

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

August 2, 2012

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

**Re: Cresson Project; DRMS File No. M-1980-244;
Amendment 10 (AM10) Geotechnical Preliminary Adequacy Review**

Dear Mr. Comer:

The Division of Reclamation, Mining and Safety (Division) has completed its preliminary adequacy review (PAR) of the geotechnical portion of your 112d-3 Reclamation Permit Amendment Application (AM10)/Mine Life Extension 2 (MLE2) for the Cresson Project. This includes the two letters from FLSmidth, dated May 16, 2012 and July 10, 2012. The Division is utilizing the services of a consultant to assess the following question:

Is there a significant risk that vibration from the new mill could threaten the structural stability of the mill platform?

While the two aforementioned letters are helpful, they do not provide all the information needed to evaluate the question posed to our consultant. Please provide the Division with the following:

1. Average expected vibration,
2. Maximum expected vibration,
3. Material properties for fill above and below the liner,
4. Liner material properties,
5. Dyna 6.0 software methodologies and assumptions used for the analysis,
6. Analysis duration (i.e., was this an instantaneous analysis, did it consider cumulative effects, etc.), and
7. Dimensions – was this a two or three dimensional analysis? If two-dimensional, what cross-sections were used, etc.?

If you have any questions, please feel free to contact the Division.

Sincerely,

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

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

cc: Tom Kaldenbach, DRMS