

COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Neglected Mine	M-1981-165	Gold	La Plata
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Kate A. Pickford	September 5, 2013	11:00
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Mine Development Inc	Harold Luzar	110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	ROND AMOUNT.	

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Normal I&E Program	Complete Bond	\$23,221.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	Kate fill	October 3, 2013

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS <u>Y</u>	(FN) FINANCIAL WARRANTY <u>Y</u>	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE Y	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES Y
(PW) PROCESSING WASTE/TAILING Y	(SF) PROCESSING FACILITIES <u>Y</u>	(TS) TOPSOIL \underline{Y}
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE <u>Y</u>	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(SB) COMPLETE INSP NA
(ES) OVERBURDEN/DEV. WASTE N	(SC) EROSION/SEDIMENTATION <u>Y</u>	(RS) RECL PLAN/COMP <u>Y</u>
(AT) ACID OR TOXIC MATERIALS <u>Y</u>	(OD) OFF-SITE DAMAGE <u>NA</u>	(ST) STIPULATIONS NA

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety monitoring program. Maintenance was being conducted at the time of this inspection, in the form of repairs to the retaining wall behind the mill building.

The mine entry is sealed with a metal door. Topsoil for reclamation is preserved at the site. The mill building is set up for milling but is not currently active. The permit is approved for use of pine oil and xanthate, but the milling that has taken place at the site most recently has been done via gravity separation. Although the mill is set up to use these chemicals. Within the mill is a crusher, ball mill, jig, floatation cells, a launderer and a table. If the ore is processed through gravity separation, the resulting product is run across a finishing table. All of the waste material from the process goes to the tailings pond through an underground pipe. The tailings pond is lined, although there are a couple of holes in the liner above the water line. The pond is holding water, so it appears the liner is intact below the water level.

No problems were noted at the time of this inspection.

The bnd currently held by the Division is adequate for reclamation of the site.

PHOTOGRAPHS













PERMIT #: M-1981-165 INSPECTOR'S INITIALS: KAP INSPECTION DATE: September 5, 2013

<u>Inspection Contact Address</u> Harold Luzar Mine Development Inc 6029 CR 250 Durango, CO 81301