




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.

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| MINE NAME: SM-18 Mine | MINE/PROSPECTING ID#: M-1978-116 | MINERAL: Uranium and vanadium | COUNTY: Montrose |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Dustin Czaplá | INSP. DATE: November 19, 2013 | INSP. TIME: 0930 |
| OPERATOR: Cotter Corporation | OPERATOR REPRESENTATIVE: Glen Williams | TYPE OF OPERATION: 112d-1 - Designated Mining Operation | |

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| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: None | BOND AMOUNT: \$100.00 |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None DOE |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: 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.

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

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 SM-18 Mine is located northeast of the Uravan town site and accessed from U17 road. The site is a 112d-1 operation that includes a total of 14.9 permitted acres.

The south portion of the affected area consists of the Wright Portal, an operations area, sediment control structures, and ore and waste pile areas. Problems related to erosion or sedimentation were not noted during this inspection.

The north portion of the affected area, on the north side of Spring Creek Mesa, consists of the old reclaimed portal and mine area. This area was not inspected.

No problems or violations were noted during this inspection. Conditions at the site appeared unchanged from the Division's previous inspection.

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: Operations area above Wright Portal.



Figure 2: Operations area above Wright Portal.



Figure 3: Waste dump area.



Figure 4: Waste dump area.

Inspection and Enforcement Contact

Glen Williams
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