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February 28, 2013

Ms. Loretta E. Pineda Division Director Department of Natural Resources Division of Reclamation, Mining and Safety 1313 Sherman Street, Suite 215 Denver, CO 80203

RECEIVED

RE: Costilla County / BMRI - storage of poor quality waters

Dear Ms. Pineda:

As a follow-up to Costilla County's letter to you of February 26, 2013, we attached a memo of even date which referred to certain exhibits.

We would like to supplement the memo by one additional exhibit: On page 4 (second full paragraph) of the memo, it refers that Mr. Scott Mefford, Costilla County's engineering consultant, having concluded that a substantial release of poor quality waters from the lined tailings facility would reach the aquifer underlying the Salazar Ranch. In support of that statement, and related statements which deals with BMRI's water management practices, and the prior and current use of the lined tailings facility, we are attaching Mr. Mefford's trial testimony in Case No. 2007CW42 (pp.1-12, 33-94).

Thank you.

Very truly yours,

John C. McClure, on behalf of Costilla County Conservancy District And the Board of County Commissioners of Costilla County

<u>/s/ Ed Lobato</u>

Edwin J. Lobato, on behalf of The Board of County Commissioners of Costilla County, the Montez Ditch, San Luis Peoples Ditch, Acequia Chiquita Ditch, and the Espinosa Ditch

JCM:aa Enclosure

1 RECEIVED FEB 2 8 2013 1 Division of Rield Office Mining Areclamation 2 DISTRICT COURT WATER DIVISION 3 Mining and Safety 3 STATE OF COLORADO 4 702 Fourth Street Alamosa, CO 81101 5 6 IN THE MATTER OF THE APPLICATION FOR WATER 7 RIGHTS OF BATTLE MOUNTAIN RESOURCES, 8 INC., IN COSTILLA COUNTY 9 ^COURT USE ONLY^ 10 Case No. 2007CW42 For the Petitioner: 11 JAMES S. WITWER, #19482 ANDREA ASEFF, #42571 12 KRISTIN BAILEY, #44868 13 For the Board of Cty Cmmr's of Costilla 14 County & Costilla Cty Conservancy District: 15 JOHN C. MCCLURE, #2896 16 For the Board of Cty Commr's & Montez, 17 Espinosa, Acequia Chiquita, & San Luis 18 People's Ditches: Edwin J. Lobato, #4699 19 20 REPORTER'S TRANSCRIPT 21 (Excerpt of Proceedings) 22 The trial in this matter continued on Wednesday, December 12, 2012, before the HONORABLE 23 PATTIE P. SWIFT, Water Judge within and for the 12th Judicial District, State of Colorado. 24 25

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	1	SCOTT MEFFORD
	. 2	called as a witness on behalf of the Objectors,
00:00:00	3	having been first duly sworn testified as follows:
00:00:00	4	DIRECT EXAMINATION
00:00:01	5	BY MR. MCCLURE:
00:00:01	6	Q Would you state your name, please.
00:00:14	7	A Scott Gibson Mefford.
00:00:17	8	Q And your address, sir.
00:00:19	9	A My business address is 12975 West 24th
00:00:25	10	Place in Golden, Colorado.
00:00:28	11	Q And what business are you in, sir
00:00:32	12	involved in, sir?
00:00:34	13	A I am president of Hydrokinetics, which is
00:00:38	14	a water engineering and scientific firm.
00:00:43	15	Q And how long have you been involved in
00:00:46	16	that line of work?
00:00:48	17	A I began working in the water field
00:00:54	18	immediately upon graduation from college in 1972,
00:00:59	19	and I have worked in the field of hydrology,
00:01:03	20	geology, and related fields ever since.
00:01:09	21	Q Where did you graduate from, sir?
00:01:11	22	A I have a degree in geophysical
00:01:17	23	engineering from the Colorado School of Mines.
00:01:19	24	Q What certifications do you hold?
00:01:32	25	A I am a certified professional geologist.
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00:01:38	1	I'm a registered professional geologist in the
00:01:41	· 2	state of Wyoming. Wyoming has a registration law
00:01:44	3	for geologists as well. Colorado doesn't
00:01:47	4	specifically have a registration law, but
00:01:49	5	generally relies upon the AIPG, American Institute
00:02:06	6	of Professional Geologists.
00:02:11	7	Q Do you believe you have any expertise in
00:02:14	8	the area of groundwater hydrology?
00:02:17	9	A Yes. As I indicated, I have both
00:02:22	10	academic experience and practical experience or
00:02:25	11	work experience in that field. Beyond my academic
00:02:35	12	experience in geophysical engineering at the
00:02:38	13	School of Mines, I also graduated from the United
00:02:41	14	States Army Officer Engineer School at Fort
00:02:46]	15	Belvoir, Virgínia, and returned and completed
00:02:49 1	.6	graduate work at the Colorado School of Mines
00:02:52 1	.7	did not get my master's because I haven't
00:02:54 1	.8	completed or didn't complete the thesis. I got a
00:02:57 1	9	job offer and didn't get that done.
00:02:59 2	0	Q Can you briefly describe your work
00:03:02 2	1	history, sir.
00:03:04 2	2	A In 1973, '72 or '73, I went to work for
00:03:12 2	3	the firm of Willard Owens Associates, which was a
00:03:14 2	4	groundwater engineering firm based in Wheat Ridge,
00:03:18 2	5	Colorado. I worked for that firm until I took off
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00:03:24 1 and started my own firm in 1983. That's the firm 00:03:28 of Hydrokinetics Incorporated, and I've been 2 00:03:35 3 working for that firm, Hydrokinetics, ever since. 00:03:42 4 Q What experience do you have in 00:03:44 5 groundwater hydrology? 00:03:45 6 A٠ The primary focus of my practice both at 00:03:55 7 Willard Owens Associates and at Hydrokinetics has been exactly in the field of groundwater hydrology 00:03:59 8 and related topics. 00:04:01 9 00:04:07 10 Q Can you give us a general background as 00:04:10 11 to the type of cases you've been involved in 12 00:04:15 involving groundwater hydrology over the years. 00:04:17 13 A We -- I have done -- conducted a variety 00:04:24 14 of different kinds of studies for purposes of 00:04:28 15 development of water supplies, for water quality 00:04:34 16 concerns, water quality analysis, for water rights 00:04:37 17 purposes. We've done a considerable amount of 00:04:42 18 municipal water supply development work, including construction of wells, design and engineering of 00:04:45 19 00:04:48 20 well systems, groundwater modeling issues, 00:05:00 21 geologic mapping. 00:05:03 22 We do a considerable amount of work for special districts, in particular, municipalities 00:05:06 23 24 and special districts in regards to development of 00:05:09 00:05:12 25 their water rights, development -- physically,

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00:05:17	1	development of their water supplies.
00:05:19	2	Q And do you apply your background in
00:05:22	3	geology to any of those hydrologic studies?
00:05:26	4	A Yes. Certainly aquifer systems are
00:05:28	. 5	geologic systems and to understand first, to
00:05:31	6	understand an aquifer system, it's first important
00:05:34	7	to understand the geology.
00:05:35	8	Q You indicated you had experience in water
00:05:38	9.	quality. Could you tell us what type of
00:05:40	10	experience you've had.
00:05:43	11	A We have done I have done a variety of
00:05:47	12	different water quality projects. I've worked for
00:05:52	13	Texaco International on spills related to gasoline
00:05:59	14	where we have investigated the extent of the
00:06:02	15	spill, developed contaminate and cleanup processes
00:06:07	16	and implemented those processes.
00:06:11	17	I have worked for East Cherry Creek
00:06:16	18	Valley Water and Sanitation District on various
00:06:18	19	water quality issues, including implications of
00:06:22	20	the Lowry Superfund Site and contaminate migration
00:06:26	21	from that superfund site on to the district. I've
00:06:30	22	also been appointed by the governor as a member of
00:06:35	23	the Lowry Superfund monitoring committee, which
00:06:38	24	was a committee that was established to allow
00:06:40	.25	public input to the superfund process.

00:06:47 1 Let's see, there's a lot of others that 00:06:49 2 we work on that had water quality implications. I've worked with Cherokee Water and Sanitation 00:06:53 3 00:06:57 - 4 District out of Colorado Springs on a water project where they have to monitor groundwater 00:07:00 5 downgradient of seepage ponds that are associated 00:07:03 6 00:07:06 7 with their sewage disposal facilities. 00:07:10 8 I've worked on a host of petroleum cleanup projects for Montgomery Ward -- "host," 00:07:15 9 00:07:18 I'll say, six of them -- where, when Montgomery 10 00:07:22 11 Ward closed down some years ago, they had gasoline 00:07:29 12 leaks that needed cleaned up. I've done work at Gill Stapleton Airport in a similar regard, 00:07:38 13 00:07:41 14 groundwater cleanup. 00:07:44 What about -- have you been involved in 15 0 00:07:49 16 water management issues? 00:07:50 17 Yes, uh-huh. А 00:07:51 18 And could you tell me your experience in 0 00:07:53 19 water management. A great deal of the work that we do for 00:07:57 20 A 21 municipalities is really a management process. 00:07:59 We 00:08:03 22 work with them from the very start to develop. water rights through the implementation of those 00:08:08 23 00:08:11 24 water rights and then getting the water into the 00:08:14 25 pipeline.

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00:08:14	1	So, for example, East Cherry Creek Valley
00:08:19	2	Water and Sanitation District, which is one of our
00:08:22	3	larger clients, we have put together some of the
00:08:26	4	initial water rights packages. To the degree that
00:08:33	. 5	there were aug plans associated with some of
00:08:37	б	those, he have either developed or assisted in the
00:08:40	7	development of the administration programs for
00:08:42	8	those; the accounting packages for those, which
00:08:45	9	require that you track the water through the
00:08:47	10	system; and then physically watching where the
00:08:49	11	water goes.
00:08:51	12	In that particular case, water comes into
00:08:54	13	Barr Lake, various manipulations occur in Barr
00:08:58	14	Lake. There's an accounting balance associated
00:09:00	15	with Barr Lake that has to be kept track of.
00:09:03	16	Water is taken out of Barr Lake. Some of it goes
00:09:05	17	into the alluvial aquifer system. Water is pumped
00:09:09	18	from the alluvial aquifer system through a well
00:09:18	19	system that we constructed, and it's important to
00:09:19	20	keep track of the quantities of water that we pump
00:09:23	21	from that well system.
00:09:25	22	In addition to that, there's a recharge
00:09:26	23	facility that we constructed; and it's necessary
00:09:29	24	to very specifically account for and track the
00:09:33	25	water that goes into that recharge facility and

00:09:36 . 1 how that gets back into the system. 00:09:39 2 It's important that it's tracked both for 00:09:41 3 legal reasons, for compliance with the 00:09:43 4 augmentation plan; but it's also important that 00:09:46 5 it's tracked physically so that we can make sure 00:09:49 that the wells -- that the water is not just paper 6 00:09:53 7 water but it's really going to result in 00:09:56 8 production. 00:09:58 9 Is water balance calculations part of Q 00:10:01 10 groundwater management considerations? 00:10:03 11 А Yes. 00:10:05 12 And you've been involved in water balance 0 00;10:09 13 calculations in the past, analyses? 00:10:12 14 Yes. А 00:10:13 15 0 Also, do you have any expertise in ground 00:10:21 and surface water matters in general? 16 00:10:23 17 А Yes. We talked about, I think, 00:10:26 18 groundwater issues to some considerable degree. 00:10:29 19 We deal routinely with issues of surface water, 00:10:34 20 groundwater interaction. We don't do as much 00:10:39 21 strictly surface water diversion kinds of work, but where there is an interaction between surface 00:10:43 22 00:10:46 23 waters and groundwaters, we work on many projects 00:10:50 like that. 24 00:10:51 25 Were you qualified as an expert witness Q

00:10:57 1 in one of the prior cases, 89 CW 32? 00:11:02 2 А Yes. 00:11:03 And did you testify in that case? 3 Q 00:11:05 4 Α Yes. Okay. You testified for the opposers Dos 00:11:06 5 Q 00:11:13 6 Hermanos Ranches in that case? 00:11:14 7 That's correct. А 00:11:17 8 You've been qualified -- have you been Q qualified to testify in court as an expert 00:11:20 9 00:11:23 witness, aside from that occasion? 10 00:11:24 11 Α Yes. 00:11:24 12 And on how many different occasions? Q. 00:11:30 13 А A lot. I'm trying to remember. I don't 00:11:33 14 know as I could tell you exactly how many. Ιn 00:11:35 15 excess of a dozen though, I'm sure. 00:11:37 16 Have you been involved in water matters Q 00:11:40 17 - in Division 3? 00:11:42 18 A Yes. 00:11:42 19 Q Were you involved in trials in Division 3 00:11:46 20 on other matters? 00:11:47 21 А Yes. 22 00:11:47 Were you qualified as an expert witness 0 00:11:49 23 in those cases? 00:11:50 24 Α Yes. 00:11:53 25 Have you done work in the San Luis Valley Q

. 10

00:11:57	1	aside from this case then, I assume?
00:12:00	2	A Yes.
00:12:00	3	Q Could you briefly describe what type of
00:12:03	4	work you've done in the San Luis Valley.
00:12:07	5	A We have worked on moving wells, the
00:12:12	- 6	transfer of wells. We did some work down in the
00:12:16	7	town of Sanford I believe it was for the school
00:12:18	8	district down there where they had acquired a
00:12:21	9	well, and it was located on a ranch, and it needed
00:12:23	10	to be moved to a new location consistent with the
00:12:26	11	rules and regulations.
00:12:28	12	We've actually worked for the town of
00:12:29	13	Alamosa in looking at water supplies for their
00:12:33	14	golf course, well construction for water supplies
00:12:37	15	for their golf course.
00:12:39	16	We have worked on two different cases
00:12:41	17	associated with the development of the groundwater
00:12:45	18	district in the Closed Basin. We actually worked
00:12:49	19	for the senior rights on the Rio Grande and
00:12:52	20	Conejos Rivers in that aspect. That was a case
00:12:57	21	that had a great deal to do with the interaction
00:12:59	22	between the surface water in the Rio Grande and
00:13:02	23	the Conejos and the groundwater systems,
00:13:07	24	especially the groundwater systems in the Closed
00:13:10	:25	Basin area.

00:13:10	1	Q Go ahead, I'm sorry.
00:13:14	2	A Other projects we worked on we've done
00:13:17	. 3	groundwater modeling some considerable number of
00:13:20	4	years ago at the San Luis Lakes facility. It's
00:13:25	5	managed by BLM. That work was done for the
00:13:28	6	federal government.
00:13:32	7	Q That's fine. You mentioned you worked on
00:13:35	8	the this first case on 89 CW 32. What about
00:13:38	9	the second case, 99 CW 57?
00:13:41	10	A As I recall, that didn't go to trial; but
00:13:48	11	we did work with pretty much the same group or at
00:13:50	12	least with the county and the conservancy district
00:13:53	13	in evaluating that decree.
00:13:54	14	MR. MCCLURE: Okay. We would offer
00:13:59	15	Mr. Mefford as an expert witness in groundwater
00:14:02	16	hydrology, geology, water quality, water
00:14:07	17	management, and ground and surface water
00:14:10	18	interaction.
00:14:10	19	THE COURT: Thank you, Mr. McClure.
00:14:12	20	Mr. Witwer, any objection?
00:14:14	21	MR. WITWER: May I voir dire, Your Honor?
00:14:16	22	THE COURT: You may.
00:14:17	23	VOIR DIRE EXAMINATION
00:14:19	24	BY MR. WITWER:
00:14:19	25	Q Mr. Mefford, you're not a registered
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01:01:04	1	Q (By Mr. McClure) Mr. Mefford, let me ask
01:01:07	2	you, concerning the issue that was addressed and
01:01:14	3	your investigation of the Lined Tailings Facility
01:01:18	4	as a reservoir and ability to store waters as is
01:01:24	· <u>`</u> 5	being contemplated as part of this action, could
01:01:29	6	you address those, please.
01:01:33	7	A If I understand what you're asking me,
01:01:35	8	yes, we're looking at it as a reservoir; and, in
01:01:39	.9	the work that I do, we deal with reservoir issues
01:01:46	10	on a fairly routine basis.
01:01:49	11	For example, right now we're doing an
01:01:52	12	analysis of leakage beneath Barr Lake, which is a
01:01:56	13	big reservoir up by Brighton; and we're making
01:02:01	14	determinations of the water balance in that
01:02:03	15	reservoir, how much comes in, how much comes out,
01:02:05	16	and how much is leaking out and seeping out.
01:02:09	17	We're doing drilling, and we're doing groundwater
01:02:12	18	modeling and so on to make that evaluation. So,
01:02:15	19	certainly, we deal with those kinds of aspects
01:02:18	20	with regard to more traditional storage
01:02:20	21	structures.
01:02:22	22	And what I'm indicating here to you is
01:02:24	23	that this is not what we would envision as a
01:02:27	24	traditional storage structure, traditional
01:02:30	25	reservoir.
	· 1	

01:02:31		MR. WITWER: I raise the same objection
01:02:32	2	and move to strike.
01:02:34	3	THE COURT: Okay. I'm actually going to
01:02:36	4	overrule that objection. I'm going to let that
01:02:38	5	testimony stand. You may proceed, Mr. McClure.
01:02:42	6	Q (By Mr. McClure) From a water management
01:02:44	7	standpoint and as a vessel to store water as a
01:02:47	8	reservoir, have you conducted any analysis?
01:02:53	9	A We have requested, through the discovery
01:03:02	10	process, information that would be usable in
01:03:09	11	defining water balance, defining how those how
01:03:18	12	the things like the storage curve and how an
01:03:22	13	understanding of the water that's stored in the
01:03:25	14	reservoir, the elevation of the water and so on,
01:03:28	15	may impact things; but we have been unable to
01:03:31	16	secure that information through the discovery
01:03:33	17	process.
01:03:33	18	Q Did you conduct any historical analysis,
01:03:35	19	by looking at any documents, determining to
01:03:39	20	determine whether or not this Lined Tailings
01:03:43	21	Facility could be used for storage of waters?
01:03:46	22	A We looked at some construction documents,
01:04:01	23	to the degree that they were available, through
01:04:02	24	the Mined Land Reclamation Board, or DRMS as it's
01:04:07	25	now called.
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01:04:08 Q Did you look at any transcripts of 1 01:04:12 hearings? 2 In particular, we looked at the 01:04:13 3 A We did. 01:04:17 4 transcript of a BMG hearing -- I think it's in 1999 -- in which representatives of the 01:04:22 5 01:04:25 6 engineering firm working for Battle Mountain Gold on the design of the system testified. 01:04:28 7 01:04:33 You attached a transcript to your report 8 0 from January 29, 1990. Is that the document 01:04:37 9 10 you're referring to as the '99 document or 01:04:42 01:04:45 11 something else? 12 Yes, that's correct. 01:04:45 А January 25, 1990. And did you 01:04:53 13 0 investigate concerning the testimony that was 01:04:58 14 01:05:02 15 given in that proceeding concerning use of the Lined Tailings Facility for storage of waters? 01:05:05 16 I had interest in the opinions of the 01:05:10 17 А 01:05:12 18 design engineers, as to their testimony in regard 01:05:18 19 to whether or not the facility was designed to store water. Certainly they are the design 01:05:23 20 engineers. They are the ones that should have the 01:05:26 21 01:05:28 22 expertise and the understanding of how that particular facility is best suited to or not to 23 01:05:31 store water. 01:05:37 24 01:05:37 25 0 And are these the design engineers that

were consultants to Battle Mountain Resources, 01:05:41 1 01:05:46 2 Inc., from SRK Engineering? That's correct, yes. 01:05:48 3 А 01:05:49 0 4 And that was a Mr. Dorey? Rob Dorey, I 01:05:52 5 believe, is the name. 01:05:53 6 Α Yes. 01:05:53 7 And Ms. Anne Baldrige? Q Yes. I believe she also testified in 01:05:58 8 А 01:06:00 9 that hearing. 01:06:02 In your report, you referred to testimony 10 Q 01:06:04 11 of those two persons and how that might be 01:06:08 12 material to the use of that facility for storing 01:06:11 13 liquids. Are you aware of that? Yes. 01:06:14 14 А 15 01:06:15 And what do you think was relevant Q concerning their testimony concerning the ability 01:06:18 16 01:06:23 17 to contain liquids? 18 01:06:26 А The testimony of Mr. Dorey, in particular, was -- I will have to paraphrase it 19 01:06:30 01:06:35 20 just a little bit because I don't have it right here in front of me, but it was fairly explicit 01:06:37 21 01:06:40 22 indicating that this facility was designed to 01:06:44 23 store tailings not to store water, not to store 01:06:47 24 fluids. 01:06:47 25 MR. WITWER: I'm going to object to the

extent that the testimony of this witness 1 01:06:49 misstates information that's already contained in 01:06:50 2 a 200-page exhibit that's in evidence. 01:06:53 3 MR. MCCLURE: I don't know if it is in 01:06:56 4 evidence; but we would introduce it at this point 01:06:57 5 in time, Your Honor. I didn't think it had been 01:06:59 . 6 introduced. 7 01:07:02 THE COURT: All right. Well, actually, 8 01:07:03 01:07:06 9 it hasn't been admitted. MR. MCCLURE: That is tab 20, Exhibit T; 01:07:11 10 and we would offer into evidence the transcript of 11 01:07:17 the January 25, 1990, hearing for MLRB. 01:07:20 12 01:07:26 13 THE COURT: All right. Mr. Witwer, any objection? 01:07:30 14 MR. WITWER: May I have a moment, 15 01:07:30 01:07:31 16 Your Honor? 17 THE COURT: You certainly may. 01:07:32 (There was a brief pause in the 01:07:32 18 01:07:32 19 proceedings.) 01:07:32 20 MR. WITWER: Can we just go off the 01:07:32 21 record? THE COURT: The question before me is to 01:08:13 22 01:08:15 23 admit. And, if you want to go off the record, 01:08:21 24 that's fine with the Court too. (There was a brief pause in the 01:08:21 25

01:08:21 proceedings.) 1 THE COURT: 01:08:22 Back on the record. 2 Gο 01:09:06 3 ahead, Mr. Witwer. 01:09:08 4 MR. WITWER: Thank you. Your Honor, 5 subject to our continuing urging of the Court to 01:09:09 6 take any documents that are related to water 01:09:12 01:09:16 7 management on the tailings -- it is not an issue 01:09:21 8 that the applicant believes is relevant in this 9 case whatsoever -- make them only conditionally 01:09:23 relevant subject to the connecting up of proof of 01:09:26 10 01:09:30 11 likelihood that water management will contaminate the replacement sources, replacement water 01:09:33 12 available under the Salazar Ranch water rights; 01:09:54 13 01:10:01 14 and subject to that urging of the Court to admit 01:10:06 15 it as only conditionally relevant later to be 01:10:09 stricken, we have no objection. 16 01:10:11 17 THE COURT: Thank you, Mr. Witwer; and I 01:10:13 18 do admit it. And I agree with Mr. Witwer on that; 01:10:18 19 that it is dependent on the condition that the 01:10:23 20 relevancy be established; but I will admit it on that condition. 01:10:25 21 01:10:26 22 MR. MCCLURE: Thank you, Your Honor. (Objectors' Exhibit CC-T, 1/25/90 01:10:27 23 Transcript, was received into evidence.) 01:10:38 24 01:10:38 25 0 (By Mr. McClure) Going to your report

01:10:41 1 itself, I believe the question had been asked you 01:10:45 2 about Mr. Dorey's testimony concerning that the 01:10:46 3 facility is designed to contain solids and not to 01:10:52 4 contain liquids. Is that relevant for your 01:10:55 5 purposes of an analysis? A Yes. 01:10:58 6 01:10:59 And why do you say that? 7 0 01:11:05 8 A . If it is being now used as a water 01:11:09 9 storage vessel, when it wasn't intended by the design engineers to be utilized as a water storage 01:11:14 10 vessel, that would seem to be of considerable 01:11:18 11 01:11:20 12 concern to me. 13 MR. WITWER: Your Honor, I'm going to 01:11:21 object and move to strike. That's not a 01:11:22 14 01:11:24 15 professional opinion. That's something that 01:11:26 anybody could say based on their interpretation of 16 01:11:31 17 what two people said 22 years ago who actually 01:11:34 18 knew something about design of tailings 01:11:37 19 impoundments, but that's not a professional opinion. 01:11:39 - 20 THE COURT: I'm just going to let you 01:11:39 21 01:11:41 22 cross-examine him and make these things clear to 23 me, Mr. Witwer. So I'm going to overrule that 01:11:44 objection. You may proceed, Mr. McClure. 01:11:47 24 01:11:49 25 (By Mr. McClure) You also had a quote 0

01:11:51 1 from Anne Baldrige of SRK Engineering, and that 2 referred to the pump-back system taking slurry 01:11:55 01:12:02 3 from the mill to the tailings facility and pumping back waters. Do you recall that quote? 01:12:05 4 01:12:08 5 Α Yes. Could you explain why you believe 01:12:08 б Q Okay. 7 that is relevant for purposes of your analysis. 01:12:13 01:12:17 8 A Well, as the design engineers explained 01:12:22 9 in that testimony, the water is being -- is carrying the tailings to the pond. 10 It's the 01:12:28 transport mechanism, and so water ends up in the 01:12:31 11 01:12:34 12 pond as part of the tailings. And the purpose of 01:12:37 13 the tailings pond is to decant the water and distribute the tailings at the location that 01:12:41 14 01:12:43 15 they're designed to be located. 01:12:45 16 I think that was the testimony in that 01:12:49 17 case or in that hearing, but the important part of Baldrige's testimony there is the fact that water 01:12:55 18 01:12:59 19 then, after it's decanted, is not designed to be stored or dissipated there. It's designed to be 01:13:05 20 pumped back and reused at the mine facility. 01:13:08 21 01:13:15 22 So it operates in a cycle. The water 23 that brings the tailings over, deposits the 01:13:18 01:13:20 24 tailings. That water is picked up, pumped back up to the mill facility, and goes through the loop 01:13:22 25

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01:13:25	1	again. So the water is circulated, but the water
01:13:28	2	is not designed to be stored in any large
01:13:31	3	quantities or dissipated in any large degree at
01:13:36	4	that point.
01:13:36	5	Q I believe that area of testimony that you
01:13:44	6	quoted from Anne Baldrige referred to a free water
01:13:49	7	pool on top of the Lined Tailings Facility. Do
01:13:52	8	you recall that?
01:13:52	9	A Yes.
01:13:53	10	Q Okay. Does that have any significance to
01:14:00	11	you in terms of your analysis, particularly
01:14:03	12	well, during the mining phase and also post
01:14:06	13	mining?
01:14:11	14	A That pond is part of the decant process,
01:14:14	15	but that pond is also there's some evaporation
01:14:20	16	off of it. I'm not sure I understand the
01:14:22	17	question.
01:14:23	18	Q Well, during the mining phase, there was
01:14:25	19	a pond on the top of the Lined Tailings Facility?
01:14:30	20	A Yes.
01:14:30	21	Q And I'm asking you about that. Is that
01:14:34	22	what your understanding was?
01:14:36	23	A Yes, my understanding, that existed.
01:14:45	24	Q Is there any significance, in terms of
01:14:47	25	your analysis, to having a pond on the Lined
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01:14:51 Tailings Facility after the mining phase has 1 01:14:54 2 ceased? Well, as I read the reclamation plan, the 01:14:59 3 A · 01:15:02 4 idea ultimately was to close those facilities; to 5 dry out the LTF, the Lined Tailings Facility; and 01:15:09 to restore it to natural conditions by adding such 01:15:13. 6 conditional topsoil and regrading as was necessary 01:15:20 7 01:15:24 8 to reestablish it under natural conditions. Do you have an opinion as to the use of 01:15:26 g Q 10 that Lined Tailings Facility as is now proposed in 01:15:31 01:15:37 11 this plan of augmentation for water storage 12 01:15:40 purposes? It's my opinion that it wasn't designed 13 01:15:44 А for that purpose; and lacking any more information 01:15:47 14 or lacking a structural engineer's evaluation of 01:15:55 15 01:15:59 the use of that facility for that purpose, I think 16 that there is some risk in using it for storage. 01:16:01 17 01:16:12 18 It's my understanding that there's not been a structural engineer or geotechnical 01:16:13 19 engineer that's done any work to determine whether 01:16:17 20 or not water can be stored safely in that 01:16:20 21 01:16:23 22 facility, especially an undisclosed or undetermined quantity of water, because we have no 01:16:27 23 understanding of how much water -- what the 01:16:31 24 maximum quantity of water might be that would be 01:16:34 25

intended to be stored in there. 01:16:37 1 01:16:39 2 There are no limits in the decree, as far 01:16:41 3 as I can read it, as to the quantities of water 01:16:45 4 that can be stored in there. So I think there are 01:16:48 considerable safety issues, and it hasn't been 5 looked at by a structural or geotechnical 01:16:51 6 01:16:54 7 engineer. MR. WITWER: I'm going to object, 01:16:54 8 01:16:56 Your Honor, for the record for the same purpose, 9 01:16:57 10 considerable safety issues that relies on 01:17:01 11 expertise this witness does not possess. 01:17:03 12 THE COURT: Your objection is noted, Mr. Witwer. Thank you. You may proceed, 01:17:04 13 Mr. McClure. 01:17:07 14 MR. WITWER: To clarify, are you 01:17:09 15 01:17:11 overruling my objection? 16 01:17:12 17 THE COURT: I'm overruling your 01:17:14 18 objection. Sorry. 01:17:15 19 (By Mr. McClure) 0 In analyzing this 01:17:24 20 facility as a reservoir, this is a man-made reservoir? 01:17:29 21 01:17:31 22 А It's a man-made facility. And there is a liner underneath it and 01:17:34 23 Q 01:17:37 24 then an under drain system? 01:17:39 25 A That's my understanding, yes.

Would the ability to store waters in the future, after mining ceased, be related to the integrity of the liner?

MR. WITWER: Objection, Your Honor, same 01:18:04 4 01:18:09 5 objection.

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THE COURT: Overruled. 01:18:09 6 Well, if the liner leaked, certainly that Α' 01:18:11 7 causes some problems both with the ability of the 01:18:13 8 01:18:16 9 vessel to store water and with the release of 10 contaminates if that were the case. 01:18:20

01:18:23 (By Mr. McClure) And, once again, that 11 0 12 01:18:24 can be, if you had enough information, something that possibly could be determined through a water 01:18:27 13 balance calculation, with the necessary. 01:18:29 14 information? 01:18:34 15

01:18:34 16 Α Certainly, if there were enough leakage out of there that was recognizable, that could 01:18:38 17 01:18:40 18 very well be in a water balance calculation. 01:18:42 19 0 Let me go to Opinion No. 6 on the West 01:19:07 20 Pit water quality on page 7 of your report. Did you give an opinion about the water quality in the 01:19:09 21 West Pit is not of adequate quality to discharge 01:19:14 22 01:19:17 23 into the Rito Seco? I did. 01:19:18. 24 Ä And what -- this was in August of --

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01:19:25	1	20th, 2012, you conducted some sort of an analysis	
01:19:33	2	concerning that. Could you briefly describe what	
01:19:36	3	analysis you conducted.	
01:19:37	4	A We, actually, looked at the work that the	
01:19:41	5	health department had done back when the original	
01:19:46	6	leak from the West Pit was found to be reaching	
01:19:50	7	the Rito Seco. I believe, at that time, the	
01:19:55	8	health department determined that there were	
01:19:58	9	potential issues with a number of parameters. As	
01:20:02	10	I recall, at least sulfates, manganese, total	
01:20:07	11	dissolved solids, I believe, were discussed; and	•
01:20:11	12	the health department at that time concluded that	
01:20:15	13	the release would not be acceptable and not meet	
01:20:20	14	stream standards.	
01:20:22	15	Since that time, there has been and there	
01:20:28	16	continues to be monitoring; and the discharge	
01:20:30	17	permit continues to be in place such that waters	
01:20:34	18	are not allowed to be released to the stream	
01:20:37	19	without treatment. So that indicates to me that	
01:20:41	20	the condition that the groundwaters don't meet	
01:20:48	21	stream standards continues to exist.	
01:20:50	22	Q Can you please indicate what analysis you	
01:20:56	23	did concerning a review of information as to the	
01:21:00	24	piercing of the green clay layer during the mining	
01:21:04	25	period and how that has affected water quality.	

01:21:08	1	A There is considerable discussion of the
01:21:13	2	geology of the West Pit and the significance of
01:21:18	3	the green clay layer to the geology and the
01:21:21	4	hydrogeology of the West Pit that can be found in
01:21:24	5	TR-15. TR-15 was developed after this leak was
01:21:30	6	identified.
01:21:32	7	There was a green clay layer. It was one
01:21:37	8	type of layer. Actually, it's a gouge material,
01:21:40	· 9	which is a material that is created by the
01:21:44	10	movement of rocks along the fault; and it's,
01:21:47	11	essentially, a clay barrier to flow. And,
01:21:50	12	historically, this is an almost vertical barrier.
01:21:54	13	So when we say "layer," it's not just a flat
01:21:57	14	layer, but it's at an angle. That barrier to flow
01:22:04	15	prevented large quantities of water from the north
01:22:08	16	of the green clay layer from reaching the Rito
01:22:15	17	Seco.
01:22:15	18	During the mining operation, that clay
01:22:19	19	layer was breached. That gouge layer was breached
01:22:23	20	such that waters from the north, which were of
01:22:26	21	poor quality, were able to reach the West Pit and
01:22:37	22	flood the West Pit and then interact with the
01:22:42	23	chemistry of the rock material that was refilled
01:22:45	24	into the West Pit and create water quality
01:22:48	25	conditions which were inappropriate to put into

01:22:53 · 1 the stream. 01:22:53 2 Q And just kind of in a time reference, after mining, the West Pit was filled in with some 01:22:57 3 · 4 fill material. Is that what you're referring to 01:22:59 01:23:02 5 as the interaction? 01:23:03 A Yes. 6 01:23:04 So it's the interaction of the water with 7 Q 01:23:06 that fill material that creates a water quality 8 01:23:09 9 issue? 01:23:10 10 A Yes. And the breaching of the green clay, in part, creates the head conditions within 01:23:16 11 01:23:21 12 the West Pit that caused the problem with the 01:23:24 13 water level rise and release into the Rito Seco that didn't occur under natural conditions. 01:23:27 14 Q And the pumping of the West Pit wells, 01:23:30 15 wells that have been referred to as the West Pit 01:23:36 16 01:23:38 17 wells, the four wells, for remediation purposes, do you have a view as to whether or not that helps 01:23:43 18 01:23:45 19 cure that problem? 01:23:46 20 A It does. It maintains the water level at 01:23:49 21 an elevation in the alluvium that is below the point at which it can be released into the Rito 01:23:54 22 01:23:58 23 Seco, and it also keeps the water level in the 01:24:01 24 tailings -- not tailings, in the rock that was 01:24:04 25 used as backfill in the West Pit below a level

1 01:24:09 that causes water quality problems through 2 geochemical interaction. 01:24:13 01:24:15 3 Q So the maintenance of a certain level in 01:24:18 4 the West Pit actually helps maintain water 01:24:22 5 quality? 01:24:22 6 А Yes. 01:24:23 7 But I think you also said it reverses the Q hydraulic gradient or words to that effect. 01:24:26 8 01:24:29 9 Α Yes. 01:24:29 10 Q And that's to create waters from spilling 11 over into the Rito Seco? 01:24:32 01:24:34 12 Yes. Α 01:24:36 13 0 And those West Pit waters that are 14 01:24:40 discharged to the Water Treatment Facility, from 15 01:24:43 your investigation, is that accomplishing a 01:24:46 16 purpose that's desired as to the use of the Water 01:24:54 17 Treatment Facility? 01:24:54 18 Yes. I mean, the Water Treatment A 19 01:24:58 Facility serves a specific purpose in resolving 01:25:01 20 the water quality issues, yes. 01:25:02 21 From your observations or knowledge, it Q 01:25:05 22 functions appropriately? А Yes. 01:25:07 23 01:25:12 24 Q Is this an ongoing situation concerning 01:25:17 25 waters emanating up and into the West Pit?

Yes. А 01:25:19 1 And why do you say that? 01:25:20 2 Q Well, the geology has been permanently 01:25:22 3 Ά 01:25:25 4 altered with the breaching of the green clay and the backfilling of the West Pit with the rock, 01:25:28 5 waste rock. 01:25:42 6 When you talk about breaching the green 01:25:43 7 Ö clay layer, is that breaching a confining layer. 01:25:46 8 Essentially that's it, yes. 9 01:25:48 А Okay. Would you explain to the Court 01:25:50 10 01:25:53 11 what that means in terms of a confining layer? Well, a confining layer is a layer that 01:25:56 12 A can create an artesian head and can allow waters 13 01:26:02 to -- can confine water such that if it is 01:26:05 14 breached, the water level can rise above the 01:26:11 15 confining layer. 01:26:17 16 An example down here would be the blue 01:26:21 17 01:26:24 18 clay sequence. We know that as we penetrate the blue clay sequence in the Closed Basin, we get 01:26:27 19 flowing wells. And those flowing wells are 01:26:30 20 operating because of an artesian head, and that 01:26:32 21 artesian head is generated because we have 01:26:36 22 recharge to the blue clay at a higher elevation 01:26:38 23 than a particular flowing well. And we have this 01:26:45 24 01:26:47 25 confining clay that holds the pressure in until

it's breached with the well. 01:26:51 1 01:26:53 2 Same kind of situation with the confining 01:26:55 3 layer in the green clay. The geometries are just 01:26:59 a little bit different because its not a flat 4 5 01:27:01 layer in the same sense that the blue clay layer 01:27:04 6 is, but it functions in somewhat of that manner. 01:27:08 7 If I can go to your opinion at page 4, Q 01:27:11 8 paragraph 4. You quoted the proposed decree. That was a different proposed decree at that time 01:27:26 9 01:27:28 10. in April of 2012, but you quoted the language at 01:27:34 11 page 22, paragraph D that indicates -- let me just 01:27:39 12 read it into the record: 01:27:41 13 "There was no evidence presented from 01:27:44 14 which the Court in Case Nos. 89 CW 32 or 99 CW 57, 01:27:48 15 or this Court, could conclude that Battle 01:27:51 16 Mountain's operations have contaminated or will 01:27:54 17 contaminate anyone's water supply or impair 01:27:57 18 anyone's water rights by degrading water quality. 01:28:00 19 In fact, the evidence was just to the contrary." 01:28:04 20 You then rendered an opinion that you 01:28:06 21 felt that incorporation of this language in the 01:28:09 22 current decree is misleading in a number of water 01:28:14 23 quality and contamination issues that have arisen. 01:28:18 24 Could you tell me what sort of analysis you conducted on that. 01:28:21 25

01:28:22	.1	MR. WITWER: I'm going to object on
01:28:24	2	grounds of relevance. The decree language has
01:28:26	3	been changed since then.
01:28:27	4	THE COURT: This isn't in the current
01:28:29	5	proposed decree?
01:28:30	6	MR. WITWER: No, it is not, Your Honor.
01:28:31	7	THE COURT: Then I sustain. I don't see
01:28:34	8	how it's relevant if it's not in there.
01:28:37	9	MR. MCCLURE: Honestly, Your Honor,
01:28:38	10	there's been a number of proposed decrees lately;
01:28:40	11	and I wasn't sure if this was still in there. So
01:28:43	12	if it's not in there, it's not in there.
01:28:50	13	Q (By Mr. McClure) Let me ask you this:
01:28:52	14	Do you have have you done any investigation
01:28:55	15	concerning whether or not the quality of waters
01:29:00	16	delivered to the downstream rights is an area of
01:29:05	17	concern to the downstream water users?
01:29:10	18	A Well, certainly that's an integral part
01:29:13	19	of this decree, that the quality of waters
01:29:17	20	delivered are remain suitable for the historic
01:29:22	21	uses of seniors downstream.
01:29:26	22	Q And what are the concerns in terms of
01:29:30	23	your investigation?
01:29:31	24	A Well, certainly the maintenance of the
01:29:37	25	facility, the treatment facility, such that

01:29:41	. 1	contaminated waters are not again allowed to be
01:29:46	2	released into the Rito Seco is a concern. This
01:29:54	3	decree would, hopefully, continue to resolve that
01:29:57	4	issue; but were that treatment plant done away
01:30:02	5	with and water levels allowed to recover, based on
01:30:06	6	the information, the water quality information
01:30:08	7	that's available today, that would degrade the
01:30:10	. 8	water quality for downstream seniors.
01:30:13	9	In addition, there are concerns, as we've
01:30:15	10	discussed, with potential releases from the Lined
01:30:19	11	Tailings Facility should such releases occur.
01:30:39	12	Q In your report, you refer to the reported
01:30:42	13	cyanide spill in 1992 by Battle Mountain. What
01:30:46	14	was your knowledge concerning that incident?
01:30:52	15	A I don't recall all of the details. As I
01:30:55	16	remember, there was a spill or release of some
01:31:00	17	cyanide-containing materials at some point in the
01:31:04	18	vicinity of the mill, and the health department
01:31:12	19	somehow identified that; and, ultimately, a fine
01:31:16	20	was issued, significant fine. I think, as you
01:31:21	21	indicated, I think it was the largest fine that
01:31:24	22	the MLRB people had issued to that point. I don't
01:31:28	23	recall all of the details of it, but certainly
01:31:31	24	there was a release that was out of compliance.
01:31:37	25	Q And were you aware of the spill that
	. 1	

01:31:39 1 occurred in that late '90s time frame that you 2 generally referred to in your prior testimony, but 01:31:44 01:31:47 where contaminated water actually reached the Rito 3 Seco out of the West Pit? 01:31:53 4 01:31:54 5 Yes. А As part of your investigation, did you 01:31:57 6 Q 01:31:59 7 determine if a cease and desist order had been 01:32:04 8 issued by Colorado Department of Health and 9 Environment? 01:32:06 01:32:06 10 A I believe it was, yes. 01:32:08 11 0 Okay. And you referred to that as 01:32:12 12 appendix 4 in your report? 01:32:18 13 Α I think that's correct. 01:32:20 14 And was there also a -- go ahead if you 0 01:32:23 15 want to take a look. 01:32:25 16 A I don't know the appendices. Yes, I do 01:32:34 17 have it here. 01:32:34 18 0 And then that also calls for the 01:32:39 19 requirement of a CDPHE discharge permit, which was Appendix 5? 01:32:44 20 А Yes. 01:32:45 21 01:32:49 22 0 You referred to the development of TR-15 23 and then later TR-26. Could you briefly describe 01:32:53 what TR-15 is. 01:32:58 24 25 01:33:01 А The release into the Rito Seco occurred

01:33:08	1	through some seeps along the river, along the
01:33:12	2	stream. Once that was identified and regulatory
01:33:20	3	agencies became aware of it, something had to be
01:33:27	4	done to take care of it. That, ultimately, is why
01:33:29	5	the cease and desist order was issued and so on.
01:33:33	6	TR-15, as I recall, was the first effort
01:33:38	7	to identify the mechanism that created the leak;
01:33:45	8	and that describes the geology and so on that
01:33:47	. 9	we've discussed here with the green clay layer;
01:33:53	10	and it also described the monitoring programs that
01:33:55	11	would be put in place.
01:33:58	12	TR-26 addressed the remediation of the
01:34:03	13	process, the long-term remediation of the process.
01:34:12	. 14	TR-26 explains I think there was a two-phase
01:34:16	15	process that they envisioned in TR-26. The first
01:34:20	16	phase of that was, before a permanent solution was
01:34:22	17	found, there was a temporary solution which relied
01:34:25	18	upon enhanced evaporation; and that was like a
01:34:28	19	two-year period that that was supposed to be
01:34:31	20	allowed to operate.
01:34:33	21	And then subsequent to that, there was a
01:34:36	22	long-term remediation process that was to be
01:34:41	23	designed. In TR-26, I believe that that was a
01:34:46	24	passive biological system that they were hoping to
01:34:51	25	implement at that time.

01:34:54]	Before that implementation came, to		
01:34:56 2			
01:35:03 3			
01:35:06 4	they and Battle Mountain brought in a treatment		
01:35:10 5	plant, I think a temporary treatment plant, RO		
01:35:15 6	plant, to treat and process and, ultimately,		
01:35:17 7	designed a full-scale RO plant, the plant that we		
01:35:20 8	see out there today, which is used as the		
01:35:22 9	remediation solution, as opposed to the passive		
01:35:26 10	biological treatment process that was initially		
01:35:30 11	envisioned in TR-26. But that's kind of a		
01:35:34 12	background of what TR-26 and TR-15 tried to		
01:35:38 13	accomplish.		
01:35:38 14	Q Did TR-26 address attempting to		
01:35:41 15	reintroduce the West Pit waters on a treated basis		
01:35:45 16	back to the stream?		
01:35:47 17	A Yes.		
01:35:48 18	Q And in what context? Was that a policy		
01:35:51 19	matter?		
01:35:53 20	A As I recall, the thought there was to put		
01:35:56 21	the water back into the stream to the highest		
01:36:00 22	degree possible. That was one of the reasons that		
01:36:02 23	the passive process was favored in the original		
01:36:07 24	TR, to try and maintain as much of the water in		
01:36:12 25	the stream or to return as much of the treated		
<i>.</i>			
	01:36:15	1	water to the stream as was possible.
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	01:36:17		
	01:36:19	3	whether, during that period of time after the
	01:36:23		
	01:36:26	5	into the stream and prior to the final completion
	01:36:29	б	of the permanent RO facility, waters were
	01:36:33	7	transported over to the Lined Tailings Facility?
	01:36:38	8	A There were there was a memo, as I
	01:36:44	9	recall, from DRMS or from MLRB at that time which
	01:36:48	10	allowed them to truck water to the Lined Tailings
	01:36:54	11	Facility in the event that water levels were
	01:36:57	12	rising and they didn't have the ability to control
	01:37:00	13	it through the evaporation systems that they had
	01:37:02	14	in place over the West Pit itself.
	01:37:08	15	Subsequent to that, there was another
	01:37:10	16	memo, later in 2009, as I recall, from their
	01:37:17	17	engineers requesting construction of a pipeline
	01:37:20	18	that would lead to the Lined Tailings Facility,
	01:37:24	19	and it requested the use of that pipeline strictly
	01:37:27	20	on a backup basis. But, again, that was a safety
	01:37:33	21	overflow such that, if they were not able to
	01:37:36	22	handle the quantities of water in the pit to keep
	01:37:39	23	the elevations at the point necessary to prevent
	01:37:43	24	overflow into the Rito Seco, then at least they
1	01:37:46	25	had a means, a safe means, of pumping it down
		1	

01:37:49 1 temporarily. 01:37:51 2 So there was mechanisms in place, 01:37:56 basically safety or backup mechanisms. And I 3 don't know how much water was trucked over there, 01:38:00 4 01:38:03 5 if water was, in fact, trucked over there or run through that pipeline in that period. 01:38:07 6 01:38:10 7 0 Was this more or less a safety valve 01:38:13 8 while the Water Treatment Facility was being 9 01:38:16 built? 01:38:16 10 A Yes. This was kind of a safety valve 01:38:19 11 during what was Phase I, as I talked about, before 01:38:23 12 the treatment plant was built. It was really not 01:38:30 13 in anyone's interest to see the water level rise 01:38:32 14 and again contaminate the stream. So, if it 01:38:36 15 physically couldn't be dissipated through the 01:38:39 16 evaporation systems that were in the West Pit, at 01:38:42 17 least this was a safety mechanism that could be 01:38:46 18 used to prevent renewal of contamination. 01:38:55 19 It is my understanding that you're 0 01:38:57 talking about the history of the Lined Tailings 20 01:39:02 21 Facility to take West Pit waters prior to 01:39:06 22 completing the permanent Water Treatment Facility? А Yes. 01:39:11 23 01:39:11 24 0 Okay. 01:39:15 25 A This was in, I think, the 1999 time

frame; and the treatment facility was completed 01:39:18 . 1 01:39:21 2 later on in 2002 or '03. 01:39:27 Were you involved in the 99 CW 57 case? 3 Q I think you already testified that you were. 01:39:32 4 01:39:34 5 А Yes. 01:39:34 6 Q . Did that incorporate any of these or 01:39:38 7 attempt to implement any of the TR-26 provisions from your standpoint? 01:39:43 8 01:39:44 9 MR. WITWER: I object. Calls for a legal 01:39:47 10 conclusion. 01:39:48 11 THE COURT: I'm going to sustain that 01:39:50 12 objection. (By Mr. McClure) Can you tell me about 01:39:57 13 Ò. the -- can you tell me, in your view, if there was 14 01:39:59 any -- well, strike that. 15 01:40:07 01:40:11 16 Let's go to the lysimeters. Can you tell 01:40:17 17 me what was the lysimeters -- the use of the 01:40:22 lysimeters in the context of the first case, 18 89 CW 32? 01:40:24 19 01:40:27 20 A The lysimeters were designed to be part 01:40:31 21 of the contaminate identification from the -- if 01:40:36 22 there was a release from the ponds, particularly the collection ponds down below the main tailings 01:40:41 23 01:40:45 24 facility. 01:40:49 25 . Q Was that part of a stipulation with

01:40:52 1 Dos Hermanos Ranches in 89 CW 32? 01:40:56 2 Yes, it was. А 01:40:57 3 0 And that was, more or less, a protection measure for the owners, which was the Williamson 01:41:02 4 01:41:08 5 family at that point in time, to what is now 6 referred to as the Salazar Ranch? 01:41:10 01:41:12 7 MR. WITWER: Objection. Calls for a 01:41:13 8 legal conclusion. 01:41:14 Sustained. g THE COURT: 01:41:16 10 (By Mr. McClure) What was the purpose of 0 those lysimeters? 01:41:17 11 01:41:19 12 MR. WITWER: Same objection. THE COURT: Overruled. 01:41:20 13 01:41:21 The purpose of those lysimeters was to 14A 01:41:25 15 provide some points which contamination, if it 01:41:29 16 existed in the vadose zone -- the vadose zone 01:41:35 17 being the unsaturated zone -- could be identified. 01:41:39 18 Lysimeters are -- maybe I should explain what a lysimeter is. 01:41:42 19 Would you please do that. 01:41:43 20 Q Water in the vadose zone, in the 01:41:46 21 A 01:41:53 22 unsaturated zone that is, migrates vertically 01:41:57 23 downward through the unsaturated materials; and so 01:42:02 24 if you put a monitoring well in, there will be no water level in there because there's no 01:42:06 25

01:42:08	1	saturation.
01:42:09	2	But a lysimeter is a porous cup that is
01:42:15	3	made out of porcelain. And it's designed so that
01:42:18	4	you can put a vacuum on that cup; and if there is
01:42:21	5	water migrating even in an unsaturated state
01:42:24	6	through the unsaturated zone, through the vadose
01:42:28	7	zone, it will suck a sample in. And that sample
01:42:31	8	can be extracted through tubing that goes to the
01:42:36	9	surface. So that gives us some means of trying to
01:42:39	10	determine if there is flow of contaminates through
01:42:48	. 11	the unsaturated zone.
01:42:50	12	Q So one would take a water take
01:42:53	13	whatever water sample is found in the lysimeter
01:42:56	14	and take it out in some fashion through a suction
01:43:01	15	cup, and that would be then tested at a later
01:43:04	16	time. Is that the concept behind this?
01:43:06	17	A Yeah. Yeah. The way that it's removed
01:43:09	18	is a little different than that, but essentially
01:43:11	19	it gives us a means of collecting a water sample
01:43:13	20	in that zone.
01:43:14	21	Q And there were lysimeters then placed
01:43:17	22	below the collection pond? .
01:43:19	23	A Yes.
01:43:19	24	Q Okay. At various locations. Are you
01:43:29	25	aware that it's reported that there has been no

water samples found in those lysimeters for --1 01:43:31 since they were installed over 20 years? 2 01:43:36 Yes. 01:43:38 3 А Q Okay. And the reporting on that is done 01:43:39 4 by Battle Mountain personnel; is that correct? 01:43:45 5 Yes. 01:43:49 А 6 What -- is there any significance, 01:43:49 7 Okav. from your standpoint, that there has been no 01:43:55 8 sample obtained from those? There's three 9 01:43:59 different locations -- excuse me. Are there three 01:44:06 10 different locations for those lysimeters? 01:44:10 11 I believe that's correct, yes. 01:44:12 12 А At different depths are those lysimeters 13 01:44:15 0 01:44:23 14 installed? 15 Α Yes. I think they're 25 to 50 feet, 01:44:23 somewhere in that neighborhood. 01:44:26 16 Is there a significance, from your 01:44:26 17 0 01:44:29 18 standpoint, that there has never been any water or fluid found in that porcelain cup at any of those 01:44:32 19 lysimeters for a 20-plus-year period of time? 01:44:37 20 I find that somewhat remarkable, yes. I 01:44:40 21 А 22 mean, I would expect that we would find some 01:44:43 fluids -- clean, contaminated or otherwise --01:44:47 23 which would have been collected in those zones as 01:44:50 24 different water fronts from seasonal melting and 01:44:54 25

01:44:58 1 rain and precipitation events migrated down through the unsaturated zone; but apparently, 01:45:01 2 01:45:04 3 these lysimeters were not able to pick that up. 01:45:09 Are you aware of other conditions in very 4 0 01:45:19 5 dry climates, desert climates, where they have 01:45:23 6 been able to receive a sample for testing 01:45:26 purposes? 7 01:45:28 8 А I have read studies where they have, yes 01:45:31 9 I haven't myself participated in them; but I 01:45:34 10 certainly have read studies, even in the Sahara 01:45:40 11 Desert, where they have secured samples. 01:45:43 12 MR. WITWER: Objection, hearsay. 01:45:45 13 THE WITNESS: This is based on -- I'm 14 01:45:46 sorry. 01:45:46 15 THE COURT: You don't get to argue. I'm going to overrule. He's an expert. He's giving 01:45:48 16 01:45:51 17 his opinion. 01:45:52 (By Mr. McClure) Go ahead, please. 18 0 01:45:54 19 А I'm sorry. Based upon technical documents that I have reviewed as part of my work 01:45:57 20 on a variety of projects, certainly, there is an 01:46:01 21 01:46:06 22 institute -- I believe it's in Arizona somewhere around Tucson -- that specifically studies desert 01:46:08 23 01:46:16 24 hydrology; and they use these lysimeters in very 01:46:19 25 dry situations and are able to identify fluids and

01:46:24 1 extract fluids from very dry situations. 01:46:26 2 These lysimeters are buried now under the Q . ground below the collection pond? 01:46:30 3 01:46:31 Yes. 4 Ά 01:46:32 5 0 So one really can't stick your head under the ground and know what's going on. You would 01:46:35 6 7 almost have to dig them up? 01:46:38 01:46:39 8 A It may be a maintenance issue with salts 01:46:42 9 precipitating in the porcelain -- in the pores of the porcelain cups that prevent water from 10 01:46:48 01:46:50 11 reaching them. It may have been a construction 01:46:52 12 problem originally when they were set. 01:46:54 13 It depends on the kind of drilling rig 01:46:56 14 that they were set with. If the drilling rig 01:46:58 15 created mud slime on the side of the hole before 01:47:03 16 the porcelain cups were set in there, that mud 01:47:08 17 slime can prevent the water from getting to the 01:47:10 18 cup even if there's a suction in the cup. 01:47:13 19 So there's a number of maintenance and 01:47:15 20 construction issues which, if not properly 01:47:17 21 observed, can render the usefulness of the 01:47:20 22 lysimeter -- or render it useless. 01:47:28 23 MR. MCCLURE: Your Honor, at this time, we would like to enter into evidence two exhibits, 01:47:29 24 the Cease and Desist Order, and the second is the 01:47:31 25

Colorado Department of Health Discharge Permit. 1 01:47:48 I'll give you those numbers. Those are E, and the 01:47:56 2 discharge permit is F. It's E and F. Excuse me. 01:48:12 3 THE COURT: So you're asking to admit E 01:48:25 4 and F, which are your tabs 5 and 6? 5 01:48:27 01:48:30 6 MR. MCCLURE: That's correct. THE COURT: Mr. Witwer, do you have any 01:48:31 7 objection to my admitting those exhibits? 01:48:33 8 MR. WITWER: Subject to our continuing 01:48:35 9 10 conditional relevance concerns, Your Honor, no 01:48:38 01:48:41 11 objection. THE COURT: E and F will be admitted. 01:48:41 12 (Objectors' Exhibit CC-E, Cease and 13 01:48:44 Desist Order; and CC-F, Discharge Permit, were 14 01:48:44 01:48:44 15 received into evidence.) THE COURT: It's about noon, so we'll 01:48:50 16 take our lunch break; and I will ask that we 01:48:52 17 resume at 1:15; and we'll be in recess. 01:48:54 18 (Lunch recess was taken at 11:57 a.m.) 02:43:29 19 02:43:29 20 AFTERNOON SESSION, WEDNESDAY, DECEMBER 12, 2012 (The court reconvened at 1:17 p.m., and 02:43:29 21 the following proceedings were had:) 03:09:34 22 THE COURT: Mr. Mefford, I'll remind you 03:09:34 23 you're still under oath. And, Mr. McClure, you 03:09:38 24 may continue your examination of Mr. Mefford. 03:09:42 25

03:09:46]	MR. MCCLURE: Thank you, Your Honor.
03:09:46	2	DIRECT EXAMINATION CONT'D
03:09:46	3	BY MR. MCCLURE:
03:09:48	4	Q Mr. Mefford, you had previously testified
03:10:01	5	concerning the what you understood to be the
03:10:04	6	water management practices of taking West Pit
03:10:07	7	waters to the Lined Tailings Facility during that
03:10:12	8	2003 to 2010 time period or that eight-year time
03:10:17	9	period. Do you recall your testimony concerning
03:10:19	10	that?
03:10:19	11	A I believe we talked about the memos from
03:10:29	12	DRMS that allowed that there would be some
03:10:32	13	trucking back in the 1999 period. I'm not sure if
03:10:36	14	I understand your question.
03:10:41	15	Q Let me rephrase the question. Just in
03:10:43	16	terms of the accounting information that was
03:10:45	17	testified to this last day and a half,
03:10:47	18	Mr. Madrid's testimony concerning the practices
03:10:54	19	which existed in 2003 to 2010, did you hear any of
03:11:02	20	that testimony concerning all of that West Pit
03:11:06	21	water being treated through the Water Treatment
03:11:09	22	Facility?
03:11:09	23	A Yes, I did.
03:11:10	24	Q Did you, likewise, hear that during that
03:11:13	25	eight-year period, none of the water that was
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1 taken from the West Pit went to the Lined Tailings 03:11:16 03:11:22 2 Facility but for the brine? 03:11:23 3 А Yes. 03:11:26 `4 We consider the brine separately as 0 03:11:28 5 that's a by-product from the Water Treatment 03:11:31 6 Facility? 03:11:31 7 Α Yes. 03:11:42 Then did you hear the testimony that in 8 Q 03:11:45 9 2011 there was more than 150 acre-feet of water 03:11:56 10 taken over to the Lined Tailings Facility, put in 03:12:00 11 a pond, pumped out of that pend, and used in a . 03:12:03 12 center pivot to grow a canola crop? 03:12:07 13 A Yes. 03:12:07 14 Okay. And did you hear that in 2012 Q there, likewise, were more than 150 acre-feet of 15 03:12:11 03:12:15 16 water taken to the Lined Tailings Facility, put in 03:12:19 17 the pond, pumped out of the pond, and then used 03:12:23 18 for purposes of forced evaporation through the sprinklers? 03:12:30 19 03:12:31 20 А Evaporated through the sprinklers, yes, 03:12:36 21 or attempted to be evaporated through the 03:12:38 22 sprinklers, yes. 03:12:39 23 0 Yes. Do you have an opinion as to 03:12:41 24 whether or not that increases the risk concerning 03:12:44 25 water management practices in the Lined Tailings

03:12:49 1 Facility? A You mean the concept of taking water from 03:12:49 the West Pit, as opposed to just taking brine? 03:12:53 3 Taking water from the West Pit and as 03:12:57 4 0 opposed to treating it in a Water Treatment 03:12:59 5 Facility, but taking it over to the Lined Tailings 6 03:13:02 Facility as existed during the 2011 and 2012 time 7 03:13:05 period? 03:13:09 8 Q А Yes. 03:13:10 MR. WITWER: Your Honor, I'm sorry. I'm 10 03:13:12 going to object because we're talking again about 11 03:13:14 risk, risk to the facility, risk to the integrity 03:13:16 12 of the facility. This witness is not qualified to 03:13:19 13 render an opinion about that. 03:13:22 14 THE COURT: Thank you, Mr. Witwer. 03:13:23 15 03:13:26 16 Overruled. He may answer the question. There certainly is, as in any kind of · A 03:13:28 17 structure like that, probably some safe level, 03:13:33 18 some stage at which water can be stored safely. 03:13:36 19 We don't know what that is in this facility. 03:13:41 20 So, consequently, the more water that we 03:13:47 21 put into it and the more water that's stored in it 03:13:49 22 23 at any given time would increase the risk, not 03:13:52 knowing what that safe level is. 03:13:56 24 (By Mr. McClure) And, if that continued 03:13:57 25 0

in the future where 150 acre-feet or more per year 03:14:00 1 2 were taken from the West Pit directly to the Lined 03:14:03 03:14:07 Tailings Facility, would that impact your decision 3 03:14:10 in any manner? 4 Same objection, Your Honor. 03:14:11 5 MR. WITWER: Noted and overruled. THE COURT: 03:14:13 6 If, based upon the water balance, there 03:14:15 7 А was an accrual of water so that there was an 03:14:19 8 03:14:22 9 increase in the quantity of water stored in that 10 facility from year to year, because the facility 03:14:25 03:14:28 11 was incapable through evaporation and 03:14:31 12 evapotranspiration of dissipating those quantities of water, then that would increase the risk of 03:14:34 13 reaching whatever the safe level would be in . 03:14:37 14 there, even though we don't know what that safe 03:14:40 15 level is. So it would increase the risk, yes, 03:14:43 16 03:14:46 17 sir. 03:14:46 18 (By Mr. McClure) Is there any concern 19 from your standpoint that the practice that. 03:14:47 existed in 2011 and 2012 changed from the prior 20 03:14:50 practice that existed from 2003 to 2008 where all 03:14:54 21 that Lined Tailings Facility water was treated at 03:15:00 22 the Water Treatment Facility but for the brine? 03:15:03 23 03:15:05 24 Yes. Certainly is a substantial change А 03:15:09 25 in the practice.

Let me hand you Exhibit No. CC-1 and ask 03:15:10 0 1 you if you can identify that. 2 03:15:21 THE COURT: You have letters. 03:15:34 3 03:15:39 MR. MCCLURE: It's going to be tab No. 9 4 I'm not reading that very well. It is CC-I. 03:15:42 5 THE COURT: Thank you. 03:15:47 6 03:15:57 7 THE WITNESS: I have tab No. 9, Exhibit CC-I, yes. 03:15:59 8 (By Mr. McClure) And can you identify Q 03:16:02 9 that document? Is that a document that you 03:16:05 10 03:16:10 11 prepared? This is an air photo of the vicinity of Α. 03:16:11 12 the mine and the Salazar Ranch. The title is 03:16:15 13 14 "Wells Down Gradient of Battle Mountain Resources 03:16:20 Tailings Pond." There is an insert in the lower 15 03:16:23 right-hand corner that shows topography as well. 03:16:26 16 On the air photo map, there is location -- there 03:16:31 17 03:16:34 are locations for the wells identified, and 18 there's also some arrows which show the directions 03:16:37 19 03:16:41 20 of the surface drainages. 03:16:45 21 0 And what wells are identified on that 03:16:47 22 map? The San Luis Well, one of the town А 03:16:48 23 wells -- actually, both of the town wells. Those 03:16:51 24 03:16:54 25 are the permit No. 11606-F and 23234-F. The

Salizar Well permit No. 215914 [sic]. I believe. 03:17:04 1 It's a little difficult to read on the air photo. 03:17:14 2 One of the other Salizar wells or permit 03:17:17 3 03:17:20 No. 19564-RF, and the third Salizar Well permit 4 No. 21589-F. Again, that one is a little bit 03:17:26 5 difficult to read on this small version. 03:17:38 6 Ι believe that's the correct number. 03:17:41 7 Approximately in the middle of that map 03:17:42 8 0 does it depict the Lined Tailings Facility? 03:17:44 9 Yes. 03:17:46 10 A 03:17:47 11 And can you see a pond on that that's in Q 03:17:49 12 black? 03:17:50 13 Yes. А And that's around the white area? 03:17:50 14 Q. 03:17:53 15 Α Yes. Okay. And the town well that you've 03:17:54 16 Q 03:18:00 identified -- you've identified a couple of them. 17 03:18:03 18 Was one of those town wells mentioned in the 89 CW 32 decree? 03:18:06 19 Ά 03:18:08 20 Yes. Which one was that, sir? 03:18:08 21 0 I probably should pull that decree out to 03:18:14 А 22 get the right one. If I could reference that 03:18:16 23 24 decree, I could be more specific than that. One 03:18:25 of those is mentioned. One of those two wells 03:18:29 25

certainly is mentioned in that decree. I just 03:18:31 11 want to make sure we have the right permit number 03:18:34 2 3 so we have it on the record. 03:18:36 If you're sure that one of the two is the 03:18:47 4 0 5 town well that's in the decree, I think that will 03:18:51 03:18:53 6 suffice for right now. Do you recall having your deposition 03:18:58 7 taken in -- by Mr. Witwer in this case on --03:19:00 8 excuse me. Let me back up here a minute. Can I 03:19:21 9 03:19:25 10 refer you to Exhibit 27, AA. If you could take a moment and take a look at that. 03:19:32 11 THE COURT: Tab 27. 03:19:33 12 MR. MCCLURE: Tab 27, Exhibit AA. 03:19:35 13 THE COURT: That's all right. I just 03:19:37 14 wanted to make sure I had it right. Thanks. 15 03:19:39 If I can find it in the correct book 03:19:41 16 А here, yes. 03:19:43 17 Q (By Mr. McClure) If I could hand you 27, 03:20:13 18 AA, and ask you, Is that a judgment and decree 03:20:15 19 adjudicating a well in W-142, well No. 1 for the 03:20:18 20 03:20:25 21 San Luis Valley -- excuse me, San Luis Water and Sanitation District? 03:20:29 22 Yes, it is. 03:20:29 23 · A And let me hand you Exhibit No. 25 --03:20:32 24 Q excuse me -- yeah, 25, please. It is tab 25, 03:20:39 25

Exhibit No. Y. I apologize for the confusion. 03:20:47 1 03:20:51 2 Tab 25, Exhibit No. Y. I don't know if I've got this. 03:21:02 3 A I've got tab 25, Exhibit CC-Y. 03:21:06 4 03:21:12 5 Q If you could go to tab 25, please. I have that. 03:21:15 А 6 Is that a separate well adjudicated in 03:21:15 7 0 Case W-2336, well No. 1, in favor of the San Luis 03:21:18 8 03:21:26 9 Water and Sanitation District? 03:21:26 10 Yes. Α And are those wells depicted upon your 03:21:27 11 0 03:21:30 12 map? Those are the wells depicted on the 03:21:30 13 А Yes. 03:21:33 14 map. If I may refer you to your deposition 03:21:46 15 Q 03:21:56 16 that was taken on October 23, 2012, that was taken 03:22:03 in this action by Mr. Witwer, and ask you if you 17 recall a series of questions that Mr. Witwer posed 03:22:39 18 03:22:43 19 to you starting with page 106 of that deposition. 03:23:10 20 Okay. А And going to line 14, he asked you a 03:23:11 21 0 question concerning whether or not the tailings 03:23:15 22 03:23:19 23 pond was relevant to the Court's injury analysis for purposes of the change case or the 03:23:23 24 augmentation plan amendment. 03:23:26 25

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03:23:27	1	And your answer was, "I believe it is?"
03:23:30	2	MR. WITWER: Objection, Your Honor,
03:23:32	3	hearsay.
03:23:33	4	THE COURT: I'm a little confused. Why
03:23:37	5	are you asking the question using the deposition
03:23:40	6	instead of just asking him the question.
03:23:41	7	MR. MCCLURE: That's fair enough. What
03:23:44	8	I'm trying to do is review some of his deposition
03:23:47	9	testimony that was given at that time, and ask him
03:23:53	10	if there's any clarification to that.
03:24:02	11	THE COURT: Okay.
03:24:05	12	MR. WITWER: Your Honor, it's not proper
03:24:08	13	to offer an out-of-court statement for the truth
03:24:10	14	of the matter asserted; and it's not proper unless
03:24:16	15	and until somebody has been impeached to start
03:24:19	16	offering rehabilitative testimony.
03:24:25	17	MR. MCCLURE: I think it's appropriate to
03:24:27	18	go ahead and ask him if he needs to clarify
03:24:29	19	anything concerning what he had testified to
03:24:31	2,0	before.
03:24:32	21	MR. WITWER: Your Honor, he was under
03:24:34	22	oath I'm sorry.
03;24:35	23	THE COURT: Let's let Mr. McClure finish,
03:24:37	24	and then I'll hear what you have to say.
03:24:39	25	MR. MCCLURE: There's adequate time for

03:24:42	1	cross-examination.
03:24:42	2	MR. WITWER: There was also adequate time
03:24:44	3	for this witness to review all the lines in his
03:24:46	4	deposition and make corrections and sign the
03:24:48	5	correction pages, as every deponent has the
03:24:50	6	opportunity to do; and that was not done in this
03:24:53	7	case.
03:24:53	8	THE COURT: I'm going to let Mr. McClure
03:24:55	9	ask his questions. And, Mr. Witwer, you can bring
03:24:58	10	out the fact to me that he didn't correct his
03:25:01	11	deposition, and you can bring that out in your
03:25:03	12	questioning.
03:25:04	13	It sounds like it's just a matter of
03:25:06	14	who's going to go first with these issues from
03:25:09	15	this deposition; and we don't have a jury here, so
03:25:12	16	I don't really think it matters a great deal. So
03:25:15	17	go ahead, Mr. McClure.
03:25:17	18	MR. WITWER: Thank you.
03:25:18	19	Q (By Mr. McClure) In that, it was
03:25:38	20	concerning your Opinion No. 5 and also a related
03:25:44	21	analysis. Do you recall your testimony concerning
03:25:54	22	that you were not aware of the storage volume in
03:26:01	23	the Lined Tailings Facility and that you indicated
03:26:04	24	that it was not a viable storage facility? And
03:26:09	25	I'm going over to the top of page 107.
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Excuse me, yes. 03:26:15 1 A 03:26:24 2 Q Did you -- in answering that question, you also indicated that, under a worst case 03:26:28 3 scenario, if there was a gross failure of the 03:26:33 4 facility that was completely full of water, that 03:26:36 5 03:26:41 6 flows could conceptually reach the Rito Seco. Do you recall that testimony? 7 03:26:48 Yes. 03:26:51 8 А 03:27:05 9 0 Do you have an opinion about that 10 currently, whether in the event that there is 03:27:07 03:27:14 11 waters -- in the event that there was a substantial failure of the facility, a gross 03:27:23 12 03:27:27 13 failure of the facility, and it was completely full of water, whether or not those waters could 03:27:30 14 reach the Rito Seco? 15 03:27:32 Well, in the event that there was a 03:27:35 16 Α 17 failure of the structure and large surface water 03:27:41 release, that water would follow the topography 03:27:46 18 downgradient and, as we follow that, down through 03:27:49 19 03:27:53 20 the low canyon and through the alluvial fan that exists at the mouth of that canyon, then to the 03:27:58 21 Rito Seco. So I think that's still correct. 03:28:02 22 03:28:06 23 I think I talked about, also, there's a 03:28:10 24 little -- drainage structures and roads right at the mouth of that canyon which could redirect some 03:28:13 25

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03:28:16 1 of that water or maybe all of that water, if it 03:28:19 2 was not that big a failure, to the south instead. 03:28:22 of directly over to the Rito Seco; but, certainly, 3 if enough water came down through there, it would 03:28:25 4 03:28:27 5 follow the direct topography across to the Rito 03:28:32 Seco. 6 03:28:32 7 And concerning the Exhibit No. CC-1 --03:28:43 8 unfortunately, we don't have a blown-up version of 03:28:48 9 that; but maybe you could just explain, if there was a substantial release of waters out of that 03:28:51 10 Lined Tailings Facility, how that would move and 03:28:56 11 03:29:00 12 what direction, as you've demonstrated on CC-1. 13 03:29:05 THE COURT: You mean CC-I? 03:29:07 14 MR. MCCLURE: I'm sorry. CC-I. It looks 03:29:11 15 like a one from here every time I look at it, but 03:29:14 it's not right. 16 03:29:14 17 THE WITNESS: Are you talking about a surface water release? 03:29:16 18 03:29:17 19 (By Mr. McClure) Correct, yes Q Surface water release would follow the 03:29:18 20 A topography, as I indicated. The topography --03:29:20 21 03:29:24 22 MR. WITWER: Objection, Your Honor. This 03:29:26 23 witness has not been qualified as an expert in 24 surface water hydrology. 03:29:29 03:29:30 25 THE COURT: Mr. McClure, do you want to

03;29:32 address that? 1 MR. MCCLURE: Yes he has. 03:29:32 2 He has 03:29:34 3 indicated that he has expertise in surface water; 03:29:37 4 and it's connected to, generally, the groundwater issues; but he does have experience in surface 03:29:40 5 03:29:43 6 water. 03:29:44 7 MR. WITWER: He was qualified as an 03:29:46 expert in groundwater hydrology, geology, water 8 03:29:50 9. quality, water management, and ground and surface 03:29:53 10 water interaction. 03:29:54 THE COURT: Yeah. That was what you 11 03:29:55 12 asked him to be qualified as, Mr. McClure. 03:30:04 13 0 (By Mr. McClure) Concerning the path of release, as it could impact the groundwater and 03:30:06 14 the groundwater underneath the Salazar Ranch or 03:30:12 15 03:30:15 anything surrounding that, in the event that there 16 03:30:18 17 is a major release from the Lined Tailings 03:30:22 18 Facility, could that reach the groundwater in any of those locations? 03:30:26 19 03:30:29 20 Ά The -- this is really a matter of surface 03:30:33 water-groundwater interaction, and it is important 21 03:30:37 22 to recognize and understand where the surface water would flow. It's just a matter of water 03:30:40 23 03:30:43 24 flows downhill. This is not rocket science in 03:30:47 25 terms of the surface water aspects here.

03:30:51	74	But water flowing down the drainage, as
03:30:59	2	you can see on this map up here, reaches the mouth
03:31:02	3	of the canyon; and at that time, it will begin to
03:31:05	4	seep into the aquifer systems. So it's a matter
03:31:09	5	of, not only surface flow down the canyon, and
03:31:13	6	some of the aquifer that exists in the bottom of
03:31:17	7	this canyon will be saturated; but as the main
03:31:20	8	body of the water reaches the mouth of the canyon,
03:31:22	9	it will begin to seep into the aquifer as well.
03:31:25	10	So the aquifer could be contaminated here
03:31:28	11	by virtue of seepage into it. You know, we know
03:31:31	12	that these are losing streams and ditches through
03:31:33	13	here. So we know that the aquifer absorbs water
03:31:37	14	and takes water throughout that reach. So it's a
03:31:40	15	function of both surface water, groundwater. It's
03:31:42	16	a function of both surface water and groundwater
03:31:45	17	and the interaction of those two.
03:31:47	18	So, that being said, if we have surface
03:31:50	19	water release and it comes down the canyon and
03:31:54	20	then it seeps into the groundwater system, then
03:31:58	21	the gradient on the water table, underlying water
03:32:02	[.] 22	table, will take over and determine the rate and
03:32:05	23	direction of flow of the groundwater or of the
03:32:09	24	contaminants.
03:32:11	25	Q In the event that the wells that are

pumping at the east pivot and west pivot -- wells 03:32:14 1 that are located there are, in fact, pumping, 03:32:19 2 3 could that cause a movement of groundwater toward 03:32:23 those wells? 03:32:27 4 Certainly. If those are pumping and 5 Α 03:32:30 there is a cone of depression developed around 03:32:32 6 7 those wells, those will be a local depression 03:32:35 which impacts the contours in the water table and 03:32:39 8 creates a gradient toward those wells. 03:32:45 g 03:32:50 10 The water table mapping through this whole region is kind of marginal. The state 03:32:51 11 engineer has done some of it as part of their 03:32:55 12 03:32:57 13 Decision Support System work, but the water table mapping through here doesn't really have a lot of 03:33:00 14 definition. 03:33:03 15 But, certainly, the mechanism that's 03:33:04 .16 important to recognize is that the water is going 03:33:06 17 to come down on the surface from the surface 03:33:09 18 release; it's going to seep vertically down into 03:33:12 19 03:33:15 20 the aquifer where it overlies the alluvium. It's 03:33:25 going to seep vertically down through the alluvium 21 in the unsaturated zone; and once it reaches the 03:33:25 22 zone of saturation, it's going to be the gradient 03:33:28 23 on the groundwater table that's going to determine 03:33:31 24 the rate and direction of flow in that system. 03:33:34 25

03:33:38 1 So those are the parameters that you need 03:33:40 2 to understand with a fairly high degree of specificity to try and track where a plume might 03:33:42 3 go, contaminate plume might go. 03:33:51 4 5 And based upon your experience and 03:33:54 0 expertise in groundwater, integration of surface 03:33:57 6 03:34:01 7 water and groundwater, do you have an opinion with a reasonable degree of probability if the waters 03:34:03 8 underlying the Salazar Ranch in that aquifer could 03:34:07 9 03:34:10 10 be impacted by a major release? It's certainly probable. Again, it's 03:34:22 11 А 12 going to be a function of the mechanisms that we 03:34:24 just discussed; but we know that the groundwater 03:34:26 13 03:34:29 14 generally in this reach runs to the south and to 03:34:31 15 the west. It kind of parallels the surface 03:34:47 16 drainages in that manner to some degree. 03:34:48 17 But, in general, what I'm saying is we know that the general direction of groundwater 03:34:51 18 03:34:53 19 flow is going to be from the recharge areas, which 03:34:56 20 exist up in the mountains down to the south and 03:34:58 21 down to the west. So a plume is going to go through there if there's a contaminate plume 03:35:00 22 23 generated. 03:35:03 03:35:04 24 Exactly where that plume goes is going to 25 be a function of the configuration of the 03:35:07

03:35:10 groundwater table. The groundwater table may be 1 The configuration of the groundwater 03:35:15 2 impacted. 03:35:15 table may be impacted by whether or not those 3 03:35:16 wells are pumping at any given time. 4 MR. MCCLURE: We would offer into 03:35:22 5 evidence CC-I. 03:35:23 6 03:35:24 7 THE COURT: Thank you, Mr. McClure. Mr. Witwer, any objection to my admitting CC 03:35:26 8 Exhibit I? 03:35:30 9 03:35:32 10 MR. WITWER: Several objections, Your Honor. I guess a relatively minor objection: 03:35:34 11 Salizar Well 21589, I believe it is, the well 03:35:48 12 03:35:55 that's kind of in the center of the drawing, has 13 03:35:58 14 been withdrawn from this case. That's not an augmentation supply that's claimed in this case. 03:36:03 15 03:36:06 And we further believe that that well has been 16 03:36:12 incorrectly located and would not be shown as 17 03:36:15 located anywhere on the Salazar Ranch were it in 18 the application, which it is not. 03:36:18 19 I guess, secondarily, this exhibit, which 03:36:25 2.0 03:36:34 21 was not disclosed as part of the expert report of 22 the witness, nor was it disclosed prior to the 03:36:37 deposition that was taken in this case, is now 03:36:41 23 03:36:45 24 illustrating testimony that was neither disclosed 25 03:36:48 in the report nor disclosed during the deposition,

03:36:56	1	wherein Mr. Mefford simply said that he was
03:37:07	2	referring to potential effects of contamination of
03:37:09	3	groundwater-surface water from a major release.
03:37:12	4	He said he agreed that those potential
03:37:16	5	effects don't have anything to do with the quality
03:37:17	6	of the replacement or augmentation water supplies
03:37:20	7	in this augmentation plan. They don't impact the
03:37:22	8	water quality that's being used. The water
03:37:26	9	quality that's being used for augmentation is
03:37:28	10	separate from the water quality that's in the
03:37:30	11	tailings pond.
03:37:31	12	And then went on to say, conceivably, if
03:37:34	13	there were a failure or release from that pond,
03:37:37	14	surface water or groundwater, ultimately, some of
03:37:40	15	that water might make it back, way back, to the
.03:37:42	16	Dos Hermanos wells or the Salazar wells, as they
03:37:45	17	are called here. We don't know that.
03:37:49	18	You just heard testimony
03:37:51	19	MR. MCCLURE: What page are you on?
03:37:53	20	MR. WITWER: I apologize. I'm on
03:37:56	21	page 108, and I was reading from I guess a
03:37:59	22	paraphrase of my question beginning on line 2 of
03:38:02	23	that page through line 15. His answer being
03:38:07	24	quoted from lines 7 through 15 of page 108 of his
03:38:10	25	deposition.
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03:38:11	1	And we've now heard the word "likely"
03:38:14	. 2	snuck into that opinion without notice, without
03:38:19	3	any supplementation. And that's a serious matter
03:38:23	4	under Rule 37, and we move that that opinion be
03:38:27	5	stricken and this heretofore undisclosed exhibit
03:38:33	6	illustrating a further opinion be further
03:38:35	7	stricken.
03:38:36	8	The final reason this exhibit ought not
03:38:39	9	be admitted has to do with the fact that none of
03:38:41	10	the opposers in this case own any interest in the
03:38:46	11	town of San Luis wells, which are, as noted by
03:38:50	12	Mr. McClure, as yet unoffered well decrees, are
03:38:56	13	held by the San Luis Water and Sanitation
03:39:00	14	District, which is not a party to this case.
03:39:01	15	And under the <u>Shirola</u> case, which I'll be
03:39:08	. 16	glad to tender to counsel and to the Court,
03:39:14	17	S-H-I-R-O-L-A, direct quote from that case
03:39:28	18	that's 937 P.2d 739 at page 747 "In a water
03:39:34	19	adjudication involving a proposed plan for
03:39:37	20	augmentation or a change of water right, any
03:39:40	21	person may object to the application itself and
03:39:43	22	participate in the adjudication by holding the
03:39:46	23	applicant to a standard of strict proof; however,
03:39:51	24	for that objector to have standing to assert
03:39:55	25	injury to his or her water right, the objector

must show that he or she has a legally protected 03:39:58 1 03:40:01 2 interest in a vested water right or conditional. 03:40:04 3 decree." 03:40:05 There has been no such showing in this 4 03:40:07 case; that the San Luis Water and Sanitation 5 03:40:09 6 District is not present before the Court. They're the only ones who have standing to assert injury 03:40:11 7 03:40:15 8 to water rights decreed to that well. So, for all of those reasons, we object 03:40:16 9 to the admission of Exhibit CC-I; and we further 03:40:18 10 03:40:22 11 ask that the brand new opinion concerning 03:40:24 12 likelihood of contamination of groundwater on the 03:40:29 13 Salazar Ranch property be stricken. THE COURT: Thank you, Mr. Witwer. 03:40:32 14 03:40:34 15 Mr. McClure. 03:40:36 16 MR. MCCLURE: We feel that the notice was 03:40:42 given concerning our position on this matter by 17 virtue of the deposition that was taken. 03:40:46 18 The 03:40:49 19 deposition was taken. He had adequate opportunity 03:40:52 20 to ask all questions he wanted to of Mr. Mefford concerning the issue; that the issue concerning 03:40:57 21 03:40:59 22 the impact on the Salazar Ranch was a matter that 03:41:07 23 they were certainly aware of. If they didn't ask 24 the question at the deposition, that's up to them; 03:41:10 but it is certainly a matter where there was 03:41:12 25

03:41:15 1 notice given concerning that. THE COURT: So what I understood 03:41:17 2 Mr. Witwer to be arguing, and please help me, is I 03:41:19 3 03:41:23 4 understand that he said, "I asked him these questions at the deposition and he gave one 03:41:28 5 03:41:30 6 answer. Today he's giving a different opinion, and nobody supplemented the discovery to tell me 03:41:35 7 03:41:37 · 8 that he's actually come up with a different opinion." So that was what I understood. 03:41:39 9 10 MR. MCCLURE: If I could just read a 03:41:41 03:41:43 11 little bit more of the deposition and the 12 questioning asked, and this was on page 107. 03:41:45 13 THE COURT: I don't have the deposition, 03:41:47 03:41:49 14 if anyone cares about that. 03:41:51 15 MR. MCCLURE: No. I can get you -- I guess I have it. If you don't mind, I'll read it 03:41:55 16 into the record and hand it to you if I could. 03:41:57 17 03:41:59 18 THE COURT: That's fine. 03:42:03 MR. WITWER: We have a clean copy, 19 03:42:04 20 Your Honor, so that Mr. McClure doesn't have to 03:42:06 21 give up his own. 03:42:07 22 THE COURT: You have another copy? MR. WITWER: Yes, Your Honor. 03:42:09 23 03:42:24 24 THE COURT: What page are you on? . 03:42:26 25 MR. MCCLURE: I'm on page 108, and I'm

1 reading at 108 to 109. 03:42:29 It is as follows: "QUESTION: Would you agree that the 03:42:36 2 03:42:38 3 effects" -- and this is 108, line 2. "Would you agree that the effects of contamination of 03:42:42 4 03:42:44 5 groundwater or surface water that you just described don't have anything to do with the 03:42:46 6 quality of the replacement or augmentation water 03:42:56 7 03:42:59 8 supplies in the augmentation plan? "ANSWER: That's correct. 03:43:00 Q, They don't 03:43:02 10 impact the water quality -- the water quality that's being used -- excuse me -- the water that's 03:43:04 11 03:43:09 12 being used for augmentation is separate from the 03:43:12 13 water quality that's in the tailings pond. 03:43:15 14 "Conceivably, if there was a failure or 15 release from that pond, surface water or 03:43:17 03:43:19 16 groundwater, ultimately, some of that water might 03:43:23 17 make its way back down to the Dos Hermanos or 03:43:26 18 Salazar wells, as they are called here. We don't know that." 03:43:29 19 03:43:31 20 "QUESTION: Underneath Rito Seco? 03:43:34 21 "In the alluvium underneath the Rito 03:43:37 22 Seco, yes, to the Dos Hermanos wells. 03:43:39 23 "QUESTION: I thought...you say that the 03:43:41 24 Dos Hermanos wells are not connected to the 03:43:44 25 surface drainage system?

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2	as I recall in at least one of the Dos Hermanos
3	wells, is, like, 60 feet. But, again, if there
4	was a release into the groundwater and a surface
5	water release seeped into the groundwater, either
6	way, that is likely to make its way to the
7	aquifer, not to the surface stream there.
8	"It would take it would take a
9	substantial release, maybe a catastrophic failure,
10	that would have to be occurring for that water to
11	make it to the surface stream."
12	MR. WITWER: May I respond, Your Honor?
13	THE COURT: You may.
14	MR. WITWER: The comment later on, in
15	response to a different question yet again, about
16	whether there was a connection between the Dos
17	Hermanos wells and the surface stream system, was
18	that if there was a, as yet, unproven release, a
19	substantial release, maybe a catastrophic failure,
20	apparently, it's likely that water released from
21	that would go into the aquifer. That's as far as
22	the "likely" comment made.
23	The question and as you pointed out
24	yourself in your response or your question to
25	Mr. McClure that I have every right and my
-	
	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

03:45:14 1 client has a right to rely on the answer, 03:45:17 2 beginning at line 7, was that the potential effects of groundwater or surface water 03:45:21 3 contamination "don't impact the water quality ---03:45:24 4 the water that's being used -- excuse me -- the 03:45:26 5 water that's being used from augmentation is 03:45:30 6 7 separate from the water quality that's in the 03:45:33 tailings pond." 03:45:35 8 03:45:36 9 And then he proceeded to say -- and this 10 is not undermined by the final comment -- "if 03:45:38 03:45:42 11 there were a failure" -- "Conceivably, if there 03:45:45 12 were a failure or release from that pond, surface 03:45:47 13 water or groundwater, ultimately, some of that water might make its way back down to the Dos 03:45:49 14 03:45:53 15 Hermanos wells or the Salazar wells, as they are 03:45:55 16 called here. We don't know that." So you've got 03:46:00 17 three qualifications in one paragraph. And the next thing says, if there was a 03:46:02 18 03:46:03 19 catastrophic failure, water would likely go to the aquifer. It's a big aquifer. 03:46:06 20 The only thing upon 03:46:09 which we are here able to rely is this, and now 21 we're hearing that it's likely to get to the 03:46:15 22. 03:46:17 23 wells. That's an entirely new fabricated opinion 03:46:21 24 post deposition. 03:46:25 25 MR. MCCLURE: Judge, it refers to the Dos

03:46:29 1 Hermanos wells. The Dos Hermanos wells are the 03:46:32 2 wells that are part of the augmentation supply. 03:46:36 3 MR. WITWER: You have the text in front 03:46:38 4 of you, Your Honor. I'm not going to bandy words 03:46:41 5 over what it says. 03:46:42 6 THE COURT: To the extent that Exhibit I 03:46:43 7 refers to a well that's not part of the 03:46:45 8 application, that part of the exhibit the Court certainly will completely disregard. 03:46:48 9 To the 03:46:51 10 extent what it refers to wells that belong to the 03:46:53 11 town of San Luis, who are not parties to this 03:46:56 action in any way, the Court will disregard that 12 03:47:00 13 part of the exhibit as well. 03:47:06 14 I think, at this point, there was enough 03:47:07 15 discussion during the deposition; and it's been clear that this is the issue or one of the major 03:47:10 16 issues the Court was going to be dealing with at 03:47:13 17 03:47:15 18 this hearing. I think there's enough notice that 03:47:18 19 I'm going to allow -- I'm not going to strike the 03:47:21 20 testimony of Mr. Mefford. 03:47:24 21 Certainly, not only can you cross-examine him, Mr. Witwer; but you also have your expert 03:47:26 22 03:47:29 23 here to provide any rebuttal testimony that you 03:47:32 24 desire. And so I am not going to strike his 03:47:35 25 testimony.

03:47:36	5 1	Certainly, changing opinions goes to what
03:47:39) 2	weight this Court is going to give to the
03:47:42	3	testimony. And I will at this time admit
03:47:47	4	Exhibit I, except as I've noted; and I'm not going
03:47:54	5	to consider the wells on there that don't have
03:47:56	6	anything to do with this application or other
03:47:59	7	parties before the Court.
03:48:00	8	MR. MCCLURE: Your Honor, if we could
03:48:01	9	make one comment on that.
03:48:03	10	THE COURT: You may.
03:48:04	11	MR. MCCLURE: To the extent that the well
03:48:05	12	that is referred to in 89 CW 32, which was a well
03:48:12	13	that is being tested under the water quality
03:48:15	14	provisions submitted by Battle Mountain in that
03:48:18	15	case, we think that would be appropriate to
03:48:23	16	include that well, particularly where they want
03:48:25	17	to Battle Mountain is seeking to include the
03:48:28	18	terms of 89 CW 32 and 99 CW 57 in this action.
03:48:33	19	THE COURT: Which well is that? Is that
03:48:35	20	the town well that's tested then? Is that what
03:48:40	21	you're talking about?
03:48:40	22	MR. MCCLURE: Yeah. That is the town
03:48:41	23	well that is tested in 89 CW 32. That is correct.
03:48:46	24	THE COURT: But which one is that?
03:48:47	25	MR. MCCLURE: If you can give me a
	-	

03:48:49	1	moment, I will try to find that well. The well is
03:50:09	2	2236, well No. 1.
03:50:16	3	THE COURT: 2236, so that's the one that
03:50:18	4	is down there in the far left corner?
03:50:20	5	MR. MCCLURE: Yes. And that is on
03:50:22	6	89 CW 32 at page 30, and that's the well that
03:50:32	7	water samples are taken from belonging to the
03:50:41	8	San Luis Water and Sanitation District.
03:50:43	9	THE COURT: Okay. Well, I've admitted
03:50:46	10	the exhibit, and that's indicated on there. And
03:50:50	11	to the extent that you want to make argument about
03:50:52	12	how in closing that this testimony and how
03:50:58	13	it affects that well should make a difference to
03:51:01	14	the Court's ruling, certainly you can do that
03:51:04	15	since that well is referred to in that decree.
03:51:06	16	MR. WITWER: Just to clarify. You're not
03:51:08	17	modifying your ruling that they cannot assert
03:51:10	18	injury to a well they don't own.
03:51:12	19.	THE COURT: No. Because I think you're
03:51:14	20.	right. I think that's the law; but since it's
03:51:16	21	part of the decree, I mean, there may be some
03:51:18	22	other argument there; and I'm not going to
03:51:20	23	foreclose that.
03:51:21	24	MR. WITWER: Understood. Thank you very
03:51:23	25	much.

03:51:23 (Objectors' Exhibit CC-I, Aerial Photo of 1 03:51:23 2 Wells Down Gradient of Battle Mountain Resources Tailing Pond, was received into evidence with 03:51:23 3 exclusions as outlined by the Court above.) 03:51:29 4 03:51:29 5 MR. MCCLURE: We have no further 03:51:30 6 questions. THE COURT: Thank you, Mr. McClure. 03:51:31 7 Mr. Lobato, do you have any questions you want to 03:51:33 8 03:51:35 9 ask Mr. Mefford? 03:51:37 10 MR. LOBATO: No, I don't. THE COURT: Mr. Witwer, you may 03:51:39 11 03:51:41 12 cross-examine Mr. Mefford. MR. MCCLURE: Could I ask Mr. Mefford one 03:51:50 13 03:51:52 14 other question before we get started? 15 THE COURT: You may, Mr. McClure. 03:51:55 16 (By Mr. McClure) As part of your 03:52:03 Q 17 03:52:05 investigation, did you have the opportunity to 03:52:07 18 review the deposition of William Lyle or 03:52:10 19 deposition summary of William Lyle of November 2, 03:52:13 20 2012? 03:52:15 21 Ά I did, yes. 03:52:20 22 I'm going to hand you that deposition at Q 03:52:22 23 pages 127 and 128 and ask if you reviewed that. 03:52:48 24 THE COURT: Before you -- Mr. McClure, 03:52:49 25 did you give me a copy of that beyond the

original? I'll open the original if you didn't; 03:52:51 1 03:52:54 2 and it doesn't matter. I'll open the original. 03:52:56 3 MR. MCCLURE: Please do. I didn't do 03:52:58 that. We could if you would like. 4 THE COURT: No. 03:53:03 5 No. No. 03:53:11 Yes, I recall reading this. 6 A 03:53:16 7 0 (By Mr. McClure) And you recall in that deposition that Mr. Lyle is the project manager 03:53:20 8 from 1997 to 2011 at the Costilla County site? 03:53:22 9 At the mine, yes. 03:53:28 10 А 03:53:32 11 Did that -- anything that he say in that 0 12 opinion, concerning his analysis and study of 03:53:34 where the path of release of waters from the Lined 03:53:38 13 Tailings Facility would go, influence you in your 03:53:45 14 15 decision? 03:53:48 03:53:48 MR. WITWER: Objection, Your Honor, 16 03:53:49 17 mischaracterizes deposition testimony as an 03:53:53 18 analysis and study. The full context of the 19 deposition is quite the opposite. 03:53:56 03:53:59 THE COURT: All right. 20 MCCLURE: I'll rephrase the question. 03:54:01 21 MR. THE COURT: That's fine. 03:54:03 22 (By Mr. McClure) Would whatever Mr. Bill 23 03:54:07 Q 24 Lyle did concerning his investigation concerning 03:54:10 03:54:13 25 the opinion that -- and statement that he rendered

03:54:16 in that deposition, did that help you in any. 1 03:54:23 2 manner concerning a -- an analysis by somebody 03:54:29 3 who's been involved in the mine site from 1997 to 03:54:34 4 2011 as the manager? 03:54:37 I didn't rely upon his opinion. 5 A His 03:54:39 6 opinion parallels mine. 7 03:54:42 And what is his opinion? 0. 03:54:43 8 His opinion is that, in the event of a A breach -- his answer on line four is "It would 03:54:47 9 03:54:54 10 flood down the canyon onto the San Luis Ranch." 03:54:57 11 And then you indicated, "The Salazar 03:54:57 12 Ranch?" 03:54:59 13 And he said that's correct -- or "That's 03:55:01 14 right." 03:55:01 15 And I think that's consistent with the testimony I just gave that, in a large breach, 03:55:03 16 03:55:07 17 that's where the water would go, come down the 03:55:10 18 canyon and onto the Salazar Ranch. 03:55:12 19 Q And that's a breach out of the Lined 03:55:15 20 Tailings Facility? 03:55:15 21 Yes. Ά 03:55:17 22 MR. MCCLURE: Thank you. I've got no-03:55:19 23 further questions now. THE COURT: Thank you, Mr. McClure. 03:55:20 24 03:55:24 25 Mr. Witwer, you may cross-examine Mr. Mefford.