

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:
JD-7 Pit	M-1979-094-HR	Uranium and vanadii Montrose
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE: INSP. TIME:
Monitoring	Dustin Czapla	November 20, 2013 1230
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:
Cotter Corporation	Glen Williams	112d-3 - Designated Mining Operation
	- 1305	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Normal I&E Program	None	\$39,000.00 (\$1,245,000.00 with DOE)
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear		November 25, 2013

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. Note: 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 N	(RD) ROADS <u>N</u>
(HB) HYDROLOGIC BALANCE <u>N</u>	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE <u>N</u>	(RV) REVEGETATION Y
(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN N	(SB) COMPLETE INSP N
(ES) OVERBURDEN/DEV. WASTE N	(SC) EROSION/SEDIMENTATION \underline{Y}	(RS) RECL PLAN/COMP Y
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</u>	(ST) STIPULATIONS <u>N</u>

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

PERMIT #: M-1979-094-HR INSPECTOR'S INITIALS: DMC INSPECTION DATE: November 20, 2013

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Glen Williams, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The JD-7 Pit is located approximately 10 miles west of Naturita and accessed from Ee17 road. The site is a 112d-3 operation that includes a total of 490 permitted acres.

No evidence of recent mining activity was noted during this inspection. The site is currently in Temporary Cessation. Conditions at the site appeared unchanged from the Division's previous inspection.

Various mine equipment and debris was noted around the area of the mine office/shop located near the JD-7 Underground portal. Settling ponds are located just west of the office area.

The pit floor and dump area to the west appeared to be well vegetated and stable. A benched highwall, with overall slopes approximately 1H:1V, was located on the east side of the pit. No major stability issues were noted during this inspection. Slopes at the west end of the dump area have been reclamation graded and vegetated.

No problems or violations were noted.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

PHOTOGRAPHS



Figure 1: View facing north toward the site, from DD19 Road. Waste dump is shown in the left, and the pit area in the right.

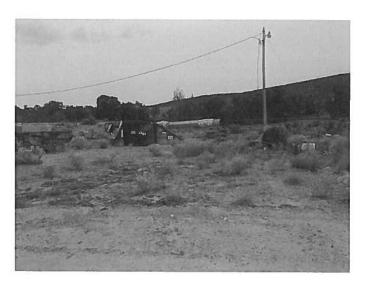


Figure 2: JD-7 underground portal area.



Figure 3: View towards the highwall from the northwest end of the pit.

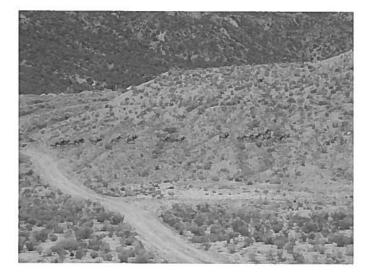


Figure 4: View toward the waste dump. Approximately twenty elk were seen crossing the pile during the inspection.



Figure 5: Retention ponds.



Figure 6: Retention ponds.



Figure 7: Retention ponds.

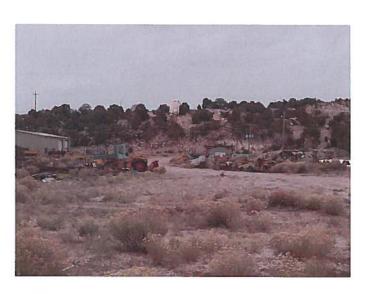


Figure 8: Shop area.

Inspection and Enforcement Contact

Glen Williams Cotter Corporation P.O. Box 700 Nucla, CO 81424