



Cripple Creek & Victor Gold Mining

A Joint Venture · ANGLOGOLD ASHANTI (COLORADO) CORP., Manager

Operations Office

P.O. Box 191 · 100 North 3rd Street
Victor, Colorado 80860
(719) 689-2977 – Fax (719) 689-3254



SENT CERTIFIED, RETURN RECEIPT REQUESTED

7011-1150-0001-4439-7819

SENT VIA ELECTRONIC MAIL

10 January 2013

Mr. Tim Cazier
Environmental Protection Specialist
Colorado Department of Natural Resources
Division of Reclamation, Mining and Safety
Office of Mined Land Reclamation
1313 Sherman Street, Room 215
Denver, Colorado 80203

Re: Permit No. M-1980-244; Cripple Creek & Victor Gold Mining Company ("CC&V"); Cresson Project; – Request for Technical Revision ("TR 66") Process Solution Enhancement System ("PSES"); Lab Concrete Pad and Liner Extension; and Growth Medium Noise Berm Extension

Dear Mr. Cazier:

CC&V herein provides the response to DRMS Technical Revision TR-66 Preliminary Adequacy Review dated 17 December 2012. Please note that the original request for TR-66 was submitted as TR 10-01 to the Amendment No. 10 to Permit M-1980-244. This TR will be hereafter referred to as TR-66.

The original decision date was 02 January 2013. A request for an extension of the decision date to 10 January 2013 was submitted on 26 December 2012.

The following response addresses the individual comments expressed in the DRMS Preliminary Adequacy Review:

- 1) **Page 3, last paragraph** – PSES Construction Quality Assurance ("CQA") Report Provision – the PSES CQA report was submitted to DRMS on 26 December 2012.
- 2) **Page 4, Concrete Pad**
 - a. **Demolition and removal of concrete pad** – Attachment 14 "Process Solution Enhancement Demolition Costs" includes a provision for the demolition of the

concrete pad and appurtenant concrete curb. The demolition cost for this are included in the posting amount of approximately \$173,000,000 included in the bond estimate calculation agreed upon by CC&V in letter dated 19 December 2012 to the DRMS.

- b. **Concrete pad demolition costs** – As mentioned above, Attachment 14 includes a provision for the demolition of the concrete pad. The demolition cost for this are included in the posting amount of approximately \$173,000,000 included in the bond estimate calculation agreed upon by CC&V in letter dated 19 December 2012 to the DRMS.
- 3) **Page 5, Financial Warranty/Attachment 14** – PSES demolition – The bulk of the PSES components may be ultimately recycled. Once detoxified utilizing CC&V's cyanide detox procedures, including washwater confirmation sampling, the materials able to be recycled will be sent to an appropriate recycling facility. The remaining items will be landfilled.
- 4) **Attachment 13** – Growth Medium Noise Berm
 - a. **Preservation for reclamation** – The noise berm(s) will include a small toe berm for interim stormwater control and seeded to facilitate long term stormwater control.
 - b. **When the stockpiles will be moved with respect to the proposed mine operations in the Schist Island area** – The timing on moving the growth medium noise berm will be toward the very end of the mining cycle within that area. Growth medium or topsoil stockpiles that are more interior to the mining areas will likely be utilized earlier in the mining cycle.

Please contact me at (719)-689-4055 should you have questions or wish to discuss this request for a technical revision.

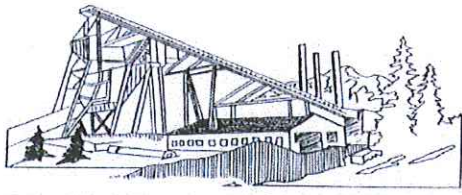
Sincerely,

A handwritten signature in black ink, appearing to read 'Timm Comer', with the words 'For Tim Comer' written in a cursive script below it.

Timm Comer
Manager, Environmental Resources

xc: Sheryl Decker, Acting Teller County Planning Director
Byron Hakes, Mayor, City of Victor

Attachments Enclosed in Triplicate



Ellis Environmental Engineering, Inc.
4342 Ulysses Way
Golden, Colorado 80403

303-279-8532
eeccoscar@att.net

November 19, 2012

Mr. Timm Comer
Cripple Creek & Victor Gold Mining Company
P.O. Box 191
Victor, Colorado 80860

**RE: Process Solution Enhancement ("PSE") Facility Demolition Cost Estimate for
DRMS Permit M-80-244 Cripple Creek & Victor Gold Mining Company**

Dear Mr. Comer,

Ellis Environmental Engineering, Inc. ("EEE") is pleased to provide the enclosed reclamation cost estimate for the Process Solution Enhancement Facility in support of a Technical Revision for Permit M-80-244. In compiling this warranty cost estimate several assumptions were made in the calculations—(1) demolition will be conducted by a demolition contractor, (2) the *2012 Means Heavy Equipment Construction Cost Data* for demolition projects apply to this project, and (3) that the DRMS is to assume responsibility for the reclamation using the posted financial warranty to accomplish the work. As such, this demolition warranty calculation includes costs for third-party equipment, labor, materials, mobilization / demobilization, contractor overhead and profit.

The total financial warranty amount for the PSE Demolition Project is \$567,367 in 2012 dollars.

I trust this calculation will fulfill the needs of DRMS and will allow CC&V to post the required financial warranty. Please contact me if you have any questions.

Sincerely,

Michael D. Ellis, P.E.

Attachments: PSE Demolition Costs (November 2012)

Process Solution Enhancement ("PSE") Facility Demolition Costs

Description of Structure	Type of Structure	Length (feet)	Width (feet)	Height (feet)	Volume (cu ft)	¹ Cost per cu ft	Total Cost (\$)
Main PSE Building	Steel	180	108	55	1,069,200	\$ 0.33	\$ 352,836
PS Stabilization Tank (outside bldg)	Concrete	(95 ft dia x 23 ft high)			162,946	\$ 0.46	\$ 74,955
CoMag Clarifier Tank (outside bldg)	Concrete	(70 ft dia x 23 ft high)			88,470	\$ 0.46	\$ 40,696
Coagulant Storage Tank (outside bldg)	Fiberglass	(50 ft dia x 23 ft high)			2,713	\$ 0.20	\$ 543
Precoat Silo (outside bldg)	Steel	(50 ft dia x 23 ft high)			6,154	\$ 0.33	\$ 2,031
CoMag Train Process Tanks (inside bldg) x 8 tanks	Concrete	17.25	15.5	17	36,363	\$ 0.46	\$ 16,727
Wet Wells (inside bldg) x 2 wells	Concrete	32	16	24	24,576	\$ 0.46	\$ 11,305
Soda Ash Mix Tank (inside bldg)	Steel	(8 ft dia x 8 ft high)			402	\$ 0.33	\$ 133
Precoat Mix Tank (inside bldg)	Steel	(6 ft dia x 6 ft high)			170	\$ 0.33	\$ 56
PSE Thickener Polymer Mix Tank (inside bldg)	Steel	(7 ft dia x 9 ft high)			346	\$ 0.33	\$ 114
PSE Conditioning Tank (inside bldg)	Steel	(6 ft dia x 8 ft high)			226	\$ 0.33	\$ 75
Polymer Storage Tank (inside bldg)	Fiberglass	(12 ft dia x 24 ft high)			2,713	\$ 0.20	\$ 543
Magnetite Silo (inside bldg)	Steel	(8 ft dia x 8 ft high)			402	\$ 0.33	\$ 133
Waste Holding Tank - aka Gravity Thickener / Solids Storage Tank (outside bldg)	Concrete	(50 ft dia x 26 ft high)			51,025	\$ 0.46	\$ 23,472
Walkways, stairs, platforms and other appurtenances	Steel	Assume Lump Sum to cover demolition & removal					\$ 5,000

Demolition of Concrete Pad on East Side with Channel and "Lip" Curb around Perimeter	Concrete	Perimeter Square Footage =		474	\$ 6.45	\$ 3,057
Demolition of "Lip" Curb around Perimeter	Concrete	Cross Section 6" x 6" around Perimeter (108.4 ft x 0.5 ft)		54	\$ 6.45	\$ 350

Description of Structure	Type of Structure	Length (feet)	³ Cost per lineal foot	Total Cost (\$)
Piping (external to the ADR and PSE buildings)				
•North Side from ADR to PSE (6 lines @ 715 ft each)	Varies	4,290	\$ 7.70	\$ 33,033
•South Side from CoMag Clarifier to PSE (3 @ 100 ft)	Varies	300	\$ 7.70	\$ 2,310

Total = \$ 567,367

¹R.S. Means Heavy Construction Cost Data for 2012 page 37 for steel and concrete demolition; \$0.20/cu ft for fiberglass estimated by MDE.

²R.S. Means Heavy Construction Cost Data for 2012 page 38.

³R.S. Means Heavy Construction Cost Data for 2012 page 31.

Note: Means costs include labor, materials, operating costs, overhead, and profit.

Prepared by MDE (10-5-12)

Revised by MDE (11-18-12)