

# SGC

“Successful in improving Animas River water quality”

Sunnyside Gold Corporation  
5075 S. Syracuse Street, Suite 800  
Denver, Colorado 80237  
[www.sgcreclamation.com](http://www.sgcreclamation.com)

September 10, 2019

Bonita Peak Mining District Community Advisory Group  
c/o Ty Churchwell, CAG Secretary  
Trout Unlimited Durango  
1309 E 3<sup>rd</sup> Avenue, Unit 109  
Durango, Colorado 81301

Re: SGC Provides Design for Long Term Storage Facility

Dear Community Advisory Group:

In order to facilitate water quality improvements above and beyond those already achieved by SGC, SGC has today voluntarily provided EPA with design plans for a long term sludge storage facility at Mayflower Impoundment No. 4. It is readily apparent that the best means of achieving further improvements in water quality is for EPA to run its water treatment plant at capacity. The optimal site for storage of treatment plant precipitate is Mayflower Impoundment No. 4, which an expert engineer has called “an ideal long-term sludge depository”.

Enclosed you will find a copy of my letter of today’s date transmitting the Design Plans to EPA. The Design Plans and further details about the Mayflower area can be found at <http://www.sgcreclamation.com>.

Thank you for your continued interest.

Sincerely,



Kevin Roach  
Director, Reclamation Operations

# SGC

## "Successful in improving Animas River water quality"

Sunnyside Gold Corporation  
5075 S. Syracuse Street, Suite 800  
Denver, Colorado 80237  
[www.sgcreclamation.com](http://www.sgcreclamation.com)

September 10, 2019

Mr. Gregory Sopkin  
Regional Administrator  
U. S. Environmental Protection Agency Region 8  
1595 Wynkoop Street  
Denver, CO 80202

Via email – Hard Copy with Enclosure and Exhibits to Follow

Re: Scoping Level Study Drawings for Mayflower No. 4 Storage Facility

Dear Administrator Sopkin:

It has been over four years since the EPA caused Gold King Blowout, and more than two years since a noted commentator wrote that EPA's turning the BPMD Superfund Site into an "endless bureaucratic make-work project" is "not acceptable to anyone, other than federal bureaucrats."<sup>i</sup> It is also more than two years past the Animas River Stakeholders Group's targeted date to implement a preferred solution to further improve Animas River Water Quality.<sup>ii</sup> Unfortunately, driven by the conflict of interest that has been the subject of multiple complaints to the EPA Office of Inspector General<sup>iii</sup>, EPA continues to ignore the obvious solution to further improving water quality, and instead chooses to focus on make-work projects and useless investigations.<sup>iv</sup>

EPA is determined to spend millions of dollars on a plethora of temporary, interim remedial actions with no demonstrated improvement to water quality,<sup>v</sup> pursuing this course of action over the objections of the community.<sup>vi</sup> As noted by one local citizen "EPA should focus on improving water quality, not wasting the taxpayers' money."<sup>vii</sup> Trout Unlimited reiterated the consensus view, commenting that it "fails to see the wisdom in spending upwards of \$10 million that is unlikely to result in meaningful or measurable reductions in metal loading within the district."<sup>viii</sup> EPA is also wasting time and spending significant sums on senseless science project "investigations" that do not address any imminent hazard and have been characterized by experts as being "excessive and unnecessary."<sup>ix</sup> It is unfortunate that EPA's course of action is being dictated by its "44 battle-tested lawyers"<sup>x</sup> rather than common sense and science.

Comprehensive and peer-reviewed scientific studies have conclusively confirmed that SGC's five years of responsible mining and subsequent successful reclamation and remediation in the Silverton Caldera both improved water quality in the Animas River.<sup>xi</sup> It is readily apparent that the best means of achieving further improvements in water quality is for EPA to run its water treatment plant at capacity.<sup>xii</sup> The optimal site

for storage of precipitate from EPA's water treatment plant is Mayflower Impoundment No. 4, which an expert engineer has called "an ideal long-term sludge depository."<sup>xiii</sup> The Mayflower area has a long history of supporting mining and reclamation.<sup>xiv</sup> SGC has reclaimed the entire area, even though SGC only utilized the upper portion of Impoundment No. 4.<sup>xv</sup> SGC has, since 2016, repeatedly offered EPA the opportunity to utilize Impoundment No. 4.<sup>xvi</sup> When, almost four years after EPA's Gold King Blowout, EPA first approached SGC to gain access to confirm the desirability of utilizing Impoundment No. 4, SGC granted EPA access in a matter of days.<sup>xvii</sup>

While EPA has wasted the last four years, SGC urges EPA to change course and: 1) abandon the make-work projects and useless investigations; 2) immediately commence running the EPA water treatment plant at capacity; and 3) secure the optimal long-term repository for future storage of water treatment plant precipitate. This will result in improvements to water quality in addition to those already achieved by SGC. To facilitate the path forward, SGC is providing EPA with the enclosed Scoping Level Study Drawings for Mayflower No. 4 Storage Facility. The Storage Facility would provide decades of optimal storage for EPA's water treatment plant precipitate.

Sincerely,



Kevin Roach  
Director, Reclamation Operations

Cc: Kris Doebbler  
Benerito Martinez  
Christina Progress  
Mark Rudolph

- 
- <sup>i</sup> William Perry Pendley, *Gold King: EPA's Two-Year Rolling Disaster and a Path Forward to Fix it* (July 27, 2017) (attached as Exhibit 1).
- <sup>ii</sup> Animas River Stakeholders Group, *Draft ARSG Timeline for Reducing Metal Loading in Upper Animas River Basin* (September 29, 2014) (attached as Exhibit 2). EPA was historically an active participant in the ARSG. Subsequent to EPA's Gold King Blowout, EPA ceased constructive engagement and instead listed over 100,000 acres as a Superfund Site, despite having specifically determined *not* to create a Superfund Site in the area in 2012. EPA's actions since the Gold King Blowout have destroyed the ARSG plan to address metals loading in the Animas River by 2017, and replaced the collaborative Timeline with what EPA characterizes as a "very long term project" that "will be the source of many forthcoming papers and a lot of research."
- <sup>iii</sup> See, e.g., Letter from Mountain States Legal Foundation to Charles Sheehan, Acting Inspector General for the EPA, *Re: Impactful EPA Conflict of Interest at the Bonita Peak Mining District* (March 7, 2019) (attached as Exhibit 3).
- <sup>iv</sup> Steven Barringer, Greenberg Traurig LLP, *What is EPA Doing to Clean Up the Gold King/Animas River Disaster?* (July 31, 2018) chronicles the first three years of EPA's foibles. (attached as Exhibit 4).
- <sup>v</sup> EPA, *Interim Record of Decision for Bonita Peak Mining District Superfund Site Operable Unit 1, San Juan County, Colorado* (May 20, 2019).
- <sup>vi</sup> See, e.g., Durango Herald, *EPA's quick-action Superfund plan receives flak from commenters* (Sept. 14, 2018) (attached as Exhibit 5); Silverton Standard, *Comments on EPA's Proposed Plan* (Sept. 13, 2018) (attached as Exhibit 6); Silverton Standard, *EPA interim remedial plan draws criticism* (June 28, 2018) (attached as Exhibit 7); Published Comments on Multi Source Proposed Plan for 2018 Interim Record of Decision (Released September 10, 2018).
- <sup>vii</sup> Published Comments on Multi Source Proposed Plan for 2018 Interim Record of Decision, *Public Comment from Brian Luther*, (Released September 10, 2018).
- <sup>viii</sup> Published Comments on Multi Source Proposed Plan for 2018 Interim Record of Decision, *Public Comment from Ty Chrchwell, Trout Unlimited, 2* (Released September 10, 2018).
- <sup>ix</sup> Enviromin, *Expert Report in Response to Phase 1 RI Sampling and Analysis Plan* (July 8, 2019).
- <sup>x</sup> Silverton Standard, *County Voices Concerns to EPA, CDPHE, 4* (August 1, 2019) (attached as Exhibit 8).
- <sup>xi</sup> See, e.g., *Evaluating the effectiveness of Sunnyside Gold Corporation's reclamation, San Juan County, Colorado, USA*, 13<sup>th</sup> International Conference on Mine Closure, September 2019 (attached as Exhibit 9); Knight Piésold Consulting, *Animas River Water Quality 1985 – Present, Quantification of the Positive Effects of SGC's Mining and Reclamation* (Letter Report from Steven Lange, MS, June 20, 2019) (attached as Exhibit 10); Letter from Stephen Day, SRK Consulting, to Kevin Roach, SGC (June 20, 2019) (attached as Exhibit 11) Steven Lange, *Remediation Helps Rescue a River* (July 2018 Engineering & Mining Journal) (attached as Exhibit 12).
- <sup>xii</sup> See, e.g., *There is More Than Sufficient Knowledge to Tackle Bonita Peak Today and Improve Water Quality in the Animas River* (Feb. 2018) (attached as Exhibit 13).
- <sup>xiii</sup> Sacrison Engineering, *EPA Management of Gladstone Interim Water Treatment Plant* (Sept. 12, 2018) (attached as Exhibit 14).
- <sup>xiv</sup> Larry Perino, *Mayflower Mill: An Iconic National Historic Landmark* (September 2019) (attached as Exhibit 15).
- <sup>xv</sup> The upper portion of Impoundment No. 4 has been shown to be well clear of the water table and above any connection with the Animas River. See, e.g., Formation Environmental, LLC, *Draft 2018 Investigation Summary and Data Interpretation Report Mayflower Impoundments Area* (March 2019); Formation Environmental, LLC, *2017 Investigation Summary and Data Interpretation Report Mayflower Tailings Impoundments Area* (July 2018); Formation Environmental, LLC, *2016 Investigation Summary and Data Interpretation Report, Mayflower Mill and Tailings Impoundments Area* (Feb. 2017).
- <sup>xvi</sup> See, e.g., Letter from Larry Perino to Rebecca Thomas, EPA (June 24, 2016) (attached as Exhibit 16).

<sup>xvii</sup> Letter from Pat Maley to Doug Naftz, *Re: Access to Mayflower Tailings Impoundment No. 4 to Evaluate Suitability as a Repository* (August 6, 2019) (attached as Exhibit 17); Silverton Standard, *Sunnyside to let EPA study site for sludge* (August 8, 2019) (attached as Exhibit 18).