




**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: CME Mineral Prospecting Project	MINE/PROSPECTING ID#: P-2011-002	MINERAL: Silver, gold, lead and	COUNTY: Mineral
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: September 4, 2013	INSP. TIME: 16:30
OPERATOR: Colorado Mining Enterprises, LLC	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$6,377.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. Forest Service	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 9, 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>NA</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>

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

OBSERVATIONS

This was a routine inspection conducted by the Division as part of its monitoring of Hard Rock and Metals prospecting NOIs. The operator was not present and the site was not active at the time of the inspection. Besides this inspector, also present during the inspection was Julie Murphy of the Colorado Attorney General's Office.

There has been recent drilling activity at this project, involving two of the four approved drill pads. The operator has provided photos of the 2013 drilling and the abandonment reports. Inspection of the site confirmed the recent disturbance and partial reclamation.

Drill pad 1. This is the lower drill pad, and it was not disturbed. No reclamation of pad 1 is needed. There was, however, a small footprint of disturbance a short distance north of approved pad 1, of approximately 100 sq ft adjacent to the lower road which exhibited some drilling muck, although no drilling occurred there. The grass around the muck was matted down, so the site may have been a parking or storage area for the project. The disturbance is minimal, but it is clearly related to the 2013 drilling, so the operator should monitor the site to ensure that it becomes revegetated soon. The muck may have to be removed to revegetate the site.

Drill pad 2. There were boreholes drilled here in 2013. The operator had prepared the pad by leveling it. The site was found to be clean and free of debris, and rough earthwork had been done. Final grading must still be carried out, as well as the revegetation seeding. In particular the edges of the pad (at its SW end) could be most prone to eroding. The cut walls on either side of the portal may also erode if not backfilled with available fill material from the pad. It may become necessary to do additional grading at this areas. Until the site is stabilized, the operator must monitor it for erosion, weed control and revegetation establishment.

Drill pad 3. There were boreholes drilled here in 2013. The operator prepared the pad by light excavation to re-establish an old slot. The site was clean and free of debris, but little reclamation earthwork had been done yet. Final grading must still be carried out. The operator must be careful at this site, due to its hillside location, especially on the slope below the slot where sidecast materials have begun to ravel or slough down the slope. The upper cut wall of the slot may advance up the hill if adequate recontour grading is not performed in a timely fashion. Some time reclaiming with an excavator, pulling lower materials up the slope and pushing them against the cut to recontour the area will help immensely, and is required. Ultimately, the surface must be stabilized, and the drainage and erosion must be controlled. Further earthwork is felt to be needed and should be carried out. If not, this could be the drill site that will deteriorate the most, part of it possibly extending offsite. As it stands now, the site needs further work.

Drill pad 4. There was no drilling carried out here. This is a site at a level switchback on the existing road near the old caved portal. The site is near pad 3, and only tire tracks from equipment were evident here. No reclamation is needed.

There were no further observations, and no problems noted. The season is getting late to perform more reclamation this year. All follow-up reclamation activities should be commenced next year, for all areas that will not be disturbed further. If additional drilling is being considered, please contact this office to discuss. At this time the bond is considered sufficient to complete the reclamation.

For questions related to this report, please contact this inspector at the Division's Durango Field Office:

DRMS – Durango Field Office
691 CR 233, Room A-2
Durango, CO 81301
Telephone 970-247-5193

Inspection Contact Address

Mark Cape
Colorado Mining Enterprises. LLC
5021 NE 23rd Terrace
Lighthouse Point, FL 33064

EC: USFS, Monte Vista, CO

PHOTOGRAPHS



Muck in area adjacent to lower road, not at Pad 1.



Matted grass adjacent to lower road.



Cut wall at Pad 2.



SW end of Pad 2.

PHOTOGRAPHS



Looking up at Pad 3.



Material cast down the slope below Pad 3.



Drill site at Pad 3, showing recontouring needed.



Looking down slot at Pad 3.



Road at Pad 4.



Road at Pad 4.