



100018237

REGION 8

DENVER, CO 80202

Sent via electronic mail

Mr. Gary Knippa, Managing Member
CJK Milling Company LLC

[REDACTED]
[REDACTED]
[REDACTED]

Re: Lake County Assessor Parcel IDs Shown in **Attachment A**
California Gulch Superfund Site, Operable Unit 6, Lake County, Colorado

Dear Mr. Knippa:

Thank you for contacting the U.S. Environmental Protection Agency (EPA or the Agency) about CJK Milling Company's plans concerning the properties identified in **Attachment A** (hereinafter, Property) and meeting with EPA staff on August 25, 2025, to discuss the same. In that meeting, you described CJK Milling Company's interest in mine-waste reprocessing that would involve: (a) removal of the mine waste and waste rock piles on the Property; (b) transporting the mine waste and waste rock piles to the nearby CJK Mill and adjacent repository at 13815 US Highway 24, Leadville, Colorado, 80461 (together, Facility) for reprocessing; and (c) extracting metals and critical minerals from the mine waste at the Facility. You also discussed how this process could clean and restore mine-scarred lands on the Property, and you requested that we provide you with a Superfund status letter.

The purpose of this status letter is to provide you with information that may be relevant to the potential Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) liability concerns you have identified at the Property and summarize the relevant information available to the EPA about the California Gulch Superfund Site (Site) as of the date of this letter. We hope this information will enable you to make informed decisions as you move forward with your plans regarding the Property.

Under CERCLA (commonly referred to as Superfund),¹ the Agency's mission is to protect human health and the environment from risks posed by exposure to contaminated or potentially contaminated land, water and other media. A Superfund cleanup can help return properties to productive reuse. We are providing this letter consistent with the Agency's 2019 comfort/status letter policy.²

¹ 42 U.S.C. §§ 9601, *et seq.*

² See 2019 Policy on the Issuance of Superfund Comfort/Status Letters (Aug. 21, 2019), available on the Agency's website at <https://www.epa.gov/enforcement/comfortstatus-letters-guidance>.

Property Status

Interested parties can find information on sites that are, or potentially are, contaminated and may warrant action under Superfund, including site-specific documents and fact sheets, in the Superfund Enterprise Management System (SEMS).³ SEMS provides information on (1) whether a NPL site is proposed, final or deleted and (2) whether a site is subject to a federal remedial action. For more information about the Site, please visit:

<https://cumulis.epa.gov/supercpad/cursites/csitinfo.cfm?id=0801478&msspp=med>.

The Property is situated within Operable Unit 6 (OU6) which includes the Stray Horse and Evans Gulch watersheds. OU6 consists of about 2,200 acres of mining claims with several consolidated and capped mine piles and remedy features like rip-rap ditches, retention ponds, and a soil repository at the Denver City Mine claim. While nine of the twelve OUs of the Site have been partially deleted from the National Priorities List (NPL), OU6 has not been deleted from the NPL. For the reasons stated below, we are addressing the Site under Superfund remedial authority.

History and Status of the Site

Prior to the signing of the OU6 Record of Decision (ROD) in 2003, the EPA implemented several response actions at OU6 between 1990 and 2001 to systematically reduce risks to human health and the environment by installing remedy features to reduce, divert, contain and treat runoff at the United States Bureau of Reclamation's water treatment plant (USBR WTP). These response actions included, among other things, relocation, consolidation and capping of selected mine waste piles.

The ROD identified the following remedial action objectives:

- Control erosion of mine waste rock and deposition into local water courses.
- Control leaching and migration of metals from mine waste rock into surface water.
- Control leaching of metals from mine waste rock into groundwater.
- Prevent direct unacceptable exposures to elevated concentrations of contaminants in the soil and waste rock.

The OU6 selected remedy consisted of the following elements:

- Maintenance of the existing response actions implemented prior to the ROD.
- Installation of bulkheads in the Leadville Mine Drainage Tunnel (LMDT).
- Pumping acid rock drainage (ARD) impounded behind the bulkhead to the surface with conveyance to the USBR WTP via a gravity pipeline.
- Removal of the Ponsardine Mine waste pile, with on-site disposal.
- Repair of unstable cribbing associated with the Robert Emmet Mine site.
- Institutional controls to address future changes in land use.

³ SEMS is available at: <https://cumulis.epa.gov/supercpad/cursites/srchsites.cfm>.

In 2010, the EPA issued an OU6 ROD Amendment, modifying the OU6 ROD to expand the selected remedy to include diversion systems and address additional waste rock piles as follows:

- Phase 1: Improve the clean water diversion systems along the Mahala, Pyrenees, Greenback, RAM, Old and New Mikado, and Adelaide-Ward waste rock piles.
- Phase 2: Selectively cap additional mine waste rock piles to decrease the volume of ARD generated.
- Phase 3: Enlarge and enhance the current ARD collection system and retention ponds.
- Eliminate the use of the LMDT and USBR WTP, except in the case of emergencies.
- Shift the monitoring of groundwater and water levels in the LMDT to OU12, the Sitewide Water Quality Operable Unit.
- Construct a Sitewide repository in OU6.
- Remove implementation of bulkheads in the LMDT.
- Implement institutional controls to protect engineered remedies and to reduce exposure to contaminants that will remain.

Phase 1 was completed in 2016. The EPA is in the process of evaluating the effectiveness of Phase 1 and determining the next steps for Phases 2 and 3. To aid in these efforts, a Technical Assessment was completed in March 2021. The assessment revised the conceptual understanding of the OU6 geology and hydrology, based on information obtained during Phase 1 activities, to refine the design for the Phase 2 and Phase 3 remedial actions.

The Technical Assessment Report recommended that remedial design activities consider mine waste and waste rock pile reprocessing, including investigations into methods to increase economic viability of mine-waste reprocessing and further maintaining communications with all stakeholders involved to evaluate the feasibility of mine-waste reprocessing.

Since 2012, numerous remedy elements from the OU6 ROD and ROD Amendment have been implemented. See the [2022 Five-Year Review](#) for more details.

In 2020, to meet the requirement of the OU6 ROD and ROD Amendment to implement institutional controls designed to protect engineered remedies and to reduce exposure to contaminants left in place, the EPA and the Colorado Department of Public Health and the Environment (CDPHE) proposed an amendment of the Lake County Land Development Code, which has been delayed because of unforeseen circumstances. For the remedy to comply with Colorado's Environmental Covenants Act (C.R.S. 25-15-317 to 327), Lake County will need to enter into an intergovernmental agreement granting the state of Colorado authority to enforce against violations of the land-use control ordinance. If an intergovernmental agreement is not reached, areas affected by the amended remedy containing waste left in place or engineered features that require monitoring, maintenance or operations, or that would not function as intended if disturbed, will need another type of institutional control, such as an environmental covenant or restrictive notice consistent with C.R.S. § 25-15-320.

Reuse of the Property

Based on the information you provided, the EPA understands that CJK Milling Company intends to remove mine waste and waste rock piles currently on the Property and process the material at the Facility. To ensure the OU6 remedy remains protective of human health and the environment, these removals must be compatible with the EPA cleanup. For example, CJK Milling Company should not conduct any activities or construct any structures that would interfere with the EPA's remedial actions and CJK Milling Company should coordinate with the EPA before conducting any such activities. Additionally, changing the land use may result in additional work being required to keep the remedy protective of human health and the environment, and CJK Milling Company could be liable for that additional work.

As of the date of this letter, we have not identified any obvious incompatibility between your proposed use of the Property as you have described it to us and the EPA's selected cleanup option. As your plans develop further, please continue to discuss the development with us. CJK Milling Company may need to work with other federal, state or local agencies, like the Colorado Division of Reclamation, Mining and Safety and Lake County, to move forward with necessary approvals for removing and re-processing mine waste at the Property.

State Actions

We can only provide you with information about federal Superfund actions at the Site, federal law and regulations, and EPA guidance. For information about potential state actions and liability issues, please contact Kyle Sandor with the CDPHE. His contact information is: kyle.sandor@state.co.us or (303) 692-6394.

Conclusion

The EPA remains dedicated to facilitating the cleanup and beneficial reuse of contaminated properties and hopes the information contained in this letter is useful to you. You may find it helpful to consult with your own environmental professional, legal counsel, and your state, tribal, or local environmental protection agency before taking any action to clean up or redevelop the Property. These consultations may help you obtain a greater level of comfort about the compatibility of the proposed use and ensure compliance with any applicable federal, state, local, and/or tribal laws or requirements. If you have any additional questions or wish to discuss this information further, please contact me at (303) 312-6689 or kiefer.linda@epa.gov or the Site attorney, Marc Sarmiento, at (303) 312-6909 or sarmiento.marc@epa.gov.

Sincerely,

**LINDA
KIEFER**

Linda Kiefer
Project Manager
California Gulch Superfund Site

Digitally signed by
LINDA KIEFER
Date: 2025.11.05
11:03:15 -07'00'

enc: Attachment A: CJK Milling Company Property

cc: John Fognani, Haynes Boone LLP

Marc Sarmiento, EPA Region 8, Site Attorney

Kayleen Castelli, EPA Region 8, Attorney

Erin Agee, EPA Region 8, CERCLA Enforcement Section Supervisor

Christina Morgan, EPA Headquarters, OSRE

Kyle Sandor, Colorado Department of Public Health and Environment

David Kreutzer, First Assistant Attorney General, Colorado Office of Attorney General

Attachment A
(CJK Milling Company Property)

No	Claim	Summary	M.S.	Patent	Acres	Account
0001	William Penn	2631-203-00-053	484	Y	8.905	N002074
0002	William Penn	2631-203-00-051	484	Y	8.905	N002339
0003	Ben Franklin	2631-203-00-033	485	Y	9.503	N002072
0004	Ben Franklin	2631-203-00-032	485	Y	9.503	N002349
0005	Philadelphia	2631-204-00-034	486	Y	9.032	N002075
0006	Philadelphia	2631-204-00-033	486	Y	9.032	N002350
0007	General Cadwallader	2631-203-00-039	487	Y	9.503	N002338
0008	Little Prince	2631-203-00-084	551	Y	6.910	N002376
0009	Nettie Morgan	2631-204-00-035	929	Y	4.56	N000580
0010	Big Six East	2631-203-00-095	1616	Y	3.540	N000581