepage and piping can be avoided by placing the bulkhead in good ground, contact grouting the concrete-rock interface, and ring grouting the rock mass prior to installing the bulkhead. This requires a detailed geological investigation with a particular focus on joints, shears, and faults upstream and downstream of the bulkhead that could become water conduits. If seepage is excessive, it can often be reduced by pressure grouting the affected joints. Seepage and piping are a direct function of the pressure gradient across the bulkhead.

The design of most mine bulkheads in the United States is based on relationships developed by Garrett and Campbell-Pitt (1961) and adapted by Chekan (1985). The relationships came from full scale testing in South Africa where an experimental bulkhead was constructed in quartzite inside the deep West Driefontein Mine. The researchers installed an un-grouted bulkhead and pressurized the space behind it until water leakage around the bulkhead became excessive. They repeated the experiment each time after grouting the contact between the concrete and rock, grouting the rock mass, and chemical grouting the rock mass. They then calculated the pressure gradient (pressure at leakage/length of bulkhead) for each case. Finally, they recommended applying a Factor of Safety between 4 and 10 to these gradients. Their results are summarized on the table below:

Allowable Pressure Gradient (psi/ft of Bulkhead Length) per Garrett and Campbell-Pitt

Bulkhead Grouting	Factor of Safety		
	1	4	10
None	10	2.5	1
Contact Grouting Only	228	57	23
Rock Mass Grouting	400	100	40
RM Chemical Grouting	887	222	89

The three-foot-thick Times Mine Bulkhead was designed and constructed without grouting, leading to a maximum allowable pressure gradient of 10 psi/ft. Pressure gradients and associated factors of safety for each loading scenario are summarized below. For the proposed operational and current conditions, the pressure gradient is acceptable. For the design and maximum operational conditions, the pressure gradient is somewhat unconservative (3.9 and 3.1 vs 4). For the maximum loading condition, the pressure gradient factor of safety is below 1, hence excessive leakage should be expected.

Seepage Failure

Condition	Head (ft)	Pressure (psi)	Pressure Gradient (psi/ft)	Factor of Safety
Operation	4.5	1.9	0.6	16.6
Current	15.2	6.6	2.2	4.5
Design	17.6	7.6	2.5	3.9
Max Op	22.1	9.6	3.2	3.1
Maximum	102.6	45	15	0.7

The limitation of the West Driefontein Mine seepage experiment and calculations is that they only consider leakage through the bulkhead, concrete-rock contact, and immediate rock mass. They do not consider seepage or piping through joints or shears parallel to the tunnel, across the plug. The Times Mine Bulkhead is located on a vein that was not pressure grouted. Under high head, this is the most likely seepage path.

CONCLUSIONS

- The Times Mine Bulkhead is currently holding back a head of 15.2 feet of water (6.6 psi). The stated design capacity is 17.6 feet (7.6 psi).
- The water may have been pumped into the mine in the past or groundwater may be seeping in and raising the mine pool.
- The maximum head possible behind the bulkhead, when water overflows through the Wynona Shaft well casing, is 102.6 feet (45 psi)
- Based on our calculations, the bulkhead should perform adequately under the design, current and proposed operational conditions.
- Under the maximum proposed operational conditions, the bulkhead area should be observed and conditions documented on a regular basis with a particular focus on any increases in seepage or the development of any concentrated areas of flow. Should a significant flow or seepage increase be observed, the mine pool would need to be lowered rapidly.
- Based on our calculations, the bulkhead would most likely fail under the maximum loading condition where water overflows at the Wynona Shaft. The likely failure mode would be excessive seepage and water flow past the bulkhead, possibly through the vein in the back.
- The total volume of water stored at or above the elevation of the bulkhead is unknown. If the Wynona 100 Level is lower than the bulkhead, the additional volume from the Wynona Shaft is negligible and water behind the bulkhead is limited to the Times Mine volume of approximately 25,000 cubic feet (187,000 gallons). If the Wynona 100 Level is higher than the bulkhead, most of its unknown volume would be stored behind the bulkhead (i.e. it would drain out if the bulkhead was opened).
- Minor seepage is visible along the contact between the bulkhead and the rock. The seepage continues 3 feet past the air side face.
- The presence of oxidized iron precipitate on the bulkhead face, rock interface and vein suggest mine pool water is seeping around the bulkhead. This is typical.
- Total flow past the bulkhead is negligible. No concentrated flows were observed.
- The bulkhead appears to be performing adequately. There are no visible signs of distress.

RECOMMENDATIONS

- Develop a system where water levels will be limited to acceptable levels. This could include a pressure relief valve at the bulkhead pipes that discharges into an acceptable location.
- Monitor water levels in both the Times Well and Wynona Shaft well regularly. Consider installing a pressure transducer and datalogger if site will be unmanned for longer periods.
- Install a stainless-steel fluid filled pressure gauge (0-50 psi range) on the bulkhead pipes. It should be installed on a tee between two valves and include a sampling/air bleed port.
- While we generally recommend removing the bulkhead forms to better observe and assess the condition of the concrete, we do not suggest doing that on this site due to the high risk of damaging the PVC pipes.
- Investigate elevation of Wynona 100 Level to evaluate its effect on storage behind the Times Mine bulkhead. If the level is higher than the Times Mine, it could drain out through the bulkhead. If the level is lower, it would be dead storage. A potential method would be to pump the Wynona Shaft at various elevations. A quick drop in water level would show it to be only shaft volume. A slow drop would indicate a connection to a mine pool.
- While the PVC pipes and valves are not susceptible to corrosion, they are brittle and can crack. Consider sleeving the pipes with stainless steel and replacing the PVC valves with stainless steel. This should be done when there is no water behind the bulkhead.
- Remove the stuck pump from the Wynona Shaft and survey the top of casing to allow regular and accurate water level readings.
- Develop a plan to draw down the water in the mine.
- Monitor water quality/chemistry to evaluate potential concrete degradation

LIMITATIONS

Deere & Ault Consultants Inc. work on this project is limited to the analysis described in this report. Specifically, our services do not include the evaluation of any outstanding adequacy review issues other than those addressed herein.

REFERENCES

Abel Jr., J.F., 1998, "*Bulkhead Design for Acid Mine Drainage*," in Proceedings Western U.S. Mining-Impacted Watersheds, Joint Conference on Remediation and Ecological Risk Assessment Technologies, 36 Pages, Denver, Colorado, USA

Chekan, Gregory J, 1985, "*Design of Bulkheads for Controlling Waters in Underground Mines*," Bureau of Mines Information Circular, 9020

Einarson, D.S., and Abel Jr., J.F., 1990, "*Tunnel Bulkheads for Acid Mine Drainage*," in Proceedings International Symposium on Unique Underground Structures, Vol. 2, Pages 71-1 to 71-20, Denver, Colorado, USA

Garrett, W.S., and Campbell-Pitt, L.T., 1961, "*Design and Construction of Underground Bulkheads and Water Barriers*," Seventh Commonwealth Mining and Metallurgy Congress, Vol. 3, Pages 1283 to 1301

Kirkwood, D.T., and Wu, K.K., 1995, "*Technical Considerations for the Design and Construction of Mine Seals to Withstand Hydraulic Heads in Underground Mines*," Society for Mining, Metallurgy and Exploration Annual Meeting Preprint 95-100

Lang, Brennan, 1999, "*Permanent Sealing of Tunnels to Retain Tailings or Acid Rock Drainage*," in Mine, Water, and Environment, 1999 IMWA Congress, Sevilla, Spain

FIGURES



DEERE & AULT CONSULTANTS, INC.

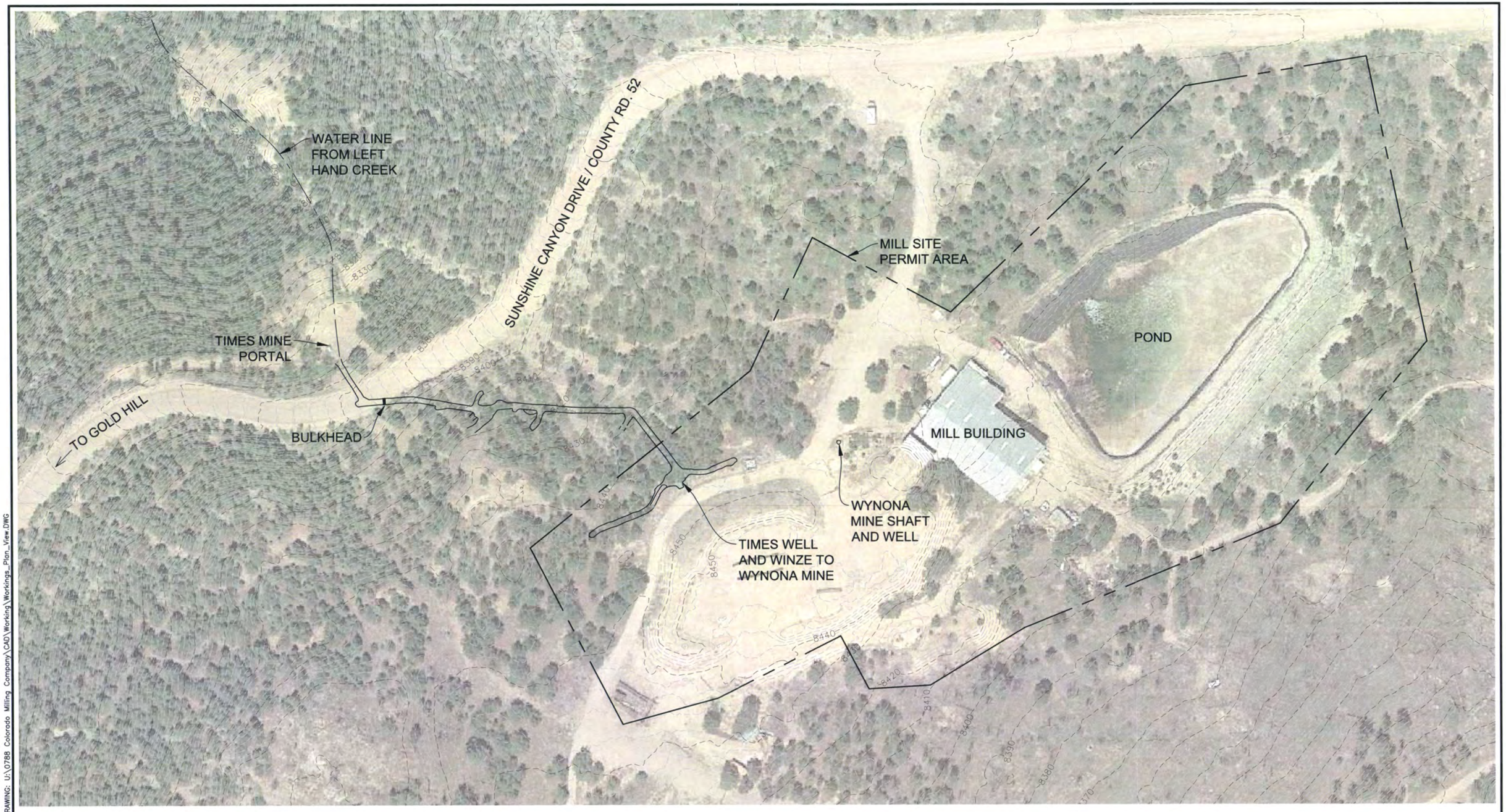
TIMES MINE BULKHEAD EVALUATION

VICINITY MAP

JOB NO.	0788.003.00	SCALE:	AS NOTED

FIGURE NO. 1

DRAWING: U:\0788 Colorado Milling Company\CAD\Working\VICINITY MAP.DWG
Friday, May 10, 2019 9:51:15 AM



NOTES:

1. TOPOGRAPHY FROM THE STATE OF COLORADO POST FLOOD LIDAR.
2. TIMES MINE SURVEY BY KARL G. SWIFT PLS IN 1986, UPDATED WHERE ACCESSIBLE 4/27/2019
3. TIMES MINE GEOLOGIC MAP PLAN VIEW BY RUSSELL R. MCLELLAN, 1947

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TIMES MINE BULKHEAD EVALUATION

AREA MAP

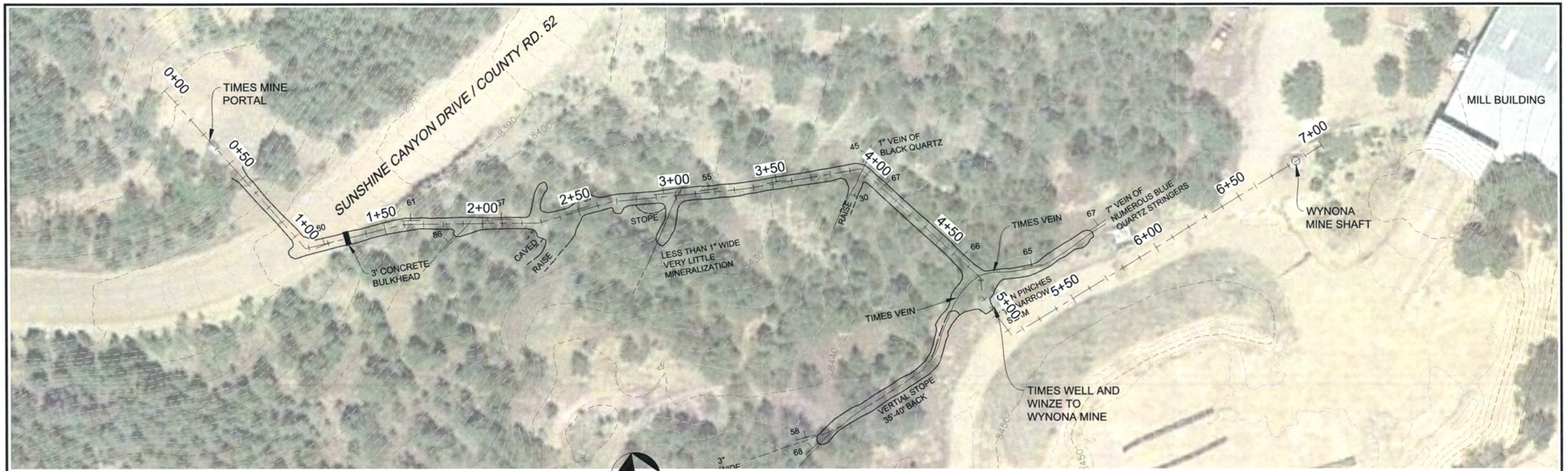
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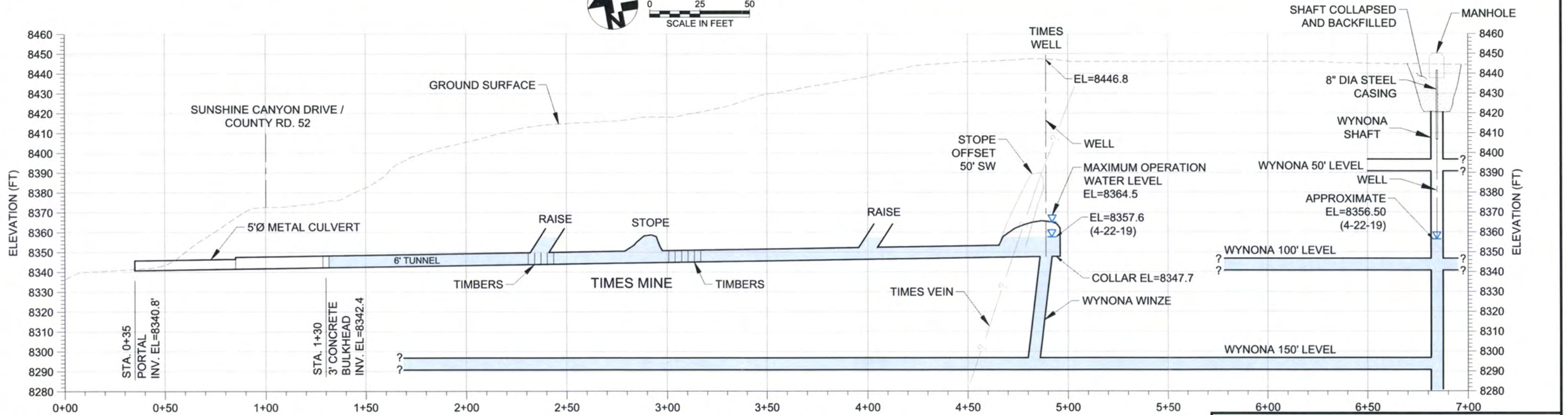
FIGURE NO. **2**

DATE: **MAY 2019**

SCALE: **AS NOTED**

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NOTES:

1. TOPOGRAPHY FROM THE STATE OF COLORADO POST 2013 FLOOD LIDAR.
2. TIMES MINE SURVEY BY KARL G. SWIFT PLS IN 1986, UPDATED WHERE ACCESSIBLE 4/27/2019
3. TIMES MINE GEOLOGIC MAP PLAN VIEW BY RUSSELL R. MCLELLAN, 1947
4. TIMES AN WYNONA MINE PROFILE PROVIDED BY COLORADO MILLING COMPANY BASED ON MAPS BY J.E. BYRON AND A.E. REARDON 1934 AND 1947

TIMES MINE BULKHEAD EVALUATION

PLAN AND PROFILE

DEERE & AULT CONSULTANTS, INC.

FIGURE NO. 3

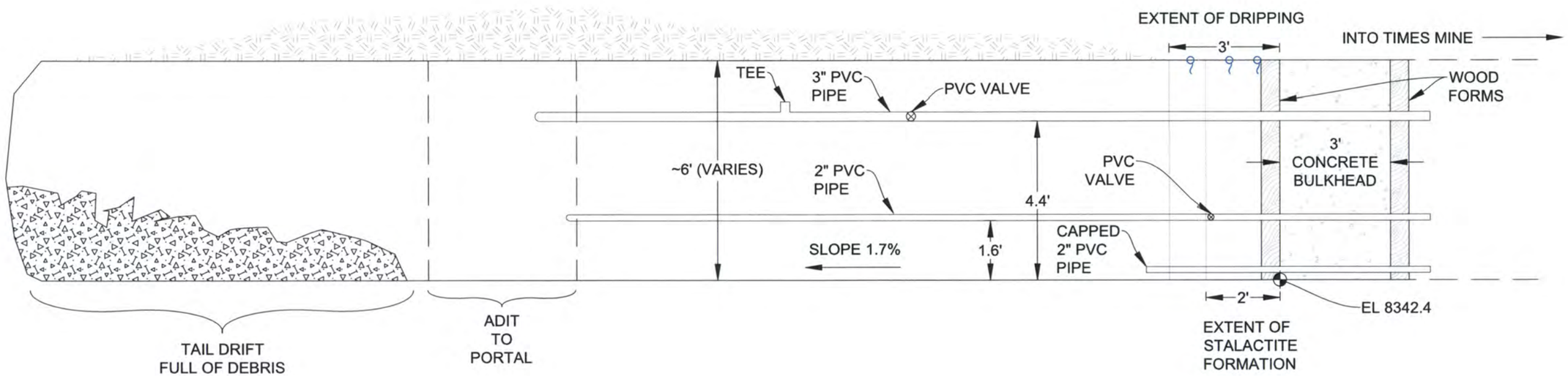
JOB NO. 0788.001.00

DATE: MAY 2019

SCALE: AS NOTED

Tuesday, May 14, 2019 4:40:26 PM DRAWING: U:\0788 Colorado Milling Company\CAD\Working\Workings_Plan_View.DWG

Colorado Milling Company, LLC
M-1994-117
Exhibit 17



PROFILE OF BULKHEAD

0 1.5' 3'
SCALE: 1" = 3'

JOB NO. 0788.003.00

TIMES MINE BULKHEAD EVALUATION

PROFILE AT BULKHEAD

DEERE & AULT CONSULTANTS, INC.

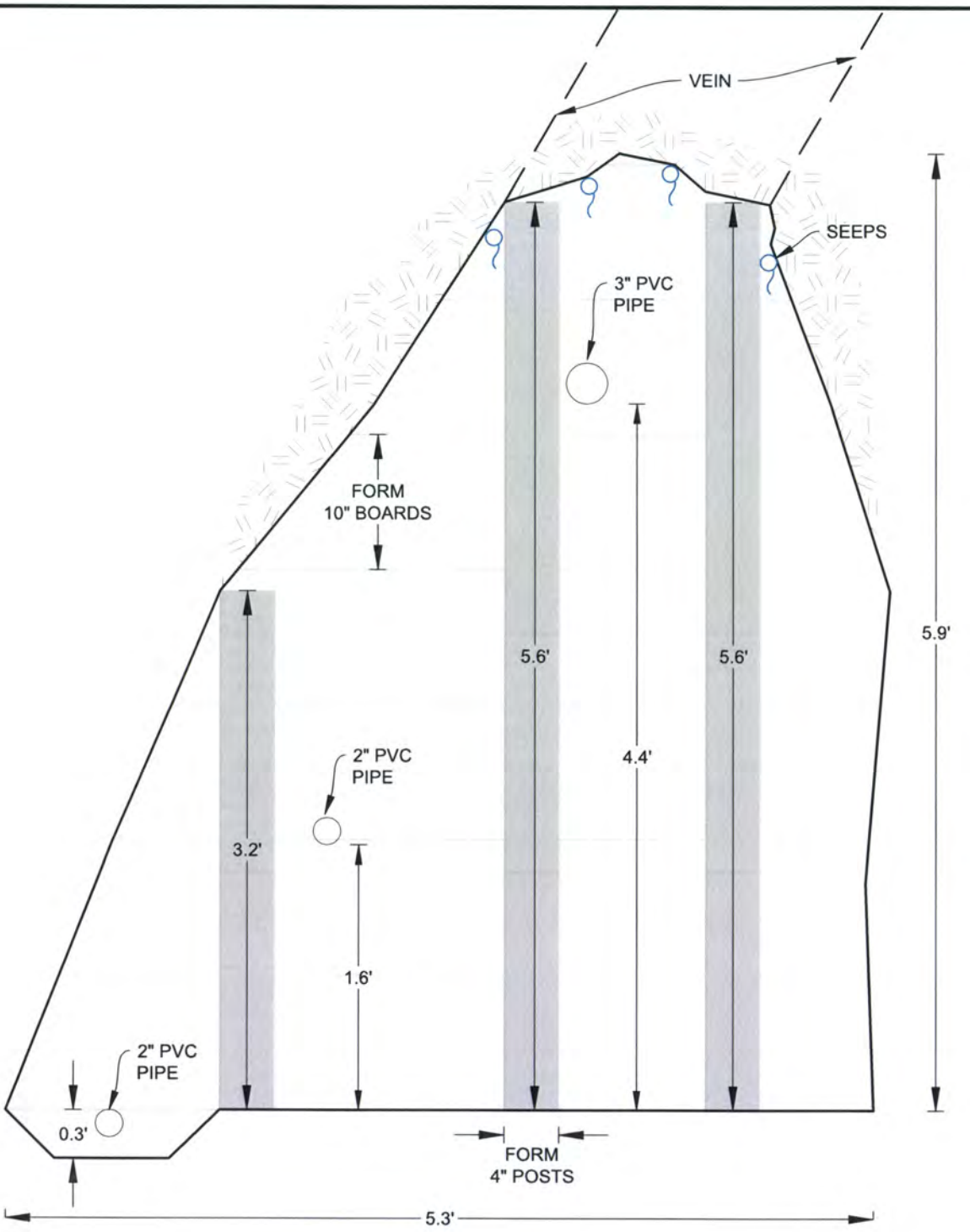
FIGURE NO. 4

DATE: MAY 2019

SCALE: AS NOTED

Tuesday, May 14, 2019 4:15:34 PM DRAWING: U:\0788 Colorado Milling Company\CAD\Working\Bulkhead_face.DWG

Colorado Milling Company, LLC
M-1994-117
Exhibit 17



FACE OF BULKHEAD

0 0.5' 1'

SCALE: 1" = 1'

NOTES:

1. PIPES ARE ONE 3" SCHEDULE 40 PVC RATED TO 260 PSI, AND TWO 2" SCHEDULE 40 RATED TO 280 PSI.
2. WOOD FORM FROM BULKHEAD INSTALLATION STILL IN PLACE.

DEERE & AULT CONSULTANTS, INC.

TIMES MINE BULKHEAD EVALUATION

BULKHEAD AIR SIDE FACE CROSS SECTION

JOB NO.	SCALE:	FIGURE NO.
0788.001.00	AS NOTED	5

DRAWING: U:\0788 Colorado Milling Company\CAD\Working\Bulkhead_face.DWG
Tuesday, May 14, 2019 4:13:35 PM

Colorado Milling Company, LLC
M-1994-117
Exhibit 17

PHOTOGRAPHS



Photo 1: Shed around the Times Mine Well



Photo 2: Times Mine Well head



Photo 3: Concrete manhole around the Wynona mine shaft (collapsed and backfilled)



Photo 4: Inside Wynona Mine Shaft manhole; Well casing into shaft at upper left



Photo 5: Portal entrance into the Times Mine; County Road 52 above

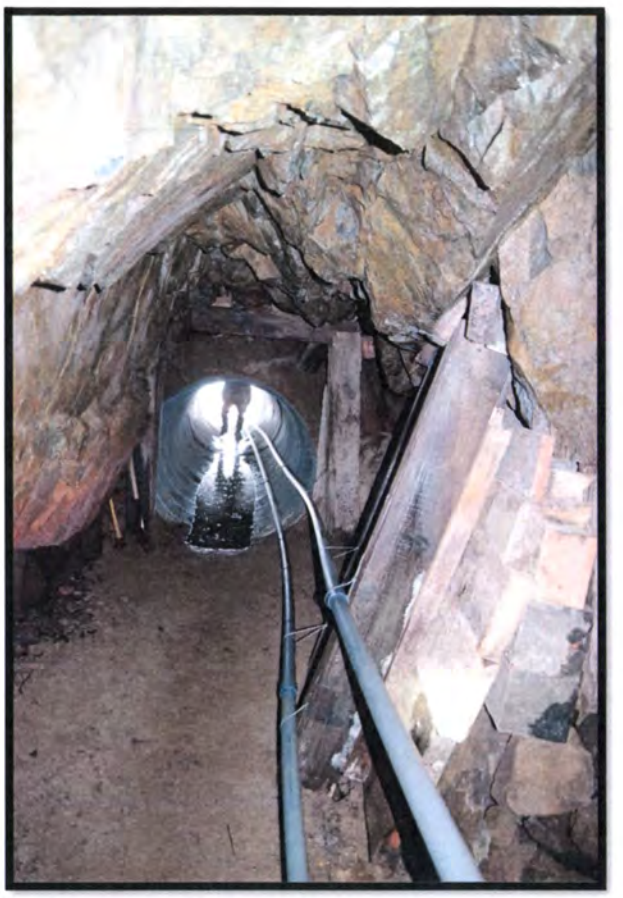


Photo 6: Piping from portal into adit as seen from drift



Photo 7: Upper pipe in Times Mine drift along vein; Note closed valve and Tee

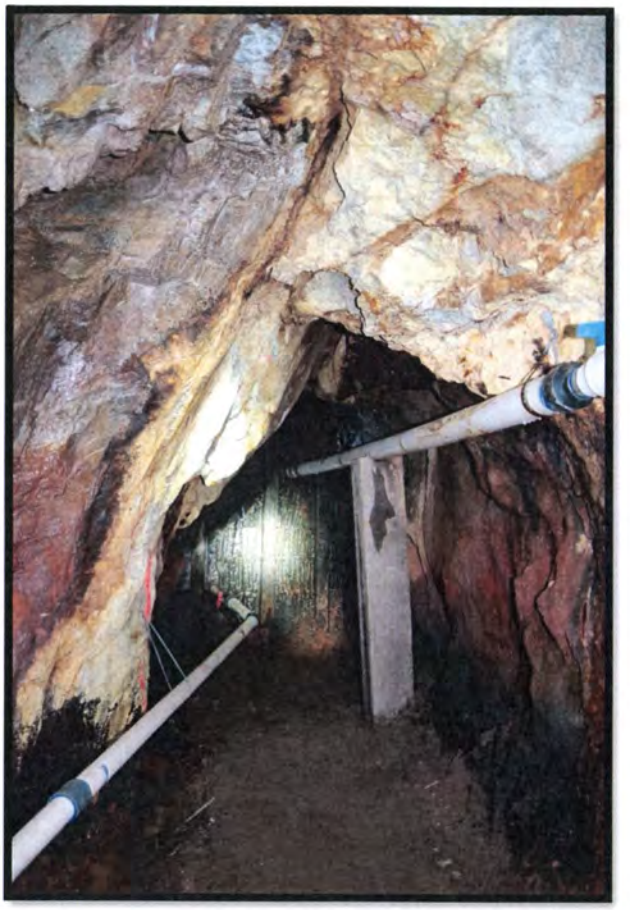


Photo 8: Piping in drift and into bulkhead; Note off-white alteration zone

Colorado Milling Company, LLC
M-1994-117
Exhibit 17



Photo 9: Bulkhead overview; Note wood forms remain in place and altered rock removed



Photo 10: Lower piping in bulkhead; Note closed valve and precipitant on floor



Photo 11: Seepage and precipitant at top of bulkhead



Photo 12: Upper bulkhead piping and extent of dripping along vein in back

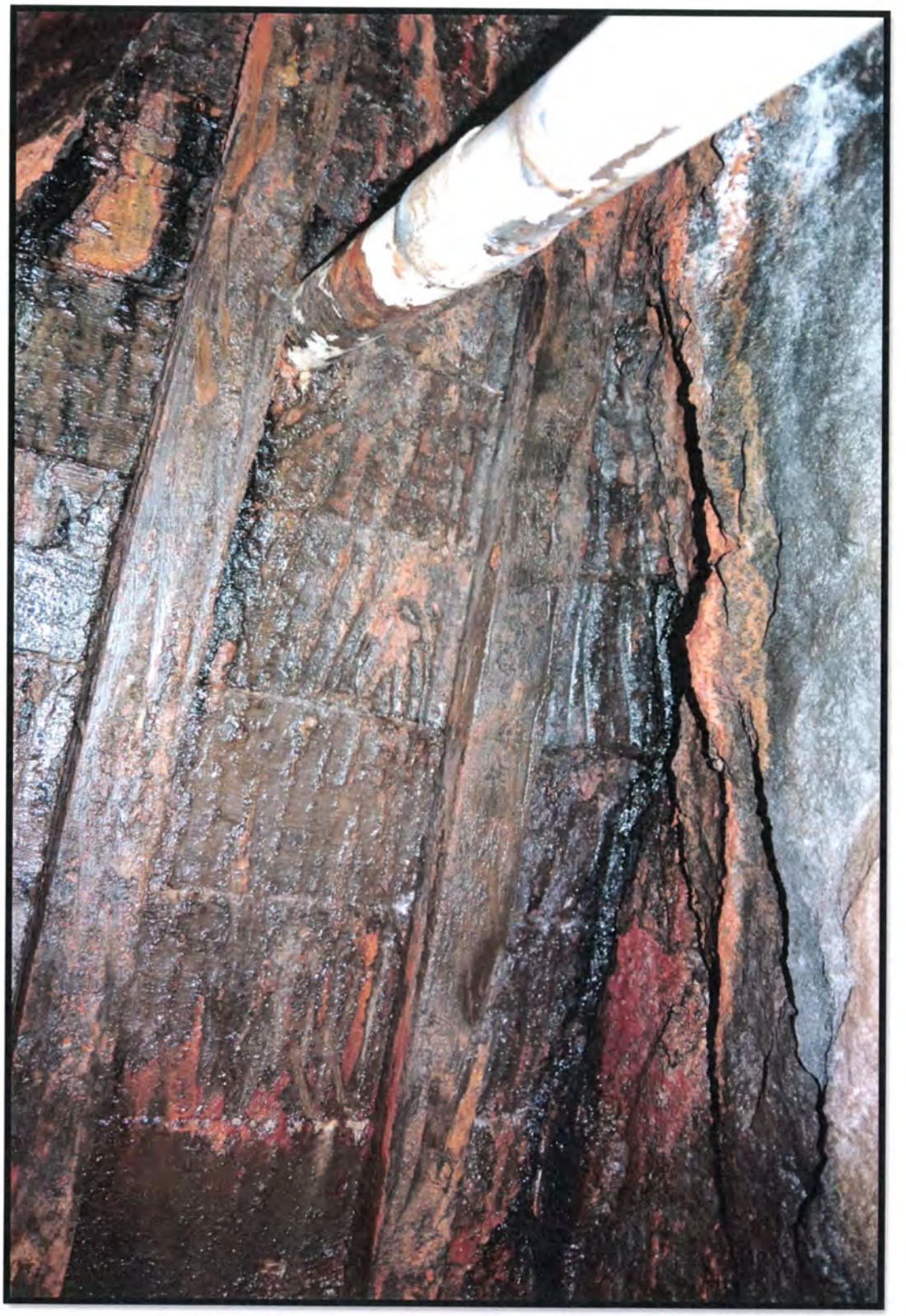


Photo 13: Seepage along right side of bulkhead



Photo 14: Seepage along left side of bulkhead

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 18

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

Imaged Documents

Search

Customize Search

Template

Template: DRMS Permit Index

Permit No: m1994117

IBM Index Class Name:

Doc Date

from 12/01/2017

to 06/24/2019

Doc Name Note:

Doc Name:

Type & Sequence:

Annual Report Year:

Search Reset

Name	Permit No	IBM Index Class Name	Doc Date	Doc Name Note
M1994117_18 Jul 26_Minerals Annual Report	M1994117	Report	8/14/2018	
M1994117_18 Jul 26_Annual Report Map (42)	M1994117	Report	8/14/2018	
2019-06-22_GENERAL DOCUMENTS - M1994117	M1994117	General Documents	6/22/2019	Letter of Support
2019-06-21_GENERAL DOCUMENTS - M1994117	M1994117	GENERAL DOCUMENTS	6/21/2019	
2019-06-21_ENFORCEMENT - M1994117	M1994117	Enforcement	6/21/2019	Motion to Postpone or Stay Hearing and Witness
2019-06-18_GENERAL DOCUMENTS - M1994117	M1994117	GENERAL DOCUMENTS	6/18/2019	
2019-06-14_GENERAL DOCUMENTS - M1994117	M1994117	GENERAL DOCUMENTS	6/14/2019	
2019-06-12_REVISION - M1994117	M1994117	Revision	6/12/2019	AM-1 Denial
2019-06-06_REVISION - M1994117 (2)	M1994117	Revision	6/6/2019	AM-1 response
2019-06-06_REVISION - M1994117	M1994117	Revision	6/6/2019	AM-1 Adequacy Response
2019-06-05_REVISION - M1994117	M1994117	Revision	6/5/2019	AM-1 Extension Request
2019-05-21_REVISION - M1994117	M1994117	Revision	5/21/2019	AM-1 Adequacy Review No. 4
2019-05-17_REVISION - M1994117	M1994117	REVISION	5/17/2019	
2019-05-16_REVISION - M1994117 (2)	M1994117	Revision	5/16/2019	AM-1 Adequacy Response
2019-05-16_REVISION - M1994117	M1994117	Revision	5/16/2019	AM-1 Adequacy Response
2019-05-15_REVISION - M1994117 (3)	M1994117	Revision	5/15/2019	AM-1 Adequacy Response
2019-05-15_REVISION - M1994117 (2)	M1994117	Revision	5/15/2019	AM-1 Adequacy Response
2019-05-15_REVISION - M1994117	M1994117	Revision	5/15/2019	AM-1 Adequacy Response
2019-05-14_REVISION - M1994117	M1994117	Revision	5/14/2019	AM-1 Adequacy Response
2019-05-10_REVISION - M1994117	M1994117	Revision	5/10/2019	AM-1 Adequacy Response

Page 1 of 5 1 2 3 4 5 Last

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Colorado Milling Company, LLC
M-1994-117
Exhibit 18

Colorado Milling Company, LLC
Gold Hill Mill/M-1994-117

Exhibit 19

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Colorado Division of Reclamation, Mining and Safety
Michael Cunningham & Amy Eschberger
Environmental Protection Specialists
1313 Sherman Street – Room 215
Denver, Colorado 80203
I

June 24, 2019

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 4

Attention: Michael Cunningham & Amy Eschberger:

This is the Colorado Milling Company, LLC's Response Letter to the Amy Eschberger's May 21, 2019 Adequacy Review No. 4 of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Amy Eschberger's Adequacy Review comments.

Exhibit C – Mining Plan (Rule 6.3.3):

1)The operator's response to item no. 7 refers to the Technical Memorandum regarding the Times Mine Bulkhead Evaluation prepared by Christoph Goss PhD, P.E. of Deere & Ault Consultants, Inc., dated May 15, 2019 (bulkhead evaluation). The Division accepts this bulkhead evaluation as demonstration the bulkhead is designed to impound water as proposed in the application, but only if the operator commits to the recommendations made in the evaluation.

Please submit the following:

a) A mine pool drawdown plan to rapidly lower water levels in the mine workings in an emergency situation where bulkhead failure is imminent. This plan should include lowering water levels, at a minimum, below the collar elevation of the winze connecting the Times Mine to the Wynona Mine, 8,347.7 feet. The plan should include details such as the type and location of equipment to be used, pump/flow rate capacities, estimated water volume to be removed, estimated length of time to drawdown the required water volume, and how the operation will manage water pumped from the workings (i.e., Will a discharge permit be required from the CDPHE, WQCD? If so, include in Exhibit F). The mine pool drawdown plan should also

include procedures for evaluating the bulkhead after the mine pool has been lowered to a safe level.

CMC Response: CMC has been in contact with Christoph Goss, P. E. on a frequent basis since he submitted his Times Mine Bulkhead Evaluation. These discussions focused on implementing his Recommendations to monitor and control every aspect of the Times and Wynona Mine underground water storage plan, including the need for a pumping test in order to develop a mine pool drawdown plan. The undersigned representative of CMC was meeting with Christoph M. Goss, P. E., Victor G. deWolfe, P. E. and Erinn Johnson, BSc. of Deere & Ault Consultants, Inc. (Deere & Ault) on the morning of June 12, 2019 to prepare a pumping test that would be used to develop a mine pool drawdown plan. This pumping test would have used the existing equipment and piping to pump water from the Wynona Mine shaft through a totalizing flow meter at a constant rate into the existing water tanks in the Gold Hill Mill and the tailings pond while water levels were measured in both the Times Mine well and the Wynona Mine shaft on a regular and frequent basis. The data from this pumping test would have been used to create a mine pool elevation to capacity curve. This curve would then be used develop a mine pool control plan and monitoring plan that would be tied to the water elevations in the Times and Wynona Mines. The location of the water flow meter inside the Gold Hill Mill and the type of pressure gauge that would be installed in the Times Mine were discussed, along with dates when Deere & Ault's consultants could conduct and monitor the pumping test at the Gold Hill Mill. CMC's representatives received the DRMS's Decision to Deny the Amendment to the Gold Hill Mill shortly after concluding this meeting with Deere & Ault, and cancelled the pumping test which would have been conducted at the Gold Hill Millsite.

Please commit to the following:

b) Installing stainless steel sleeves on the bulkhead pipes and replacing the PVC valves with stainless steel to protect this equipment from cracking. This should be done when there is no water behind the bulkhead.

CMC Response: CMC will commit to installing stainless steel sleeves on the bulkhead pipes and replacing the PVC valves with new valves to prevent this equipment from cracking. This will be done when there is no water behind the Times Mine Bulkhead.

---

c) Investigating the existing pump and top of casing in the Wynona Mine shaft and replacing this equipment if necessary to obtain accurate water level measurements and water quality samples from this mine.

CMC Response: CMC will investigate the existing pump and the top of the casing in the Wynona Mine shaft and will replace this equipment if necessary, to obtain accurate water level measurements and water quality samples from this mine.

---

d) Maintaining water levels in the mine workings below the design standard for the bulkhead,

17.6 feet of head (water level behind bulkhead invert) or an elevation of 8,360 feet. This will include monitoring water levels in the mine workings on a weekly basis during operations. The Division strongly recommends the installation of a pressure transducer and datalogger in the drill hole(s) for monitoring water levels during periods where mine staff is unavailable to obtain manual measurements. If water levels are observed to exceed 8,360 feet at any time, the operator must immediately implement the mine pool drawdown plan to get water levels below this elevation.

CMC Response: CMC is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine if it is necessary to maintain the water levels in the mine workings below the design standard for the Times Mine Bulkhead.

---

e) Maintaining the bulkhead pressure below the design standard for the bulkhead, 7.6 psi (with 17.6 feet of head). This will include installing a stainless steel liquid filled pressure gauge (0-50 psi range) on the bulkhead pipes, on a tee between the two valves, and monitoring the gauge on a weekly basis. If bulkhead pressure is observed to exceed 7.6 psi at any time, the operator must immediately implement the mine pool drawdown plan to get bulkhead pressure below this amount.

CMC Response: CMC is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine the actual Times Mine Bulkhead pressure and the effects of different water levels in the Times and Wynona Mines on the bulkhead pressure. This will determine the actual amount of water that needs to be pumped from the underground mine workings to control the bulkhead pressure.

---

f) Inspecting the bulkhead on a weekly basis to document conditions, including any increases in seepage or the development of any concentrated areas of flow. Any change in conditions from that observed in the bulkhead evaluation, including any measurable and/or concentrated flows from the bulkhead, would require immediate implementation of the mine pool drawdown plan to lower water levels to, at a minimum, below the collar elevation of the winze.

CMC Response: CMC is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine the frequency of the inspection of the Times Mine Bulkhead. The Times Mine Bulkhead has not shown any increases in seepage or any concentrated areas of flow in the last 677 days since access to the Times Mine portal was restored on August 16, 2017. CMC's employees and consultants have inspected the Times Mine Bulkhead numerous times during the last year and ten months, and they have never observed any change in conditions from that observed in the bulkhead when it was first examined. The undersigned individual has not observed any changes in the condition of the Times Mine Bulkhead since it was first constructed in 1986.

---

g) Monitoring water quality in the Times Mine on a quarterly basis (for the sampling parameters approved in this application) to evaluate potential concrete degradation of the bulkhead. The

monitoring results shall be submitted to the Division quarterly with other site monitoring data. If water quality results for the Times Mine indicate sulfate concentrations above 150 ppm, the bulkhead evaluation suggests conducting a mortar bar test (ASTM C1038) using the mine water and standard Type-I cement to evaluate the reactivity. The results of such a study, including any proposed mitigation measures must be reviewed and accepted by the Division prior to implementation.

CMC Response: CMC has discussed the potential for concrete degradation of the Times Mine Bulkhead with Deere & Ault and prefer to let them address the need to sample the water quality on a quarterly basis to evaluate the potential for concrete degradation of the bulkhead.

---

h) Maintaining all monitoring records on site, to be made readily available for Division review during an inspection.

CMC Response: CMC commits to maintaining all monitoring records on site, to be made readily available for DRMS review during an inspection.

---

i) Notifying the Division, as soon as reasonably practicable, but no later than 24 hours, after the operator has knowledge of a failure or imminent failure of the Times Mine bulkhead, in accordance with Rule 8.1(a). The operator's general notification responsibilities for reporting emergency conditions are described in Rule 8.2. Please be advised, the Division would consider an exceedance of the water level standard or bulkhead pressure standard, stated in item nos. 1(d) and (e) above, or a change in bulkhead conditions as described in item no. 1(f) above, to be an imminent failure situation requiring notification in accordance with Rules 8.1(a) and 8.2.

CMC Response: CMC commits to notifying the DRMS, as soon as reasonably practicable, but no later than twenty-four (24) hours, after the operator has knowledge of a failure or imminent failure of the Times Mine Bulkhead, in accordance with Rule 8.1(a).

---

j) Obtaining Division approval for any proposed change in the monitoring plans (e.g., frequencies, parameters, locations, equipment) prior to implementation of these changes. This may require submittal of a Technical Revision or Amendment application.

CMC Response: CMC commits to obtaining DRMS approval for any change in the monitoring plans prior to the implementation of these changes.

---

2) The operator's response to item no. 11 did not clarify the error in the estimated annual water usage for mill operations. Pursuant to Rule 6.3.3(1)(h), please specify how much water will be used in conjunction with the operation (as proposed in this application – not as may be proposed in a future application).

CMC Response: The original, Mined Land Reclamation Board approved Limited Impact Permit for the Gold Hill Mill included the following description of how much water would be used in conjunction with the operation of the gravity and flotation circuits in the milling facility:

"This milling complex has been designed to maintain a stable water balance throughout the ore processing and tailings impoundment system. The milling operation will require 4 tons of water for every ton of ore processed in the gravity and flotation concentration circuits. Fresh water will be introduced into the milling process in the grinding circuit. Most of the water that will be used in grinding and classification, and in the gravity concentration circuit, will be recycled from the thickener tank overflow launder back to the ball mill. Fresh water will also be added to the thickened pulp as it passes from the thickener tank underflow to the flotation concentration circuit." The operative word in this description of the Gold Hill Mill's gravity and flotation concentration circuits is **recycled**. By recycling most of the water that will be used in the grinding and gravity concentration circuits through the proper use of the large thickener tank (35 feet in diameter by 10 feet high with a water storage capacity of 52,870 gallons of process water) CMC will only need to add about one (1) ton of fresh water to the flotation concentration circuit for every ton of ore that is being processed. Only the water from the flotation circuit is discharged into the tailings retention pond, while most of the water used in the grinding, classification and gravity circuits is **recycled**. In other words, when the Gold Hill Mill is operated according to its original mineral processing flowchart, the amount of water actually consumed will be less than one fourth of the water that is pumped from the underground water storage pool into the mill.

The original approved Gold Hill Mill Permit further states: "The water consumed in the milling process and lost in evaporation from the tailings pond is not expected to exceed 20 percent of the water used in the mill. The water consumed in the milling process will mainly result from water entrapped in the gravity and flotation concentrates and in the unconsolidated tailings. Because of the altitude and limited size of the tailings pond, only a relatively small amount of water is expected to be lost due to evaporation. Recycling the mill water will reduce the amount of fresh water needed in the milling process, and decrease the quantity of water pumped from Left Hand Creek." The operative word in this description of the milling process is **consumed**. This calculation estimated that the amount of water **consumed** in the milling process would be 6,350 gallons of water per day when the Gold Hill Mill was processing 50 tons of ore per 24 hour day. Actual mineral processing operations in the Gold Hill Mill demonstrated that the volume of water **consumed** was approximately 4,500 gallons of water per day, which amounts to 1,170,000 gallons per year. This is well below the 3,388,850 gallons of water that can be pumped from Left Hand Creek in a dry year.

CMC first addressed this question in its Response Letter dated December 8, 2018, as follows:

28. As required by Rule 6.3.3(1)(h), specify how much water will be used in conjunction with the operation. The estimate may be based on annual consumption rates when the mill is operating at full capacity.

CMC's December 8, 2018 Response: When the Gold Hill Mill is operating at its full capacity of 50 tons of ore per day and 260 days of operation per year, the annual consumption rate will be

1,651,000 gallons of water. This is well below the 3,388,850 gallons of water that can be pumped from Left Hand Creek during a dry year.

CMC addressed how much water will be used in conjunction with the operation (as proposed in this application – not as may be proposed in a future application) when it answered the DRMS's question regarding the estimated date that mining will end, which was contained in the Adequacy Review No.1, question number 12 , which CMC also answered on December 8, 2018. Specifically, the DRMS asked CMC to "provide an estimate of how long the mill can operate at full capacity before the tailings impoundment is full."

CMC's December 8, 2018 Response: The available tailings capacity in the existing impoundment is estimated at 5,000 tons. Based upon milling operations at 50 tons per day, the mill can operate at full capacity for one-hundred (100) days without raising the embankment.

Therefore, if CMC manages to process 5,000 tons of ore (as proposed during this application – not as may be proposed in some future application) the maximum amount of water that will be used in processing this amount of ore will be 20,000 tons of water (without any recycling), or 4,000 tons of water with recycling. However, the amount of water that will be **consumed** (entrapped in the gravity and flotation concentrates and in the unconsolidated tailings) in processing 5,000 tons of ore will only be approximately 1,673 tons of water. This is far below the amount of water that CMC is entitled to withdraw from Left Hand Creek for mineral processing.

Exhibit E – Map (Rule 6.3.5):

3) The operator's response to item no. 14 included revised Exhibit E maps. However, some of these maps do not include all of the required information.

Please submit the following:

a) A revised Mining Plan Map(s) (Figure E-1) which clearly outlines and labels the permit boundaries described in Exhibit A – Legal Description as required by Rule 6.3.5(2)(a), particularly the permit boundaries proposed near Left Hand Creek.

CMC Response: Attached to this Response Letter are copies of Map E-1A Permit Area of the Permit Boundaries proposed near Left Hand Creek showing where the Pump Station will pump water for the Gold Hill Mill. Also, CMC is attaching a Legal Description of this Permit Parcel with a surveyor's description in metes and bounds for this particular parcel of land. This is essentially the same map of this area that was submitted with CMC's Response Letter to the DRMS's Adequacy Review No. 3, but without as many details to make it easier for the DRMS to accurately identify the affected area which corresponds to the Application for an Amendment to the Gold Hill Mill Permit.

CMC believes that it has fully complied with the requirements of Rule 6.3.5 Exhibit E – Mining Plan Map, with the numerous Mining Plan Maps that it has submitted with each Response Letter. All of them outline and label the Permit Boundaries, label the owners of record of the surface of

the affected land within two-hundred (200) feet of the affected area, identify the owners of the subsurface mineral rights, and the type and structure and owners of record of any permanent or man-made structures within 200 feet of the affected area. Since no mineral extraction will proceed along the entire length of the Gold Hill Mill Waterline, most of the features required under Rule 6.3.5 do not apply to this Permit Amendment Application.

b) A revised Reclamation Plan Map(s) (Figure E-5) which includes the following information required by Rule 6.3.5(3), particularly for the mill site:

i. Show the gradient of all reclaimed slopes (horizontal:vertical) sufficient to describe the post mine topography.

ii. Indicate where vegetation will not be established and the general area(s) for shrub or tree planting.

iii. State the average thickness of replaced overburden by reclamation area or phase.

iv. State the average thickness of replaced topsoil by reclamation area or phase.

CMC Response: CMC has submitted numerous Reclamation Plan Map(s) (Figure E-5) during the course of this Permit Amendment Application. This is the very first time that the DRMS has requested that this specific information be included on the Reclamation Plan Maps (Figure E-5). Inasmuch as there is no change in the post mine topography, vegetation, replacement of overburden, or replaced topsoil along the entire length of the Gold Hill Mill Waterline, none of these features have ever been shown on any of the Reclamation Plan Maps that have been submitted to the DRMS.

With regard to the Gold Hill Millsite, the following information should be helpful:

According to Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board effective January 2015, Rule 1.10 (2), a 110 Amendment Application To A Permit will not be required to submit any information which duplicates applicable previous submittals. However, the applicant shall clearly describe where, in the original application and supporting documents, the information not included in the amendment application, but necessary to render the amendment technically adequate, may be found.

This conforms to what Michael A. Cunningham, Environmental Protection Specialist, wrote in his Adequacy Review No. 1, dated January 26, 2018:

" Pursuant to Rule 1.10(2), a 110 Amendment Application is not required to contain information which duplicates applicable previous submittals. However, the Applicant shall clearly describe where, in the original Application and supporting documents, the information not included in the Amendment Application, but necessary to render the Amendment technically adequate may be found."

CMC believes that it has already submitted this information in accordance with Rule 1.10(2). On December 21, 2018, in the DRMS's Adequacy Review No. 2, Amy Eschberger requested additional information regarding the Reclamation Plan for the Gold Hill Mill. CMC was asked where in the Gold Hill Mill Permit file the pertinent documents may be found, as required by Rule 1.10(2).

CMC's January 4, 2019 Response: On July 26, 1995, the Colorado Mined Land Reclamation Board approved Colina Oro Molina's application for a permit for the Gold Hill Mill. This permit's Reclamation Plan essentially followed the original Reclamation Plan filed by the Gold Hill Ventures Limited Partnership on July 20, 1985, which was approved by the Mined land Reclamation Board on September 26, 1985, under the Cash Mine Permit No. M-1983-141. The sole purpose of Colina Oro Molina's Reclamation Plan was to close the Gold Hill Mill and cease further milling operations at this site. Various Reclamation Plan Maps were filed by Colina Oro Molina's representatives and consultants during the time between when they applied for a Reclamation Permit on December 12, 1994, and when it was finally approved on July 26, 1995. None of the documents that were filed by Colina Oro Molina altered the approved Reclamation Plan filed on July 20, 1985. On June 16, 1998, ITEC Environmental became the successor operator to Colina Oro Molina of the Gold Hill Mill Permit No. M-1994-117. Although ITEC Environmental altered the permit boundaries and enlarged and rebuilt the tailings pond, this permitted operator did not revise the original Reclamation Plan filed by the Gold Hill Ventures Limited Partnership on July 20, 1985. Therefore, the pertinent documents may be found under the original Reclamation Plan filed with the Amendment to the Cash Mine Permit No. M-1983-141 on July 20, 1985, between the pages 20 and 26 of the text and on the Millsite and Tailings Pond Reclamation Plan Map found between pages 26 and 27.

The Reclamation Plan Map filed by Gold Hill Ventures on July 20, 1985 shows the gradient of all reclaimed slopes (horizontal : vertical) sufficient to describe the post mine topography; and the accompanying text indicates where vegetation will not be established and the general area(s) for shrub or tree planting; it states the average thickness of replaced overburden by reclamation area or phase; and it also states the average thickness of replaced overburden by reclamation area or phase. All of this information has been available for consideration and review by the DRMS since it was filed on July 20, 1985 and approved by the Mined Land Reclamation Board on September 25, 1985.

Since the Gold Hill Mill's Reclamation Plan was approved by the Mined Land Reclamation Board on September 25, 1985, a cover of stabilizing vegetation on the sloping sides of the tailings impoundment embankment has been established with more than forty (40) trees, including Ponderosa and Lodgepole Pine trees and Aspen trees. Common Juniper, and Kinnikinnick shrubs are growing between these trees. Native grasses are growing abundantly on the South facing sloping side of the tailings pond embankment. CMC has sprayed this entire area under its Weed Control Maintenance Plan, and the invasive species in this area are under control.

The Gold Hill Mill's approved Reclamation Plan for the tailings retention structure shows that the interior of the tailings pond will be leveled by grading with a small tractor, creating the flat surface shown on CMC's Reclamation Plan Map(s) (Figure E-5). So, the post mine topography will be as shown on the Reclamation Plan Maps submitted by CMC. Under the original Reclamation Plan

for the tailings retention structure, there are no areas where vegetation will not be established. The entire interior of the tailings pond will have shrubs and trees planted along with a mixture of native grasses. According to the original Gold Hill Mill Reclamation Plan, a two foot rock capillary barrier will be placed on top of the mill tailings, before the salvaged and stockpiled topsoil is placed over this rock capillary barrier. The thickness of replaced topsoil will be between 3 and 4 inches. Since this reclamation work will be covering all of the leveled surface of the interior of the Gold Hill Mill tailings pond, the Reclamation Maps submitted by CMC showing the reclaimed surface of the tailings pond are very similar to the one submitted and approved by Gold Hill Ventures on July 20, 1985. The larger scale (1inch = 50 feet) of that original Reclamation Plan Map, clearly shows the post mine topography of the tailings retention embankment and the leveled surface of the interior of the tailings pond after it has been reclaimed.

Additional Item(s):

4) The Division has calculated the required financial warranty for the proposed operation to be in the amount of $77,546.00, which is $21,346.00 more than the currently held financial warranty. Please review the enclosed bond estimate and provide any comments to the Division by the decision date. The additional required financial warranty will be due within 60 days of application approval.

CMC Response: CMC accepts the required financial warranty for the proposed operation in the amount of $77,546.00, which is an increase of $21,346.00 of the currently held financial warranty.

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5) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

CMC Response: CMC will provide the DRMS with a file stamped receipt or an affidavit from the Boulder County Clerk and Recorder's Office.

As mentioned above, the application decision date of **May 21, 2019** was set by the Board Order mailed on March 7, 2019. Therefore, if you are unable to address all remaining adequacy items by this date, an extension request must be submitted to our office. Such a request would need to be scheduled for consideration by the Mined Land Reclamation Board at an upcoming meeting.

CMC Response: Pursuant to Rule 1.4.1(9) of the Rules and Regulations of the Colorado Mined Land Reclamation Board, and following the multiple written directions of the DRMS, CMC requested an extension of the review time and decision date for its Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. CMC submitted an extension request to the Mined Land Reclamation Board on June 5, 2019. This additional time is necessary

to allow CMC's consultants additional time to properly address the new adequacy review items contained in the DRMS's Fourth Adequacy Review Letter dated May 21, 2019.

The Colorado Milling Company, LLC's representatives and consultants have been working to address all of the DRMS's Fourth Adequacy Review questions. However, CMC and Deere & Ault have been prevented from conducting a pumping test that would be used to develop a mine pool drawdown plan, because of the DRMS's June 12, 2019 Decision to Deny the Application for an Amendment to the Gold Hill Mill Permit. Accordingly, CMC cannot properly address some of the DRMS's Fourth Adequacy Review questions at this time.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

Cc: Mike Bynum
Colorado Milling Company, LLC
50 West 100 South Street
Moab, Utah 80342

Cc: John R. Henderson
Attorney at Law

Cc: Cynthia T. Kennedy
Attorney at Law

Cc: Christoph M. Goss, P. E.
Deere & Ault Consultants, Inc.

Cc: Victor G. deWolfe, P. E.
Deere & Ault Consultants, Inc.

Cc: James M. Beck, P. E.
J. M. Beck & Associates

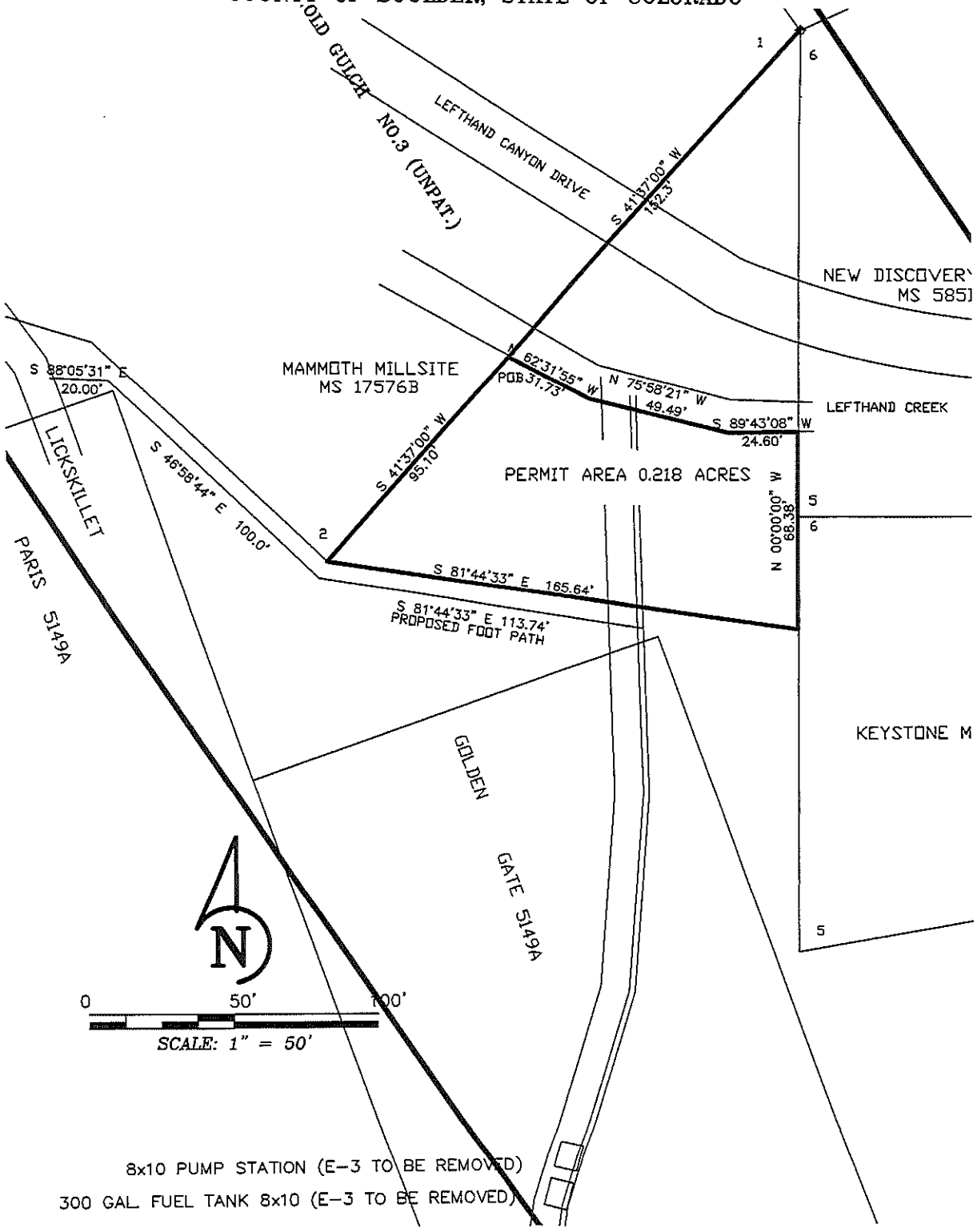
Cc: Jeff Pillus, P.E.
SET Engineering, LLC

Carl Swift
Mountain Surveying, LLC

MAP E-1A PERMIT BOUNDARIES NEAR LEFT HAND CREEK SHOWING THE WATERLINE INTAKE POINT AND THE PROPOSED FOOTPATH TO ACCESS THE SITE

CMC Response: Attached to this Response Letter are copies of Map E-1A Permit Area of the Permit Boundaries proposed near Left Hand Creek showing where the Pump Station will pump water for the Gold Hill Mill. Also, CMC is attaching a Legal Description of this Permit Parcel with a surveyor's description in metes and bounds for this particular parcel of land. This is essentially the same map of this area that was submitted with CMC's Response Letter to the DRMS's Adequacy Review No. 3, but without as many details to make it easier for the DRMS to accurately identify the affected area which corresponds to the Application for an Amendment to the Gold Hill Mill Permit.

E-1A PERMIT AREA – COLORADO MILLING CO.–GOLD HILL MILL WATERLINE LOCATED IN SE/4 SECTION 2, T-1-N, R-72-W OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO



LEGAL DESCRIPTION-PERMIT PARCEL
GOLD HILL MILL PERMIT NO.M-1994-117

STATE OF COLORADO DIVISION OF RECLAMATION MINING AND SAFETY PERMIT AREA FOR COLORADO MILLING COMPANY, LLC, GOLD HILL MILL PERMIT NO. M-1994-117, A PERMIT PARCEL UPON THE GOLD GULCH NO.3 UNPATENTED MINING CLAIM LOCATED IN THE SE 1/4 SECTION 2, TOWNSHIP-1-NORTH, RANGE-72-WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER 1 OF THE MAMMOTH MILLSITE MS 17576B ALSO BEING CORNER 6 OF THE NEW DISCOVERY MILLSITE MS 585B;

THENCE ALONG THE RECORD BEARING
S 41°37'00" W A DISTANCE OF 152.3 FEET,
TO THE SOUTHERLY EMBANKMENT OF LEFT HAND CREEK MORE OR LESS,
AND TO THE TRUE POINT OF BEGINNING;
THENCE ALONG THE RECORD BEARING
S 41°37'00" W A DISTANCE OF 95.10 FEET,
AND ALONG LINE 1-2 TO CORNER 2 OF
SAID MAMMOTH MILLSITE MS 17576B;
THENCE S 81°44'33" E A DISTANCE OF 165.64 FEET,
TO LINE 5-6 KEYSTONE MILLSITE MS 69B;
THENCE ALONG THE RECORD BEARING NORTH (N 00°00" E) A DISTANCE OF 68.38 FEET ALONG LINE 5-6 OF KEYSTONE MILLSITE MS 69B AND LINE 5-6 OF SAID NEW DISCOVERY MILLSITE MS 585B
TO THE SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE S 89°43'08" W A DISTANCE OF 24.60 FEET,
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE N 75°58'21" W A DISTANCE OF 49.49 FEET,
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE N 62°31'55" W A DISTANCE OF 31.73 FEET
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK
TO LINE 1-2 OF SAID MAMMOTH MILLSITE MS 17576B,
AND TO THE TRUE POINT OF BEGINNING.

THIS PERMIT PARCEL CONTAINS 0.218 ACRES MORE OR LESS.

RECEIPT OF DELIVERY

OFFICE OF THE BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street
Boulder, Colorado

CERTIFICATION

I, Richard Lacusky certify that a copy of the Colorado Milling Company, LLC's Response Letter to the Colorado Division of Reclamation, Mining and Safety's Adequacy Review No. 4 of the Application for an Amendment to the Limited Impact 110 (2) Permit No. 1994-117 for the Gold Hill Mill, dated May 21, 2019 was hand-delivered to me on June 24th, 2019.

Signed: Richard Lacusky

Dated: 6/24/19

CMC's Proof of Filing with the Boulder County Clerk and Recorder.

COLORADO MILLING COMPANY, LLC
P.O. Box 1523
Longmont, Colorado 80502

Colorado Division of Reclamation, Mining and Safety
Michael Cunningham & Amy Eschberger
Environmental Protection Specialists
1313 Sherman Street – Room 215
Denver, Colorado 80203
I

June 24, 2019

RE: Gold Hill Mill, Permit No. M-1994-117, Amendment Application (Revision No. AM-01), Adequacy Review No. 4

Attention: Michael Cunningham & Amy Eschberger:

This is the Colorado Milling Company, LLC's Response Letter to the Amy Eschberger's May 21, 2019 Adequacy Review No. 4 of the Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. These three features are collectively referred to as the Gold Hill Mill Waterline in this Response Letter. In order to ensure that the responses to the Division of Reclamation, Mining and Safety's request for additional information and clarification can be properly reviewed, the responses are set out below each of Amy Eschberger's Adequacy Review comments.

Exhibit C – Mining Plan (Rule 6.3.3):

1)The operator's response to item no. 7 refers to the Technical Memorandum regarding the Times Mine Bulkhead Evaluation prepared by Christoph Goss PhD, P.E. of Deere & Ault Consultants, Inc., dated May 15, 2019 (bulkhead evaluation). The Division accepts this bulkhead evaluation as demonstration the bulkhead is designed to impound water as proposed in the application, but only if the operator commits to the recommendations made in the evaluation.

Please submit the following:

a) A mine pool drawdown plan to rapidly lower water levels in the mine workings in an emergency situation where bulkhead failure is imminent. This plan should include lowering water levels, at a minimum, below the collar elevation of the winze connecting the Times Mine to the Wynona Mine, 8,347.7 feet. The plan should include details such as the type and location of equipment to be used, pump/flow rate capacities, estimated water volume to be removed, estimated length of time to drawdown the required water volume, and how the operation will manage water pumped from the workings (i.e., Will a discharge permit be required from the CDPHE, WQCD? If so, include in Exhibit F). The mine pool drawdown plan should also

include procedures for evaluating the bulkhead after the mine pool has been lowered to a safe level.

CMC Response: CMC has been in contact with Christoph Goss, P. E. on a frequent basis since he submitted his Times Mine Bulkhead Evaluation. These discussions focused on implementing his Recommendations to monitor and control every aspect of the Times and Wynona Mine underground water storage plan, including the need for a pumping test in order to develop a mine pool drawdown plan. The undersigned representative of CMC was meeting with Christoph M. Goss, P. E., Victor G. deWolfe, P. E. and Erinn Johnson, BSc. of Deere & Ault Consultants, Inc. (Deere & Ault) on the morning of June 12, 2019 to prepare a pumping test that would be used to develop a mine pool drawdown plan. This pumping test would have used the existing equipment and piping to pump water from the Wynona Mine shaft through a totalizing flow meter at a constant rate into the existing water tanks in the Gold Hill Mill and the tailings pond while water levels were measured in both the Times Mine well and the Wynona Mine shaft on a regular and frequent basis. The data from this pumping test would have been used to create a mine pool elevation to capacity curve. This curve would then be used develop a mine pool control plan and monitoring plan that would be tied to the water elevations in the Times and Wynona Mines. The location of the water flow meter inside the Gold Hill Mill and the type of pressure gauge that would be installed in the Times Mine were discussed, along with dates when Deere & Ault's consultants could conduct and monitor the pumping test at the Gold Hill Mill. CMC's representatives received the DRMS's Decision to Deny the Amendment to the Gold Hill Mill shortly after concluding this meeting with Deere & Ault, and cancelled the pumping test which would have been conducted at the Gold Hill Millsite.

Please commit to the following:

b) Installing stainless steel sleeves on the bulkhead pipes and replacing the PVC valves with stainless steel to protect this equipment from cracking. This should be done when there is no water behind the bulkhead.

CMC Response: CMC will commit to installing stainless steel sleeves on the bulkhead pipes and replacing the PVC valves with new valves to prevent this equipment from cracking. This will be done when there is no water behind the Times Mine Bulkhead.

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c) Investigating the existing pump and top of casing in the Wynona Mine shaft and replacing this equipment if necessary to obtain accurate water level measurements and water quality samples from this mine.

CMC Response: CMC will investigate the existing pump and the top of the casing in the Wynona Mine shaft and will replace this equipment if necessary, to obtain accurate water level measurements and water quality samples from this mine.

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d) Maintaining water levels in the mine workings below the design standard for the bulkhead,

17.6 feet of head (water level behind bulkhead invert) or an elevation of 8,360 feet. This will include monitoring water levels in the mine workings on a weekly basis during operations. The Division strongly recommends the installation of a pressure transducer and datalogger in the drill hole(s) for monitoring water levels during periods where mine staff is unavailable to obtain manual measurements. If water levels are observed to exceed 8,360 feet at any time, the operator must immediately implement the mine pool drawdown plan to get water levels below this elevation.

CMC Response: CMC is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine if it is necessary to maintain the water levels in the mine workings below the design standard for the Times Mine Bulkhead.

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e) Maintaining the bulkhead pressure below the design standard for the bulkhead, 7.6 psi (with 17.6 feet of head). This will include installing a stainless steel liquid filled pressure gauge (0-50 psi range) on the bulkhead pipes, on a tee between the two valves, and monitoring the gauge on a weekly basis. If bulkhead pressure is observed to exceed 7.6 psi at any time, the operator must immediately implement the mine pool drawdown plan to get bulkhead pressure below this amount.

CMC Response: CMC is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine the actual Times Mine Bulkhead pressure and the effects of different water levels in the Times and Wynona Mines on the bulkhead pressure. This will determine the actual amount of water that needs to be pumped from the underground mine workings to control the bulkhead pressure.

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f) Inspecting the bulkhead on a weekly basis to document conditions, including any increases in seepage or the development of any concentrated areas of flow. Any change in conditions from that observed in the bulkhead evaluation, including any measurable and/or concentrated flows from the bulkhead, would require immediate implementation of the mine pool drawdown plan to lower water levels to, at a minimum, below the collar elevation of the winze.

CMC Response: CMC is awaiting the results of the Deere & Ault's mine pool control plan and monitoring plan to determine the frequency of the inspection of the Times Mine Bulkhead. The Times Mine Bulkhead has not shown any increases in seepage or any concentrated areas of flow in the last 677 days since access to the Times Mine portal was restored on August 16, 2017. CMC's employees and consultants have inspected the Times Mine Bulkhead numerous times during the last year and ten months, and they have never observed any change in conditions from that observed in the bulkhead when it was first examined. The undersigned individual has not observed any changes in the condition of the Times Mine Bulkhead since it was first constructed in 1986.

---

g) Monitoring water quality in the Times Mine on a quarterly basis (for the sampling parameters approved in this application) to evaluate potential concrete degradation of the bulkhead. The

monitoring results shall be submitted to the Division quarterly with other site monitoring data. If water quality results for the Times Mine indicate sulfate concentrations above 150 ppm, the bulkhead evaluation suggests conducting a mortar bar test (ASTM C1038) using the mine water and standard Type-I cement to evaluate the reactivity. The results of such a study, including any proposed mitigation measures must be reviewed and accepted by the Division prior to implementation.

CMC Response: CMC has discussed the potential for concrete degradation of the Times Mine Bulkhead with Deere & Ault and prefer to let them address the need to sample the water quality on a quarterly basis to evaluate the potential for concrete degradation of the bulkhead.

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h) Maintaining all monitoring records on site, to be made readily available for Division review during an inspection.

CMC Response: CMC commits to maintaining all monitoring records on site, to be made readily available for DRMS review during an inspection.

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i) Notifying the Division, as soon as reasonably practicable, but no later than 24 hours, after the operator has knowledge of a failure or imminent failure of the Times Mine bulkhead, in accordance with Rule 8.1(a). The operator's general notification responsibilities for reporting emergency conditions are described in Rule 8.2. Please be advised, the Division would consider an exceedance of the water level standard or bulkhead pressure standard, stated in item nos. 1(d) and (e) above, or a change in bulkhead conditions as described in item no. 1(f) above, to be an imminent failure situation requiring notification in accordance with Rules 8.1(a) and 8.2.

CMC Response: CMC commits to notifying the DRMS, as soon as reasonably practicable, but no later than twenty-four (24) hours, after the operator has knowledge of a failure or imminent failure of the Times Mine Bulkhead, in accordance with Rule 8.1(a).

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j) Obtaining Division approval for any proposed change in the monitoring plans (e.g., frequencies, parameters, locations, equipment) prior to implementation of these changes. This may require submittal of a Technical Revision or Amendment application.

CMC Response: CMC commits to obtaining DRMS approval for any change in the monitoring plans prior to the implementation of these changes.

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2) The operator's response to item no. 11 did not clarify the error in the estimated annual water usage for mill operations. Pursuant to Rule 6.3.3(1)(h), please specify how much water will be used in conjunction with the operation (as proposed in this application – not as may be proposed in a future application).

CMC Response: The original, Mined Land Reclamation Board approved Limited Impact Permit for the Gold Hill Mill included the following description of how much water would be used in conjunction with the operation of the gravity and flotation circuits in the milling facility:

"This milling complex has been designed to maintain a stable water balance throughout the ore processing and tailings impoundment system. The milling operation will require 4 tons of water for every ton of ore processed in the gravity and flotation concentration circuits. Fresh water will be introduced into the milling process in the grinding circuit. Most of the water that will be used in grinding and classification, and in the gravity concentration circuit, will be recycled from the thickener tank overflow launder back to the ball mill. Fresh water will also be added to the thickened pulp as it passes from the thickener tank underflow to the flotation concentration circuit." The operative word in this description of the Gold Hill Mill's gravity and flotation concentration circuits is **recycled**. By recycling most of the water that will be used in the grinding and gravity concentration circuits through the proper use of the large thickener tank (35 feet in diameter by 10 feet high with a water storage capacity of 52,870 gallons of process water) CMC will only need to add about one (1) ton of fresh water to the flotation concentration circuit for every ton of ore that is being processed. Only the water from the flotation circuit is discharged into the tailings retention pond, while most of the water used in the grinding, classification and gravity circuits is **recycled**. In other words, when the Gold Hill Mill is operated according to its original mineral processing flowchart, the amount of water actually consumed will be less than one fourth of the water that is pumped from the underground water storage pool into the mill.

The original approved Gold Hill Mill Permit further states: "The water consumed in the milling process and lost in evaporation from the tailings pond is not expected to exceed 20 percent of the water used in the mill. The water consumed in the milling process will mainly result from water entrapped in the gravity and flotation concentrates and in the unconsolidated tailings. Because of the altitude and limited size of the tailings pond, only a relatively small amount of water is expected to be lost due to evaporation. Recycling the mill water will reduce the amount of fresh water needed in the milling process, and decrease the quantity of water pumped from Left Hand Creek." The operative word in this description of the milling process is **consumed**. This calculation estimated that the amount of water **consumed** in the milling process would be 6,350 gallons of water per day when the Gold Hill Mill was processing 50 tons of ore per 24 hour day. Actual mineral processing operations in the Gold Hill Mill demonstrated that the volume of water **consumed** was approximately 4,500 gallons of water per day, which amounts to 1,170,000 gallons per year. This is well below the 3,388,850 gallons of water that can be pumped from Left Hand Creek in a dry year.

CMC first addressed this question in its Response Letter dated December 8, 2018, as follows:

28. As required by Rule 6.3.3(1)(h), specify how much water will be used in conjunction with the operation. The estimate may be based on annual consumption rates when the mill is operating at full capacity.

CMC's December 8, 2018 Response: When the Gold Hill Mill is operating at its full capacity of 50 tons of ore per day and 260 days of operation per year, the annual consumption rate will be

1,651,000 gallons of water. This is well below the 3,388,850 gallons of water that can be pumped from Left Hand Creek during a dry year.

CMC addressed how much water will be used in conjunction with the operation (as proposed in this application – not as may be proposed in a future application) when it answered the DRMS's question regarding the estimated date that mining will end, which was contained in the Adequacy Review No.1, question number 12 , which CMC also answered on December 8, 2018. Specifically, the DRMS asked CMC to "provide an estimate of how long the mill can operate at full capacity before the tailings impoundment is full."

CMC's December 8, 2018 Response: The available tailings capacity in the existing impoundment is estimated at 5,000 tons. Based upon milling operations at 50 tons per day, the mill can operate at full capacity for one-hundred (100) days without raising the embankment.

Therefore, if CMC manages to process 5,000 tons of ore (as proposed during this application – not as may be proposed in some future application) the maximum amount of water that will be used in processing this amount of ore will be 20,000 tons of water (without any recycling), or 4,000 tons of water with recycling. However, the amount of water that will be **consumed** (entrapped in the gravity and flotation concentrates and in the unconsolidated tailings) in processing 5,000 tons of ore will only be approximately 1,673 tons of water. This is far below the amount of water that CMC is entitled to withdraw from Left Hand Creek for mineral processing.

Exhibit E – Map (Rule 6.3.5):

3) The operator's response to item no. 14 included revised Exhibit E maps. However, some of these maps do not include all of the required information.

Please submit the following:

a) A revised Mining Plan Map(s) (Figure E-1) which clearly outlines and labels the permit boundaries described in Exhibit A – Legal Description as required by Rule 6.3.5(2)(a), particularly the permit boundaries proposed near Left Hand Creek.

CMC Response: Attached to this Response Letter are copies of Map E-1A Permit Area of the Permit Boundaries proposed near Left Hand Creek showing where the Pump Station will pump water for the Gold Hill Mill. Also, CMC is attaching a Legal Description of this Permit Parcel with a surveyor's description in metes and bounds for this particular parcel of land. This is essentially the same map of this area that was submitted with CMC's Response Letter to the DRMS's Adequacy Review No. 3, but without as many details to make it easier for the DRMS to accurately identify the affected area which corresponds to the Application for an Amendment to the Gold Hill Mill Permit.

CMC believes that it has fully complied with the requirements of Rule 6.3.5 Exhibit E – Mining Plan Map, with the numerous Mining Plan Maps that it has submitted with each Response Letter. All of them outline and label the Permit Boundaries, label the owners of record of the surface of

the affected land within two-hundred (200) feet of the affected area, identify the owners of the subsurface mineral rights, and the type and structure and owners of record of any permanent or man-made structures within 200 feet of the affected area. Since no mineral extraction will proceed along the entire length of the Gold Hill Mill Waterline, most of the features required under Rule 6.3.5 do not apply to this Permit Amendment Application.

b) A revised Reclamation Plan Map(s) (Figure E-5) which includes the following information required by Rule 6.3.5(3), particularly for the mill site:

i. Show the gradient of all reclaimed slopes (horizontal:vertical) sufficient to describe the post mine topography.

ii. Indicate where vegetation will not be established and the general area(s) for shrub or tree planting.

iii. State the average thickness of replaced overburden by reclamation area or phase.

iv. State the average thickness of replaced topsoil by reclamation area or phase.

CMC Response: CMC has submitted numerous Reclamation Plan Map(s) (Figure E-5) during the course of this Permit Amendment Application. This is the very first time that the DRMS has requested that this specific information be included on the Reclamation Plan Maps (Figure E-5). Inasmuch as there is no change in the post mine topography, vegetation, replacement of overburden, or replaced topsoil along the entire length of the Gold Hill Mill Waterline, none of these features have ever been shown on any of the Reclamation Plan Maps that have been submitted to the DRMS.

With regard to the Gold Hill Millsite, the following information should be helpful:

According to Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board effective January 2015, Rule 1.10 (2), a 110 Amendment Application To A Permit will not be required to submit any information which duplicates applicable previous submittals. However, the applicant shall clearly describe where, in the original application and supporting documents, the information not included in the amendment application, but necessary to render the amendment technically adequate, may be found.

This conforms to what Michael A. Cunningham, Environmental Protection Specialist, wrote in his Adequacy Review No. 1, dated January 26, 2018:

" Pursuant to Rule 1.10(2), a 110 Amendment Application is not required to contain information which duplicates applicable previous submittals. However, the Applicant shall clearly describe where, in the original Application and supporting documents, the information not included in the Amendment Application, but necessary to render the Amendment technically adequate may be found."

CMC believes that it has already submitted this information in accordance with Rule 1.10(2). On December 21, 2018, in the DRMS's Adequacy Review No. 2, Amy Eschberger requested additional information regarding the Reclamation Plan for the Gold Hill Mill. CMC was asked where in the Gold Hill Mill Permit file the pertinent documents may be found, as required by Rule 1.10(2).

CMC's January 4, 2019 Response: On July 26, 1995, the Colorado Mined Land Reclamation Board approved Colina Oro Molina's application for a permit for the Gold Hill Mill. This permit's Reclamation Plan essentially followed the original Reclamation Plan filed by the Gold Hill Ventures Limited Partnership on July 20, 1985, which was approved by the Mined land Reclamation Board on September 26, 1985, under the Cash Mine Permit No. M-1983-141. The sole purpose of Colina Oro Molina's Reclamation Plan was to close the Gold Hill Mill and cease further milling operations at this site. Various Reclamation Plan Maps were filed by Colina Oro Molina's representatives and consultants during the time between when they applied for a Reclamation Permit on December 12, 1994, and when it was finally approved on July 26, 1995. None of the documents that were filed by Colina Oro Molina altered the approved Reclamation Plan filed on July 20, 1985. On June 16, 1998, ITEC Environmental became the successor operator to Colina Oro Molina of the Gold Hill Mill Permit No. M-1994-117. Although ITEC Environmental altered the permit boundaries and enlarged and rebuilt the tailings pond, this permitted operator did not revise the original Reclamation Plan filed by the Gold Hill Ventures Limited Partnership on July 20, 1985. Therefore, the pertinent documents may be found under the original Reclamation Plan filed with the Amendment to the Cash Mine Permit No. M-1983-141 on July 20, 1985, between the pages 20 and 26 of the text and on the Millsite and Tailings Pond Reclamation Plan Map found between pages 26 and 27.

The Reclamation Plan Map filed by Gold Hill Ventures on July 20, 1985 shows the gradient of all reclaimed slopes (horizontal : vertical) sufficient to describe the post mine topography; and the accompanying text indicates where vegetation will not be established and the general area(s) for shrub or tree planting; it states the average thickness of replaced overburden by reclamation area or phase; and it also states the average thickness of replaced overburden by reclamation area or phase. All of this information has been available for consideration and review by the DRMS since it was filed on July 20, 1985 and approved by the Mined Land Reclamation Board on September 25, 1985.

Since the Gold Hill Mill's Reclamation Plan was approved by the Mined Land Reclamation Board on September 25, 1985, a cover of stabilizing vegetation on the sloping sides of the tailings impoundment embankment has been established with more than forty (40) trees, including Ponderosa and Lodgepole Pine trees and Aspen trees. Common Juniper, and Kinnikinnick shrubs are growing between these trees. Native grasses are growing abundantly on the South facing sloping side of the tailings pond embankment. CMC has sprayed this entire area under its Weed Control Maintenance Plan, and the invasive species in this area are under control.

The Gold Hill Mill's approved Reclamation Plan for the tailings retention structure shows that the interior of the tailings pond will be leveled by grading with a small tractor, creating the flat surface shown on CMC's Reclamation Plan Map(s) (Figure E-5). So, the post mine topography will be as shown on the Reclamation Plan Maps submitted by CMC. Under the original Reclamation Plan

for the tailings retention structure, there are no areas where vegetation will not be established. The entire interior of the tailings pond will have shrubs and trees planted along with a mixture of native grasses. According to the original Gold Hill Mill Reclamation Plan, a two foot rock capillary barrier will be placed on top of the mill tailings, before the salvaged and stockpiled topsoil is placed over this rock capillary barrier. The thickness of replaced topsoil will be between 3 and 4 inches. Since this reclamation work will be covering all of the leveled surface of the interior of the Gold Hill Mill tailings pond, the Reclamation Maps submitted by CMC showing the reclaimed surface of the tailings pond are very similar to the one submitted and approved by Gold Hill Ventures on July 20, 1985. The larger scale (1inch = 50 feet) of that original Reclamation Plan Map, clearly shows the post mine topography of the tailings retention embankment and the leveled surface of the interior of the tailings pond after it has been reclaimed.

Additional Item(s):

4) The Division has calculated the required financial warranty for the proposed operation to be in the amount of $77,546.00, which is $21,346.00 more than the currently held financial warranty. Please review the enclosed bond estimate and provide any comments to the Division by the decision date. The additional required financial warranty will be due within 60 days of application approval.

CMC Response: CMC accepts the required financial warranty for the proposed operation in the amount of $77,546.00, which is an increase of $21,346.00 of the currently held financial warranty.

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5) Please remember that, pursuant to Rule 1.6.2(1)(c), any changes or additions to the application on file in our office must also be reflected in the public review copy which was placed with the County Clerk and Recorder. Pursuant to Rule 6.4.18, you must provide our office with an affidavit or receipt indicating the date this was done.

CMC Response: CMC will provide the DRMS with a file stamped receipt or an affidavit from the Boulder County Clerk and Recorder's Office.

As mentioned above, the application decision date of **May 21, 2019** was set by the Board Order mailed on March 7, 2019. Therefore, if you are unable to address all remaining adequacy items by this date, an extension request must be submitted to our office. Such a request would need to be scheduled for consideration by the Mined Land Reclamation Board at an upcoming meeting.

CMC Response: Pursuant to Rule 1.4.1(9) of the Rules and Regulations of the Colorado Mined Land Reclamation Board, and following the multiple written directions of the DRMS, CMC requested an extension of the review time and decision date for its Application for an Amendment to the Gold Hill Mill Limited Impact 110 (2) Permit No. M-1994-117, to formally add the previously permitted Left Hand Creek Pump Station, Gold Hill Mill Pipeline, and the Times Mine adit portal to the affected land boundary of the Gold Hill Mill Permit. CMC submitted an extension request to the Mined Land Reclamation Board on June 5, 2019. This additional time is necessary

to allow CMC's consultants additional time to properly address the new adequacy review items contained in the DRMS's Fourth Adequacy Review Letter dated May 21, 2019.

The Colorado Milling Company, LLC's representatives and consultants have been working to address all of the DRMS's Fourth Adequacy Review questions. However, CMC and Deere & Ault have been prevented from conducting a pumping test that would be used to develop a mine pool drawdown plan, because of the DRMS's June 12, 2019 Decision to Deny the Application for an Amendment to the Gold Hill Mill Permit. Accordingly, CMC cannot properly address some of the DRMS's Fourth Adequacy Review questions at this time.

Sincerely,

Mark A. Steen

Mark A. Steen
Colorado Milling Company, LLC

Cc: Mike Bynum
Colorado Milling Company, LLC
50 West 100 South Street
Moab, Utah 80342

Cc: John R. Henderson
Attorney at Law

Cc: Cynthia T. Kennedy
Attorney at Law

Cc: Christoph M. Goss, P. E.
Deere & Ault Consultants, Inc.

Cc: Victor G. deWolfe, P. E.
Deere & Ault Consultants, Inc.

Cc: James M. Beck, P. E.
J. M. Beck & Associates

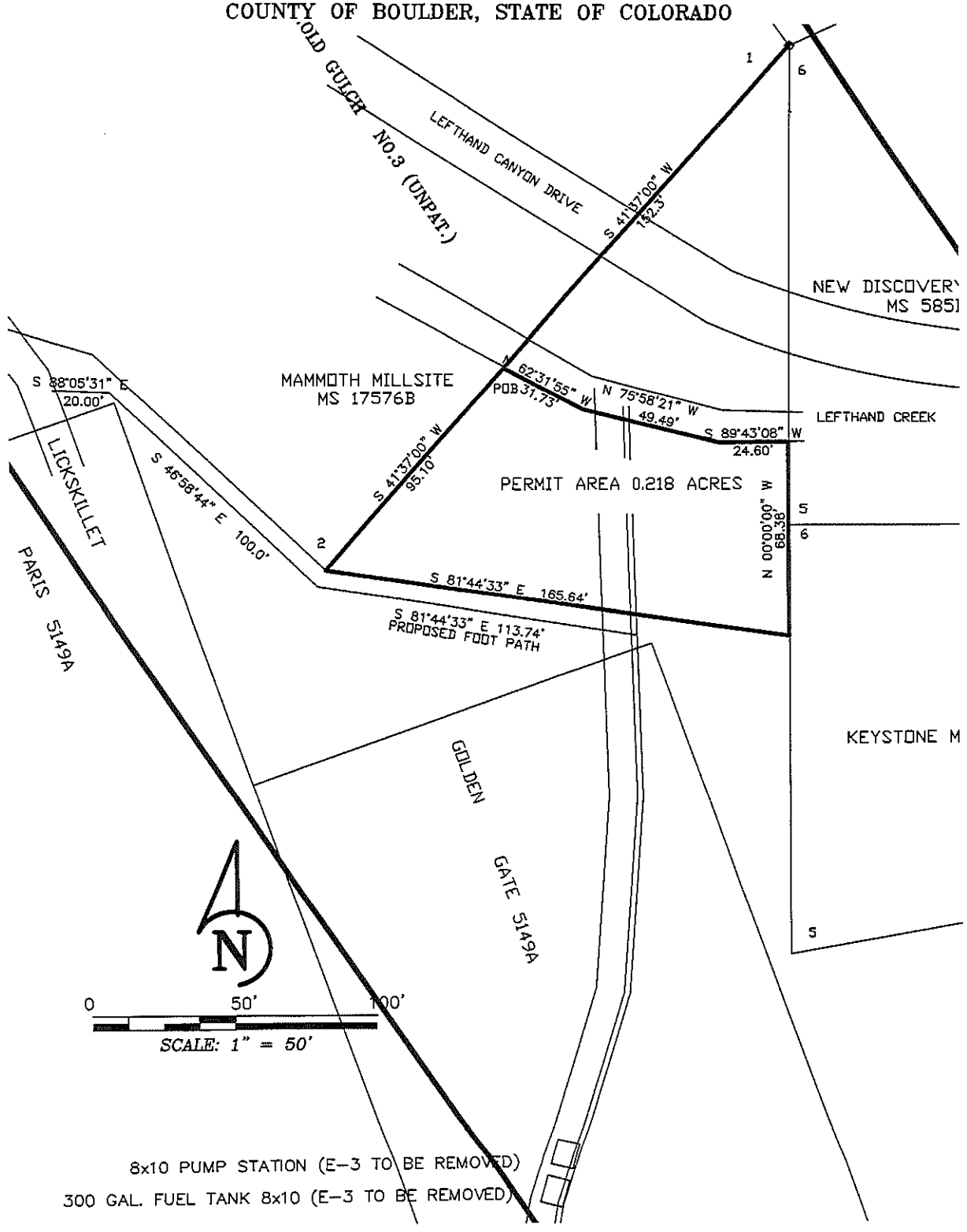
Cc: Jeff Pillus, P.E.
SET Engineering, LLC

Carl Swift
Mountain Surveying, LLC

MAP E-1A PERMIT BOUNDARIES NEAR LEFT HAND CREEK SHOWING THE WATERLINE INTAKE POINT AND THE PROPOSED FOOTPATH TO ACCESS THE SITE

CMC Response: Attached to this Response Letter are copies of Map E-1A Permit Area of the Permit Boundaries proposed near Left Hand Creek showing where the Pump Station will pump water for the Gold Hill Mill. Also, CMC is attaching a Legal Description of this Permit Parcel with a surveyor's description in metes and bounds for this particular parcel of land. This is essentially the same map of this area that was submitted with CMC's Response Letter to the DRMS's Adequacy Review No. 3, but without as many details to make it easier for the DRMS to accurately identify the affected area which corresponds to the Application for an Amendment to the Gold Hill Mill Permit.

E-1A PERMIT AREA - COLORADO MILLING CO.-GOLD HILL MILL WATERLINE
LOCATED IN SE/4 SECTION 2, T-1-N, R-72-W OF THE SIXTH P.M.,
COUNTY OF BOULDER, STATE OF COLORADO



LEGAL DESCRIPTION-PERMIT PARCEL
GOLD HILL MILL PERMIT NO.M-1994-117

STATE OF COLORADO DIVISION OF RECLAMATION MINING AND SAFETY PERMIT AREA FOR COLORADO MILLING COMPANY, LLC, GOLD HILL MILL PERMIT NO. M-1994-117, A PERMIT PARCEL UPON THE GOLD GULCH NO.3 UNPATENTED MINING CLAIM LOCATED IN THE SE 1/4 SECTION 2, TOWNSHIP-1-NORTH, RANGE-72-WEST OF THE SIXTH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER 1 OF THE MAMMOTH MILLSITE MS 17576B ALSO BEING CORNER 6 OF THE NEW DISCOVERY MILLSITE MS 585B;

THENCE ALONG THE RECORD BEARING
S 41°37'00" W A DISTANCE OF 152.3 FEET,
TO THE SOUTHERLY EMBANKMENT OF LEFT HAND CREEK MORE OR LESS,
AND TO THE TRUE POINT OF BEGINNING;
THENCE ALONG THE RECORD BEARING
S 41°37'00" W A DISTANCE OF 95.10 FEET,
AND ALONG LINE 1-2 TO CORNER 2 OF
SAID MAMMOTH MILLSITE MS 17576B;
THENCE S 81°44'33" E A DISTANCE OF 165.64 FEET,
TO LINE 5-6 KEYSTONE MILLSITE MS 69B;
THENCE ALONG THE RECORD BEARING NORTH (N 00°00" E) A DISTANCE OF 68.38 FEET ALONG LINE 5-6 OF KEYSTONE MILLSITE MS 69B AND LINE 5-6 OF SAID NEW DISCOVERY MILLSITE MS 585B
TO THE SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE S 89°43'08" W A DISTANCE OF 24.60 FEET,
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE N 75°58'21" W A DISTANCE OF 49.49 FEET,
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK;
THENCE N 62°31'55" W A DISTANCE OF 31.73 FEET
ALONG SOUTHERLY EMBANKMENT OF LEFT HAND CREEK
TO LINE 1-2 OF SAID MAMMOTH MILLSITE MS 17576B,
AND TO THE TRUE POINT OF BEGINNING.

THIS PERMIT PARCEL CONTAINS 0.218 ACRES MORE OR LESS.

RECEIPT OF DELIVERY

OFFICE OF THE BOULDER COUNTY CLERK AND RECORDER

1750 33rd Street
Boulder, Colorado

CERTIFICATION

I, Richard Lacusky certify that a copy of the Colorado Milling Company, LLC's Response Letter to the Colorado Division of Reclamation, Mining and Safety's Adequacy Review No. 4 of the Application for an Amendment to the Limited Impact 110 (2) Permit No. 1994-117 for the Gold Hill Mill, dated May 21, 2019 was hand-delivered to me on June 24th, 2019.

Signed: Richard Lacusky

Dated: 6/24/19

CMC's Proof of Filing with the Boulder County Clerk and Recorder.

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

November 2, 2022

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

RE: Adequacy Review; Technical Revision (TR-11); Gold Hill Mill, Permit No. M-1994-117

Dear Mr Langenfeld,

On August 11, 2022, the Division of Reclamation, Mining and Safety (Division/DRMS) received a request for Technical Revision (TR-11) for a new bulkhead design for the Times Mine as a commitment made in the approval of AM-1 at the Gold Hill Mill, Permit No. M-1994-117. On August 15, 2022 the Division determined the bulkhead design to be complex and extended the decision date to November 9, 2022, pursuant to Rule 1.4.1(7). Please respond to the adequacy items, contained in the attached memo, with a letter summarizing each response in a cover letter titled "Adequacy Review Response TR-11, M-1994-117".

The decision date for TR-11 is November 9, 2022. If additional time is required to respond to these adequacy issues please submit a written request for extension of the review period. The Division reserves the right to further supplement this document with additional adequacy issues and details as necessary.

If you need additional information or have any questions, please contact me by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,

Patrick Lennberg
Environmental Protection Specialist

Attachment: TR-11 Bulkhead Design Review Memo by Jeff Graves

cc: Jared Ebert, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com

Attachments

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

November 1, 2022

Patrick Lenneberg

Re: Review of M-1994-117 TR-11; specifically pertaining to hydraulic bulkhead design

I have read through TR-11 and have a good understanding of the bulkhead design proposed by Colorado Milling Company, LLC, for the Times/Wynona Mine through their representative Ben Langenfeld (Lewicki & Associates) and Schnabel Engineering. My comments and questions pertain to the proposed bulkhead design and associated considerations.

Proposed Design

My understanding of TR-11 is that the applicant is proposing to construct a hydraulic seal bulkhead to allow impoundment of up to 103 feet of head of Colorado Milling Company's water rights from Left Hand Creek. Impoundment will occur within the Times/Wynona Mine behind a proposed 6-foot thick reinforced concrete bulkhead located approximately 130 feet inby the portal, and 26 feet below the ground surface.

The applicant evaluated 3 different bulkhead lengths, 8-foot, 6-foot, and 3-foot (existing bulkhead) for viability under an impounding hydraulic load of 103 feet of head. Based on calculations for shear failure around the plug, hydraulic jacking of the surrounding rock mass, excessive seepage or piping past the plug and structural failure of the plug, a bulkhead length of 6-foot was selected due to constructability and results of the corresponding calculations. As the applicant noted, calculated factors of safety for a 6-foot bulkhead thickness exceed all failure mode criteria at maximum head by 1.3 except for evaluation of hydraulic jacking by the Norwegian Tunneling Method.

The applicant noted that the alternative design criteria used to evaluate the potential for hydraulic jacking, the Abel Method, yields a factor of safety of 1.3, which would be considered sufficient, but recognizing the more conservative Norwegian Tunnel Method (NTM) yielded a factor of safety of 0.5 for hydraulic jacking potential, the applicant proposes to formation grout the surrounding rock mass at the bulkhead location to reduce the potential for hydraulic jacking along with utilizing the 6-foot bulkhead length to reduce the pressure gradient drop across the bulkhead zone. Additionally, in an effort to mitigate risk, the applicant proposes to monitor an area highlighted in blue and identified on the Bulkhead Location Map, as a seepage zone, when mine pool elevations are above 57 feet.

Evaluation of Proposed Design

In evaluating a bulkhead design, it is appropriate to consider the assumptions used to calculate various failure modes. Two assumptions requiring additional information are as follows:

1. The applicant should provide supporting documentation for selection of 0.138 g as the Peak Ground Acceleration associated with an earthquake for this geographic location.
2. The applicant should provide additional clarity on the assumption that concrete shear strength is controlling at the bulkhead location. It is noted in the design that both the hanging wall and vein are heavily altered at the bulkhead location, and as such, shear failure may not be controlled by concrete strength. If complete removal of altered material at the bulkhead location prior to installation is not possible how will the punching shear calculation be factored to account for lower strength material controlling shear failure, and what will be the corresponding factor of safety.

Another area of evaluation for the bulkhead design is the appropriateness and comprehensiveness of the failure mode analysis. In this case, the applicant evaluated 7 different failure modes for varying bulkhead thicknesses. The 7 failure modes constitute a comprehensive and appropriate evaluation of multiple bulkhead thicknesses, resulting in factors of safety for each failure mode and thickness.

As noted above, all but one of those evaluations, Norwegian Tunneling Method (hydraulic jacking) yielded factors of safety in excess of 1. When considering hydraulic jacking as a failure mode, the Abel Method has been successfully relied on in the past as the sole means of evaluating the potential for hydraulic jacking. More recently, the NTM has become an additional, and more conservative tool to determine the potential of hydraulic jacking. The applicant recognizes the use of NTM in this case yields a factor of safety of 0.5, thus requiring some mitigation measures. The applicant proposes to formation grout the area surrounding the bulkhead to reduce the potential effects of hydraulic jacking, along with monitoring an identified “seepage zone” when water head on the bulkhead reaches 57 feet. Both of these mitigation strategies are appropriate and potentially effective in avoiding bulkhead failure by hydraulic jacking.

One additional area of evaluation related to bulkhead design and eventual implementation is consideration of offsite impacts related to water impoundment behind a bulkhead. Evaluation of these types of impacts is often complicated in crystalline rock as groundwater flow is typically defined by fracture flow through discrete, open and interconnected fractures, making modelling efforts difficult, and dubious at best. In these instances, a seeps and springs inventory or monitoring plan is developed that incorporates pre-bulkhead observations and accounting of any existing springs and seeps in the general area and hydraulically downgradient of the proposed bulkhead. Once baseline observations have been made, periodic monitoring of that same area typically occurs as water is impounded behind the bulkhead to determine if there are any offsite changes or impacts.

In this case, the applicant does propose to monitor an area for seepage west of the mill, above the adit alignment, between the elevations of 8375’ and 8400’. This is definitely a high priority area to monitor as significant seepage in this zone could have detrimental impacts to the adjacent road. The applicant proposes

to conduct this monitoring weekly for the first 90 days, transitioning to quarterly following that initial time period.

While the current monitoring plan is good, it should be expanded to include the following:

1. Monitoring area for seeps and springs should be expanded to include both sides of the ridge below the mill, not just the western side.
2. Elevation for monitoring seeps and springs should be expanded to include elevations above the Times Adit invert (~8350').
3. Monitor groundwater elevations in existing monitoring wells (MW1, W1, W2, W3 and W4) during bulkhead filling to determine if corresponding changes correlate to mine pool loss to surrounding formation.
4. Clarify when 90 day, weekly monitoring period begins. Does it begin during filling or once steady state is achieved?

Respectfully Submitted,
Jeff Graves

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

December 1, 2022

Jerry Jergensen
Colorado Milling Company, LLC
72 Brandywine Driv
Williamsville, NY 14221

Re: Gold Hill Mill - File No. M-1994-117
Colorado Milling Company, LLC
Technical Revision (TR-11)
Technical Revision No.11, a preliminary dewatering plan and new bulkhead design.

Dear Jerry Jergensen:

On December 1, 2022 the Division of Reclamation, Mining and Safety concluded its review of the Technical Revision application submitted to the Division on August 11, 2022, addressing the following:

A preliminary dewatering plan and a new bulkhead design

The decision reached by the Division is: approve.

The terms of Technical Revision No. 11 approved by the Division are hereby incorporated into Permit No. M-1994-117. All other conditions and requirements of Permit No. M-1994-117 remain in full force and effect.

Bond Held:	$77,546.00
Prior Liability:	$77,546.00
Change in Liability:	$0.00
Revised Liability:	$77,546.00
Prior Permit Acreage:	9.20
Change in Permit Acreage:	0.00
Revised Permit Acreage:	9.20
Prior Affected Acreage:	9.20
Change in Affected Acreage:	0.00
Revised Affected Acreage:	9.20

If you have any questions, please contact me by telephone at (303) 866-3567 x 8114, or by email at Patrick.lennberg@state.co.us.

Sincerely,

Patrick Lennberg
Environmental Protection Specialist

cc: Ben E. Langenfeld

M-GR-04

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

December 14, 2022

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

Re: Incompleteness Notice No. 3, Conversion Application (CN-1), Gold Hill Mill, Permit No. M-1994-117

Mr. Langenfeld:

On December 1, 2022, the Division of Reclamation, Mining and Safety (Division/DRMS) received your responses to the Division's Incompleteness Notice dated October 17, 2022 for the Conversion Application for the Gold Hill Mill, File No. M-1994-117. Review of the submitted responses determined the following items must be received before the Division can consider the application as being submitted/file and technical review can begin. Please respond to this Incompleteness Notice No. 3 with the requested additional/updated information on permit application replacement pages and summarize each response in a cover letter titled "Incompleteness Response No.3; M-1994-117".

APPLICATION FORM:

1. Responsibilities as a Permittee. The Division was unable to locate the updated page six where question 10 was addressed according to Incompleteness Review No. 2. Please submit a replacement page six of the application form.

2. Certification. On page 7, the notary signature section is incomplete. The title of the individual signing for Colorado Milling Company, LLC, Michael Bynum, has been left blank. Please submit a replacement certification page of the application form.

EXHIBIT I – Proof of Filing with County Clerk and Recorder (Rule 6.3.9):

3. The Division was unable to locate the certified mailing card, or other demonstration, the Applicant placed a copy of the responses to Incompleteness Notice No. 2 with the County Clerks or Recorders Offices. Please provide the missing demonstration.

4. Pursuant to Rule 1.6.2(1)(c), please demonstrate that the Applicant has placed a copy of the responses to Incompleteness Notice No. 3 with the County Clerks or Recorders Offices along with the application materials previously placed with the County Clerks or Recorders Offices, and made available for public review.

Your Conversion Application will not be considered filed until the information listed above is received and found sufficient to begin our review. If you have already published notice you will need to republish notice, but only after the Division considers the application complete and filed; the Division will notify you when you should initiate publication of your notice. This notice must be published once starting ten (10) days of the date your application is considered filed. The final date for receiving comments is the tenth (10^{th}) day after the date of publication or the next regular business day.

Pursuant to Rule 1.4.1(8), you have sixty (60) days from the date of this letter to submit all necessary documents that the Division needs for an application to be considered filed. If, at the end of the sixty day period, the application has not been determined to be filed with the Division, the Division may deny the application and terminate the application file. Should additional time be required to submit all the necessary documents an extension request can be submitted in writing for the Division's consideration.

The response to this Incompleteness Notice is due on or before February 12, 2023.

This letter shall not be interpreted to mean that there are no other completeness issues or technical deficiencies in your application. The Division will review your application to determine whether it is adequate to meet the requirements of the Act and Rules after submittal of all required items.

If you need additional information or have any questions, please contact me by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,



Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com

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

September 22, 2022

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

Re: Incompleteness Notice, Conversion Application (CN-1), Gold Hill Mill, Permit No. M-1994-117

Mr. Langenfeld:

On September 13, 2022, the Division of Reclamation, Mining and Safety (Division) received the Conversion Application for the Gold Hill Mill, File No. M-1994-117. Preliminary review of this application determined the following items must be received before the Division can consider the application as being submitted/filed and the technical review can begin. Please respond to this Incompleteness Notice with the requested additional/updated information on permit application replacement pages and summarize each response in a cover letter titled "Incompleteness Response; M-1994-117". Please note where multiple items need additional/updated information that occur on the same page only one page needs to submitted with the requested information not multiple copies of the same page.

APPLICATION FORM:

1. Location Information. On page three, item 10, the quarter section was left blank, please check the appropriate box. Please submit a replacement page three of the application form.

2. Responsibilities as a Permittee. Pages five and six were not completed. Please complete pages five and six of the application form.

3. Certification. On page 7, the notary signature section is incomplete. The name of the company needs to match the Applicant/Operator or Company Name exactly, Colorado Milling Company, LLC compared to Colorado Milling Co.

EXHIBITS:

4. Please provide the missing Exhibits A through J, Exhibits L and T, and the exhibits associated with Rules 6.5, 8 and 1.6.2(1)(b).

EXHIBIT R – Proof of Filing with County Clerk and Recorder (Rule 6.3.9):

5. Pursuant to Rule 1.6.2(1)(c), please demonstrate that the Applicant has placed a copy of the application materials with the County Clerks or Recorders Offices. Also, please demonstrate that the Applicant's response to these incompleteness issues have been placed with the application materials previously placed with the County Clerks or Recorders Offices, and made available for public review.

Your Conversion Application will not be considered filed until the information listed above is received and found sufficient to begin our review. A decision date will be established 30 days from the date of receipt and acceptance of all of the requested information. Additionally, if you have already published notice you will need to republish notice, but only after the Division considers the application complete and filed; the Division will notify you when you should initiate publication of your notice. This notice must be published once starting ten (10) days of the date your application is considered filed. The final date for receiving comments is the tenth (10^{th}) day after the date of publication or the next regular business day.

Pursuant to Rule 1.4.1(8), you have sixty (60) days from the date of this letter to submit all necessary documents that the Division needs for an application to be considered filed. If, at the end of the sixty day period, the application has not been determined to be filed with the Division, the Division may deny the application and terminate the application file. Should additional time be required to submit all the necessary documents an extension request can be submitted in writing for the Division's consideration.

The response to this Incompleteness Notice is due on or before November 21, 2022.

This letter shall not be interpreted to mean that there are no other completeness issues or technical deficiencies in your application. The Division will review your application to determine whether it is adequate to meet the requirements of the Act after submittal of all required items.

If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,

Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com

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

October 17, 2022

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

Re: Incompleteness Notice No. 2, Conversion Application (CN-1), Gold Hill Mill, Permit No. M-1994-117

Mr. Langenfeld:

On October 4, 2022, the Division of Reclamation, Mining and Safety (Division/DRMS) received your responses to the Division's Incompleteness Notice dated September 22, 2022 for the Conversion Application for the Gold Hill Mill, File No. M-1994-117. Review of the submitted responses determined the following items must be received before the Division can consider the application as being submitted/file and technical review can begin. Please respond to this Incompleteness Notice No. 2 with the requested additional/updated information on permit application replacement pages and summarize each response in a cover letter titled "Incompleteness Response No.2; M-1994-117". Please note where multiple items need additional/updated information that occur on the same page only one page needs to submitted with the requested information not multiple copies of the same page.

APPLICATION FORM:

1. Location Information. On page three, item 10, the quarter section was left blank, please check the appropriate box. Please submit a replacement page three of the application form.

2. Responsibilities as a Permittee. On page six, question 10 was initialed. The question does not require initials unless the permit is a joint venture or partnership operation. As far as the Division is aware this is not the case for this application. Please indicate "N/A" for the question. Please submit a replacement page six of the application form.

3. Certification. On page 7, the notary signature section is incomplete. The name of the company needs to match the Applicant/Operator or Company Name exactly, Colorado Milling Company, LLC compared to Colorado Milling Co.

EXHIBIT G – Source of Legal Right to Enter (6.3.7):

4. In April 2013 the Bureau of Land Management (BLM) issued a Notice of Temporary Suspension for all the Gold Hill Mine and Mill operations. Mining and milling operations may not occur until the BLM receives a complete Plan of Operations and NEPA analysis (ROD) is approved. In the Operators

response, dated December 8, 2018, to the Division's preliminary adequacy review for AM-1 item #38 the Operator stated a Plan of Operations was going to be submitted to the BLM after approval of AM-1. The Division is aware that as of August 2021 the BLM was still waiting for the Operator to submit additional materials. The Division considers the BLM's approval of a Plan of Operations and NEPA analysis as demonstration for the Legal Right to Enter. Please provide documentation of BLM's approval as a source of legal right to enter.

5. In the Operators response, dated December 8, 2018, to the Division's preliminary adequacy review for AM-1 item #39 the Operator stated a Plan of Operations was going to be submitted to the United States Forest Service (USFS) for the Gold Hill Mill's Left Hand Creek Pump Station after approval of AM-1. The Division considers the USFS's approval of a Plan of Operations as demonstration for the Legal Right to Enter. Please provide documentation of USFS's approval as a source of legal right to enter for the Pump Station.

EXHIBIT J - Proof of Mailing of Notices to Board of County Commissioners and Conservation District (6.3.10):

6. Please provide proof that notice of the permit application was sent to the Board of County Commissioners, pursuant to Rule 1.6.2(1)(a)(ii).

EXHIBIT I – Proof of Filing with County Clerk and Recorder (Rule 6.3.9):

7. Pursuant to Rule 1.6.2(1)(c), please demonstrate that the Applicant has placed a copy of the application materials with the County Clerks or Recorders Offices. Also, please demonstrate that the Applicant's response to these incompleteness issues and the preliminary incompleteness have also been placed with the application materials previously placed with the County Clerks or Recorders Offices, and made available for public review.

Your Conversion Application will not be considered filed until the information listed above is received and found sufficient to begin our review. If you have already published notice you will need to republish notice, but only after the Division considers the application complete and filed; the Division will notify you when you should initiate publication of your notice. This notice must be published once starting ten (10) days of the date your application is considered filed. The final date for receiving comments is the tenth (10^{th}) day after the date of publication or the next regular business day.

Pursuant to Rule 1.4.1(8), you have sixty (60) days from the date of this letter to submit all necessary documents that the Division needs for an application to be considered filed. If, at the end of the sixty day period, the application has not been determined to be filed with the Division, the Division may deny the application and terminate the application file. Should additional time be required to submit all the necessary documents an extension request can be submitted in writing for the Division's consideration.

The response to this Incompleteness Notice is due on or before December 16, 2022.

This letter shall not be interpreted to mean that there are no other completeness issues or technical deficiencies in your application. The Division will review your application to determine whether it is adequate to meet the requirements of the Act and Rules after submittal of all required items.

If you need additional information or have any questions, please contact me by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,



Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com

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: Gold Hill Mill	**MINE/PROSPECTING ID#:** M-1994-117	**MINERAL:** Gold and silver	**COUNTY:** Boulder
INSPECTION TYPE: Preoperation Inspection	**WEATHER:** Clear	**INSP. DATE:** October 24, 2023	**INSP. TIME:** 09:00
OPERATOR: Colorado Milling Company, LLC	**OPERATOR REPRESENTATIVE:** Ben Langenfeld and Lewis Perkins	**TYPE OF OPERATION:** 110(2) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Preoperation Inspection	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $77,546.00
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None
INSPECTOR(S): Patrick Lennberg Lucas West Timothy Cazier, P.E.	**INSPECTOR'S SIGNATURE:** 	**SIGNATURE DATE:** November 9, 2023

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Acid And Toxic Materials
PROBLEM: Improper storage and presence of hazardous materials on site. During the inspection, 2 barrels of Xanthate, a half pallet of Soda Ash, one barrel of MIBC, several frothing and flotation agents and a few unlabeled containers were observed without secondary containment.
CORRECTIVE ACTIONS: All storage tanks, petroleum and any hazardous materials on site for any period of time shall have appropriate secondary containment. The operator shall provide photo documentation that all hazardous material containers have been removed from the site on or before the corrective action date. Additionally, the Operator shall provide documentation that the hazardous materials have been properly disposed of at a certified disposal facility.
CORRECTIVE ACTION DUE DATE: 11/24/23

OBSERVATIONS

The Gold Hill Mill (Permit No. M-1994-117) site was inspected by Patrick Lennberg, Lucas West and Tim Cazier of the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was a Pre-Operation inspection for the conversion application 1 (CN-1), received by the Division on September 13, 2022. The operator, Colorado Milling Company, LLC, was represented by Ben Langenfeld and Lewis Perkins during the inspection. The site was previously inspected by the Division on July 14, 2020 as part of the Division's routine monitoring inspection program. The weather was clear and mild.

The Gold Hill Mill is located approximately 10 miles northwest of Boulder, CO in Boulder County. Access to the site is off of Sunshine Canyon Drive. Currently, the site is 110(2) limited impact permitted for 9.2 acres. A mine sign was observed at the entrance to the mine as required by Rule 3.1.12. Photos 1-36 taken during the inspection are included with this report.

This is a 110(2) operation permitted for 9.2 acres, as of Amendment No. 1 (AM-1; approved on September 18, 2019), to process gold and silver ores. The permit area consists of three areas: the mill site (at the top of Gold Hill), the water pipeline (which runs up Lick Skillet Gulch from Left Hand Creek to the Times Mine portal), and an area adjacent to the creek (where water will be pumped from the creek). The mill site includes a mill facility, a small tailings impoundment, and an ore stockpile. AM-1 added the water pipeline and associated infrastructure and the Times Mine portal to the permit to allow the operator to pump water from the creek to the portal to store in the Times and Wynona Mines for use by the mill operation.

The affected lands consist of several patented mining claims owned by Colorado Milling Company, LLC, some unpatented claims managed by the U.S. Bureau of Land Management (BLM) and a portion of land on Left Hand Creek managed by the U. S. Forest Service. The pipeline easement is on land owned by Boulder County Parks and Open Space. Access to the pipeline will be via three historic mine roads off Lickskillet Road and one historic mine road off Sunshine Canyon Drive (for the Times Mine portal area). The pump station area near the creek will be accessed via a 3 foot wide path off Lickskillet Road and is located entirely on U. S. Forest Service land. The approved post-mining land use for the site is forestry.

The reclamation plan includes removing the pipeline and associated infrastructure, decommissioning the bulkhead at the Times Mine adit, sealing the Times Mine portal, removing the fencing from around the tailings impoundment at the mill site, grading the tailings to nearly flat, placing a 2-foot thick rock capillary barrier on top of the tailings (material derived from the mine dump screening operation), replacing 3-4 inches of topsoil across the top of the rock capillary barrier, and revegetating disturbed areas with grasses, shrubs, and trees. The footprint of the ore stockpile will not be revegetated for reclamation as it will be used for equipment storage and parking. The mill building will remain after reclamation. The existing access road will remain after reclamation.

The conversion application (CN-1) that was submitted is to convert the 110(2) permit to a Designated Mining Operation (DMO) or a 110d. Since the Operator is not increasing the currently approved acreage the permit does not need to be 112d. The DMO is required pursuant to Rule 1.1(19) as designated chemicals are defined as toxic or acidic chemicals will be used within the permit area in extractive metallurgical processing, the use of which, at certain concentrations, represents a potential threat to human health, property or the environment. Chemicals used in the milling process at the Gold Hill Mill are considered designated chemicals

thus a DMO conversion is required. Additionally, submittal of the conversion application was a commitment made during the AM-1 process.

During this inspection three primary areas where inspected; inside the Mill Building, outside the Mill Building and the Tailings Storage Facility (TSF). The site was not active at the time of inspection.

Inside the Mill Building the majority equipment had been cleaned since it was last used and only routine maintenance has been performed. The tour of the building evaluated the types and future requirements of an Environmental Protection Plan as well as the designs as an Environmental Protection Facility. During the tour it was discovered that there were at least two 55-gallon drums of Xanthate and one of MIBC (Methyl Isobutyl Carbinol) that are not in secondary containment and additionally the facility is not approved to house toxic chemicals. The improper containment and presence of toxic materials at the site has been cited as a problem within this report. It was also noted there were several other containers, of various sizes, of unknown liquids that are also being stored at the site along with bags, about a half pallets worth, of soda ash which is also a designated chemical. The Operator at the time of inspection committed to removing all containers and hazardous chemicals from the site and properly disposing of them using a certified contractor.

During the tour of the Mill building it was noted there was not adequate secondary containment for any of the vessels in the building. There were numerous floor drains where the precise outfall was unknown. A man door on the lowest floor did not fully seal and is located adjacent to the Gravity Process Thickener, Floatation Cells and Tailing Slurry Line. Located at the bottom of the Gravity Process Thickener there is a floor drain that is accessed by a ladder and exits out the bottom of the building through a small door way.

During the Tailings Storage Facility (TSF) inspection it was noted that there was woody vegetation (small coniferous trees) growing inside the TSF and along the anchor trench location. Moving around the TSF counterclockwise the Division noted animal burrows within the tailings material near the southern most portion. Animal burrows were also found along the southern portion of the TSF between the fence and the top of liner. Burrows were also noted outside of the fence as well.

On the exposed portions of the liner the Division noted several locations where it appears patches on the liner are peeling away. Additionally, numerous cracks and tears through the liner were noted. In the eastern most area of the TSF there is patch (~ 6 inches by ~3 inches) that has peeled away and exposed the embankment material below. The Division measured the approximate depth from this patch to the tailings material in the TSF and found that it was less than 12 inches. The Division measured other areas around the TSF to determine how much available freeboard there was and found depth to tailings material varied but appeared to be 2 feet or less. In one location there was two feet of freeboard but only a foot of depth from where there was a crack through the liner.

The Division observed several location around the TSF where it appears tee-posts have been driven into the embankment in the area where the anchor trench is located. Along the northwestern portion it appears the liner material that should be buried in the anchor trench has been exposed and now may only be buried by a few inches of material.

The diversion ditch along the northern perimeter of the TSF is heavily vegetated and needs maintenance to insure proper functionality. The design capacity of the diversion ditch is under review as part of CN-1 and may require improvements beyond the needed maintenance.

Outside of the Mill Building, the ore storage area and ramp to where material is loaded into the Mill was observed.

The financial warranty was not recalculated as part of this inspection. The Division is waiting on responses to the adequacy review letters to obtain sufficient detail to accurately calculate a financial warranty, as needed.

Photographs taken during the inspection are attached.

Please contact Patrick Lennberg (303)866-3567 ext. 8114 or email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address
Ben Langenfeld
Colorado Milling Company, LLC
3375 W Powers Circle
Littleton, CO 80123

cc: Jared Ebert, DRMS
Lucas West, DRMS
Tim Cazier, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz

PHOTOGRAPHS



Photo 1: Mine sign at primary mine entrance and DMO Notice sign



Photo 2: Inside the mill, yellow arrow shows the location of the Xanthate drum and circle shows the location of other chemicals



Photo 3: Frother heads and gravity thickener (right) the man door (center right) does not completely seal



Photo 4: Location where other chemicals were stored, blurry photo due to low light conditions



Photo 5: Floor drain in mill building, undetermined if it had an outlet or not



Photo 6: Man door on the lowest level of mill building not completely sealing



Photo 7: Drain located at the bottom of the Gravity Process Thickener, door to the left of the ladder exits the building



Photo 8: Woody vegetation growing in the TSF and the red bush to the left of photo is growing in the approximate location of the anchor trench



Photo 9: Vegetation growing in the TSF looking east



Photo 10: Vegetation growing in the anchor trench of the TSF, looking south



Photo 11: Typical conditions of patches at the TSF



Photo 12: Close-up of patch, note peeling at edges



Photo 13: A view of the southern TSF embankment, looking NE, overhead line was used to deposit tailings into the pond



Photo 14: Animal borings in TSF

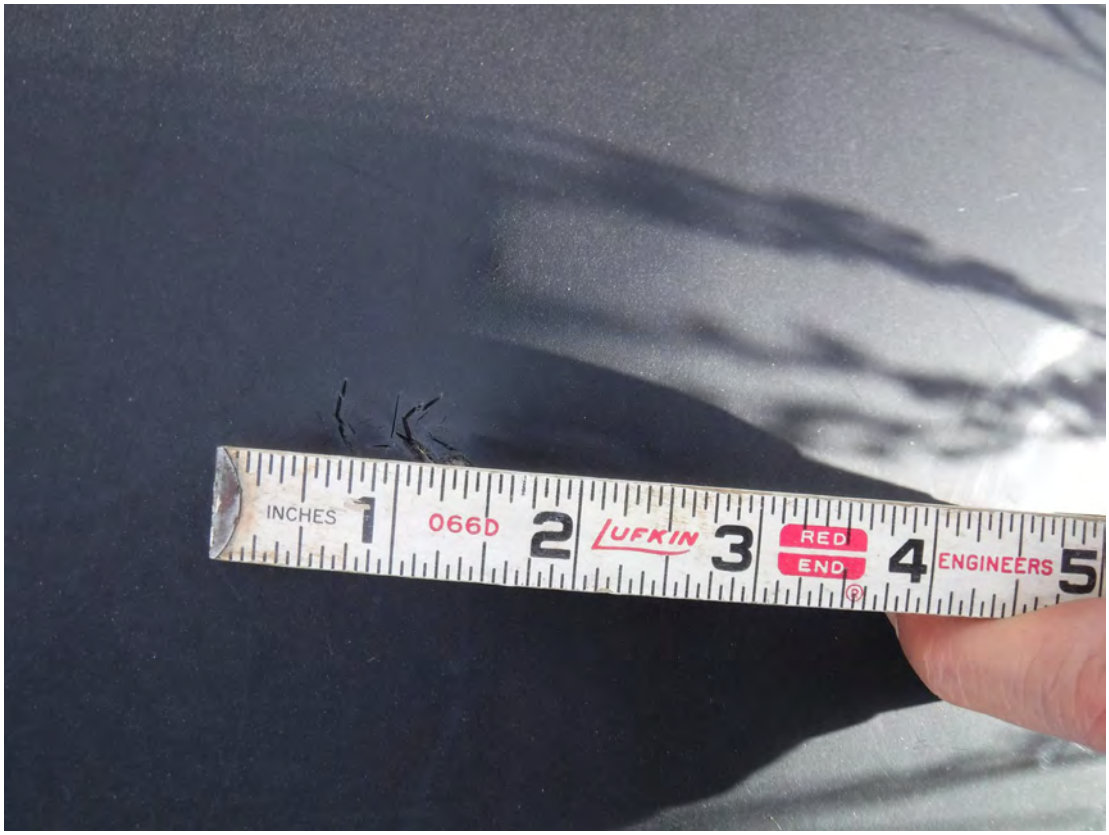


Photo 15: Typical crack in TSF liner



Photo 16: Vegetation growing in the anchor trench of the TSF, looking SW



Photo 17: Crack in TSF liner with exposed subgrade material



Photo 18: Looking SW along the TSF fenceline



Photo 19: A view of the distance from a crack through the liner to tailings material



Photo 20: What appears to be tailings material deposited outside of the fence around the TSF



Photo 21: What appears to be tailings material deposited outside of the TSF and a tee-post driven in the location of the anchor trench



Photo 22: A TSP patch that has worn away and exposed subgrade material



Photo 23: A TSP patch that has worn away and exposed subgrade material



Photo 24: The distance between the tailings material and the worn out patch



Photo 25: Evidence of burrowing in the TSF embankment, yellow circles

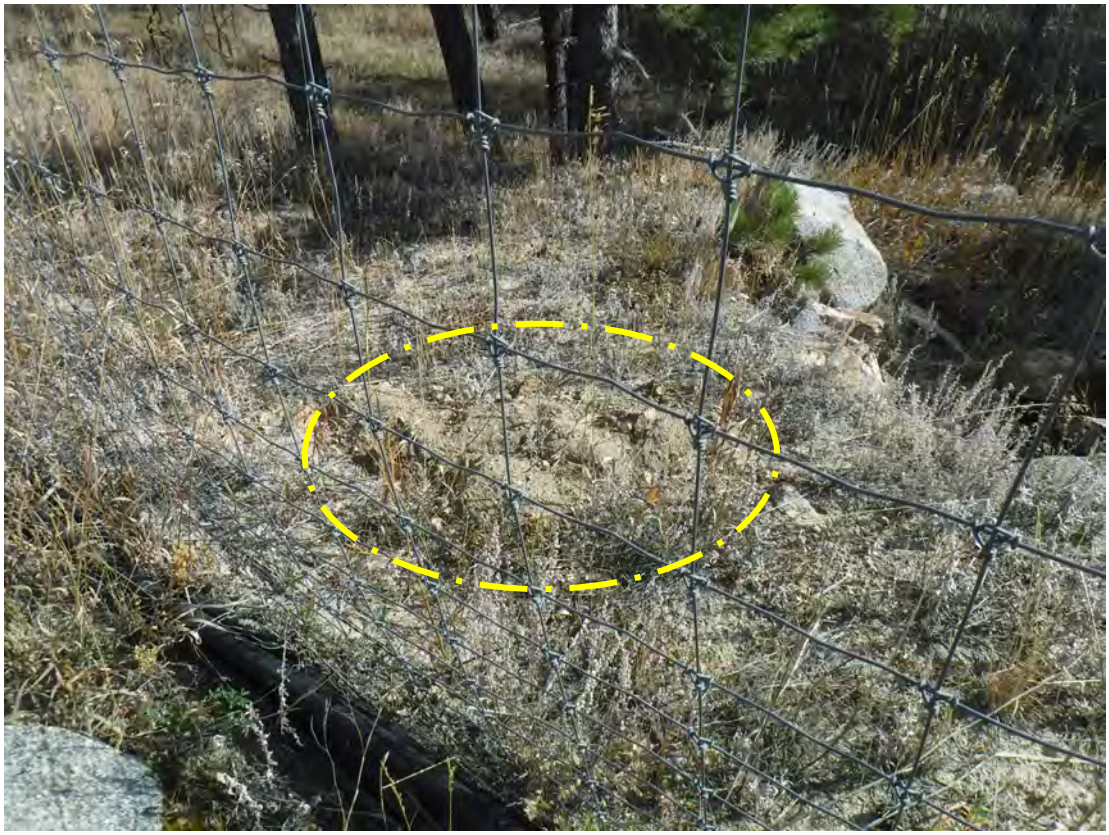


Photo 26: Evidence of burrowing in the TSF embankment outside the fence, yellow circle



Photo 27: Evidence of burrowing in the TSF embankment, center of picture



Photo 28: Diversion ditch around the TSF



Photo 29: Crack through TSF liner



Photo 30: Anchor trench with the TSF liner apparently being uncovered



Photo 31: Crack through TSF liner



Photo 32: Drum of Xanthate in Mill Building



Photo 33: Drums and containers of designated chemicals in Mill Building



Photo 34: Ore Storage area west of Mill Building



Photo 35: Drums of possible crushed ore material located in the area west of Mill Building



Photo 36: Typical permit boundary marker

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS---------- Y	(FN) FINANCIAL WARRANTY-------- N	(RD) ROADS---------- Y
(HB) HYDROLOGIC BALANCE---------- Y	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES------- Y	(TS) TOPSOIL---------- N
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE---------- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- Y	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- Y
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- Y	(ST) STIPULATIONS------- Y
(AT) ACID OR TOXIC MATERIALS------- PB	(OD) OFF-SITE DAMAGE----------N	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

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

February 7, 2023

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

RE: Notification of Complex Determination; Conversion Application (CN-1); Gold Hill Mill, Permit No. M-1994-117

Dear Mr. Langenfeld,

On September 13, 2023, the Division of Reclamation, Mining and Safety (Division/DRMS) received a request for Conversion Application (CN-1) to convert the current 110(2) permit to a 110(d) Designate Mining Operation for the Gold Hill Mill site, Permit No. M-1994-117.

Pursuant to Hard Rock Rule 1.4.1(7) the Division has deemed the CN-1 application complex. The Division, at minimum, will need additional professional staff to review the application and pursuant to the Rule the decision date has been extended an additional sixty (60) days to allow for review of the revision application.

The decision date for your application is set for May 8, 2023. The Division will provide any adequacy review items under a separate cover letter.

If you need additional information or have any questions, please contact me by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,

Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert; DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com

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

NOTICE
Consideration of Hard Rock Reclamation Permit
Permit Conversion Application

DATE: February 7, 2023

TO: Boulder County Commissioners
County Commissioner
Box 471
Boulder, CO 80306

FROM: Patrick Lennberg

RE: Gold Hill Mill - File No. M-1994-117, Colorado Milling Company, LLC
Permit Conversion Application (CN-1)
Conversion from a 110(2) limited impact to a 110(d) designated mining operation permit

---

Please be advised that on February 7, 2023, Colorado Milling Company, LLC, whose address and telephone number are 50 West 100 South Street, Moab, UT 80342; (303) 588-1119, filed an application for a/an Permit Conversion (CN- 1) to M1994117, Gold Hill Mill, which is located approximately 5 miles Northeast of Boulder, Section 12, Township 1N, Range 72W, 06th Principle Meridian, in Boulder County.

Permit conversion to a designated mining operation based on the storage and usage of chemicals in the mill that can produce acid or toxic chemicals.

The application decision is scheduled for May 8, 2023. Written comments or objections to the application may be submitted to and additional information obtained from Patrick Lennberg at the Division of Reclamation, Mining and Safety, 1313 Sherman St. Room 215 Denver, CO 80203, by telephone at (303) 866-3567 x 8114.

Colorado Milling Company, LLC is required to publish a public notice in a newspaper of general circulation in the locality of the mining operation. If you wish to make comments on or objections to the mine plan and/or the reclamation plan, they must be submitted within ten (10) days of the newspaper public notice to be considered in the application review process by the Division. You should contact the applicant for the newspaper publication date. If we do not receive your comments or any objection by the end of the public comment period, the Division will assume you have no objection or comment to the proposed activity.

M-GR-03A-P

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

NOTICE
Consideration of Hard Rock Reclamation Permit
Permit Conversion Application

DATE: February 7, 2023

TO: Boulder County Planning Department
Box 471
Boulder, CO 80306

FROM: Patrick Lennberg

RE: Gold Hill Mill - File No. M-1994-117, Colorado Milling Company, LLC
Permit Conversion Application (CN-1)
Conversion from a 110(2) limited impact to a 110(d) designated mining operation permit

---

Please be advised that on February 7, 2023, Colorado Milling Company, LLC, whose address and telephone number are 50 West 100 South Street, Moab, UT 80342; (303) 588-1119, filed an application for a/an Permit Conversion (CN- 1) to M1994117, Gold Hill Mill, which is located approximately 5 miles Northeast of Boulder, Section 12, Township 1N, Range 72W, 06th Principle Meridian, in Boulder County.

Permit conversion to a designated mining operation based on the storage and usage of chemicals in the mill that can produce acid or toxic chemicals.

The application decision is scheduled for May 8, 2023. Written comments or objections to the application may be submitted to and additional information obtained from Patrick Lennberg at the Division of Reclamation, Mining and Safety, 1313 Sherman St. Room 215 Denver, CO 80203, by telephone at (303) 866-3567 x 8114.

Colorado Milling Company, LLC is required to publish a public notice in a newspaper of general circulation in the locality of the mining operation. If you wish to make comments on or objections to the mine plan and/or the reclamation plan, they must be submitted within ten (10) days of the newspaper public notice to be considered in the application review process by the Division. You should contact the applicant for the newspaper publication date. If we do not receive your comments or any objection by the end of the public comment period, the Division will assume you have no objection or comment to the proposed activity.

M-GR-03A-P

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

NOTICE
Consideration of Hard Rock Reclamation Permit
Permit Conversion Application

DATE: February 7, 2023

TO: U.S Forest Service
Boulder Ranger District
2140 Yarmouth Ave
Boulder, CO 80301

FROM: Patrick Lennberg

RE: Gold Hill Mill - File No. M-1994-117, Colorado Milling Company, LLC
Permit Conversion Application (CN-1)
Conversion from a 110(2) limited impact to a 110(d) designated mining operation permit

---

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Permit conversion to a designated mining operation based on the storage and usage of chemicals in the mill that can produce acid or toxic chemicals.

The application decision is scheduled for May 8, 2023. Written comments or objections to the application may be submitted to and additional information obtained from Patrick Lennberg at the Division of Reclamation, Mining and Safety, 1313 Sherman St. Room 215
Denver, CO 80203, by telephone at (303) 866-3567 x 8114.

Colorado Milling Company, LLC is required to publish a public notice in a newspaper of general circulation in the locality of the mining operation. If you wish to make comments on or objections to the mine plan and/or the reclamation plan, they must be submitted within ten (10) days of the newspaper public notice to be considered in the application review process by the Division. You should contact the applicant for the newspaper publication date. If we do not receive your comments or any objection by the end of the public comment period, the Division will assume you have no objection or comment to the proposed activity.

Physical Address: 1313 Sherman Street, Room 215, Denver, CO 80203 P 303.866.3567 F 303.832.8106
Mailing Address: DRMS Room 215, 1001 E 62nd Ave, Denver, CO 80216 https://drms.colorado.gov
Jared S. Polis, Governor | Dan Gibbs, Executive Director | Virginia Brannon, Director

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

August 15, 2022

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

RE: Notification of Complex Determination; Technical Revision (TR-11); Gold Hill Mill, Permit No. M-1994-117

Dear Mr. Langenfeld,

On August 11, 2022, the Division of Reclamation, Mining and Safety (Division) received a request for Technical Revision (TR-11) for the designs to install a bulkhead at the Time Mine at the Gold Hill Mill site, Permit No. M-1994-117.

Pursuant to Hard Rock Rule 1.4.1(7) the Division has deemed the TR-11 complex. The Division, at minimum, will need a 3rd party to review the bulkhead designs and pursuant to the Rule the decision date has been extended an additional sixty (60) days to allow for review of the revision application.

The decision date for your application is set for November 9, 2022. The Division will provide any adequacy review items under a separate cover letter.

If you need additional information or have any questions, please contact me by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,

Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert; Division of Reclamation, Mining & Safety

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com

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

April 18, 2022

Mr. Ben Langenfeld, P.E.
Lewicki & Associates, PLLC
3375 West Powers Circle
Littleton, CO 80123

Re: Additional Information Required, 1st Quarter 2022 Groundwater Monitoring Report; Gold Hill Mill, Permit No. M-1994-117

Dear Mr. Langenfeld:

On April 13, 2022, the Division of Reclamation, Mining and Safety (Division/DRMS) received the 1st Quarter 2022 groundwater monitoring report for the Gold Hill Mill. After review of the submission the Division has additional items that need to be addressed or clarified.

1. On the submitted map it indicates the locations to be monitored for the Gold Hill Mill, M1994-117, however the table provides information for a differing set of locations. Please update the table to be consistent with what is indicated on the map.

2. In Technical Revision 9, TR-9, approved in October 2013 it indicates the wells to be monitored and sampled at the site are all four wells (MW1-MW4) located below the tailings impoundment. The map provided only shows MW-1 and MW-5 and other wells W-1 through W-4. Please clearly indicate which wells are to be sampled in accordance with the approval of TR-9.

3. In TR-9 it states the point-of-compliance well for the Gold Hill Mill is to be MW-1. Please clearly indicate which well, MW-1 or W-1, is to be the point-of-compliance well for the site. Additionally, please describe the difference between the two wells including dates of construction.

4. Please provide graphs for the analytes that depict concentration trends over time.

Please respond to these issues within 30 days of the date on this letter. The due date is May 18, 2022. The Division reserves the right to further supplement this document with additional items and details as necessary.

If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,



Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert, DRMS

ec: Ben Langenfeld, Lewicki & Associates, PLLC, benl@lewicki.biz
Jerry Jergensen, Colorado Milling Company, jerryjergensen@aol.com