

Colorado mining company agrees to pay \$1.6 million over Gold King Mine disaster

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Water flows through a series of sediment retention ponds built to reduce heavy metal and chemical contaminants from the Gold King Mine wastewater accident, in the spillway about 1/4 mile downstream from the mine, outside Silverton on Aug. 14, 2015. Officials have said that federal contractors accidentally released more than 3 million gallons of wastewater laden with heavy metals at the Gold King Mine near Silverton. The pollution flowed downstream to New Mexico and Utah.

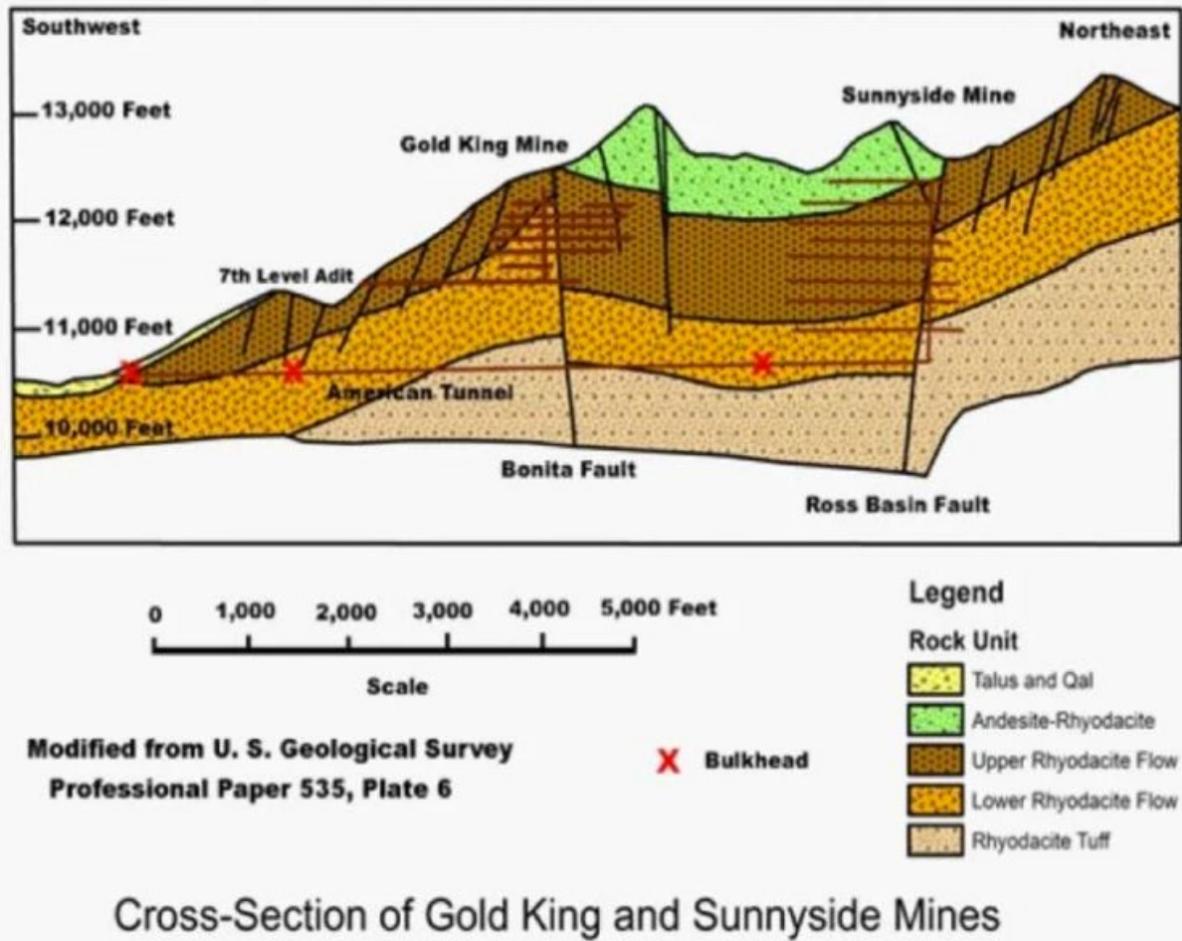
THE ASSOCIATED PRESS FILE

Colorado has approved a \$1.6 million settlement with Sunnyside Gold Corp., resolving the company's alleged liability for damages caused by the Environmental Protection Agency's inadvertent release of more than 3 million gallons of acidic mine waste from the Gold King Mine on Aug. 5, 2015.

The settlement agreement, announced Monday by the state attorney general, will be filed in U.S. District Court in Denver, where a judge will decide whether to approve the settlement.

Contractors working on an EPA mine waste drainage remediation project at the Gold King Mine, now owned by the federal government and lying more than a mile from SGC's Sunnyside mine, breached the plug in the lowest-level tunnel, resulting in pressurized acidic water contaminated with heavy metals to burst out of the tunnel.

The waste flooded into Cement Creek, high above the mountain town of Silverton. The bright yellow-orange wastewater flowed into the Animas River and caused panicked reactions by communities downstream as far away as New Mexico and Utah. It also caused communities to shut down drinking water plants and irrigation diversions.



Cross sections illustration showing the relationship of the Sunnyside Mine and the American Tunnel to the Gold King Mine.

Graphic courtesy of David Briggs and Geomineinfo

EPA scientists said the contamination was mostly iron and other metals in the water posed no human health hazard.

Damage claims of more than \$1.2 billion were leveled against the EPA for the spill.

After decades of ignoring pollution problems in the district, the EPA declared the district a Superfund site shortly after the blowout and began work to remediate some of the hundreds of mines in the area.

In a statement, the Attorney General’s Office said: “The trustees allege that SGC’s ownership and operation of the Sunnyside Mine, and the decision to install bulkheads in the American Tunnel, caused releases that contributed to the degradation of the Animas River watershed and injured natural resources in the area. After the plugging of the American Tunnel, discharge from the Gold King Mine began to increase steadily.”

After mining the Sunnyside Mine from 1986 to 1991, SGC closed its operation and began more than 30 years of voluntary reclamation, including to adjacent mines it never worked. SGC constructed 12 bulkheads in tunnels above and below the Gold King Mine, including the American Tunnel, which lies more than a thousand feet below the Gold King Mine, with the approval and participation of the Colorado Department of Public Health and Environment and its predecessors.

Since 1991, SGC has spent more than \$30 million on voluntary remediation work in the Bonita Peak Mining District, which encompasses the town of Silverton and the volcanic caldera that created the district’s mineral wealth.

A 2003 consent decree between the state and SGC was supposed to absolve the company of further liability for mine waste flows from mines in the area. “The EPA had a significant role in the Consent Decree’s development and implementation,” Kevin Roach, the reclamation director for SGC, said in 2019. “The EPA both encouraged the Consent Decree and applauded its results.”

Rich Mylott, an EPA spokesman, said: “The EPA did not sign or approve the consent decree between SGC and the State of Colorado.”

The EPA also said it “did not approve the placement of bulkheads in the mining district and in the American Tunnel.”