




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: Crystal Hill	MINE/PROSPECTING ID#: P-2012-010	MINERAL: Gold & Silver	COUNTY: Saguache
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: September 11, 2014	INSP. TIME: 13:00
OPERATOR: Colorado Mining and Exploration	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: None	BOND AMOUNT: \$14,367.45
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 22, 2014

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>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>NA</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>NA</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 bond-related inspection conducted by the Division as one of the steps toward releasing this prospecting notice, since it will be replaced by a recently-approved mining permit (M2014-027). The operator was not present during the inspection. The site was not active on the day of the inspection.

Activity in the NOI included excavation of small pits and trenches in the floor of an old mining pit (left by a former permitted operator) to determine whether is still economic ore to mine. This site was affected by some minor excavation under the approved prospecting plan. There were numerous shallow pits on the pit floor and near the margins, and an historic portal on the pit's northern side was opened. A larger excavation was approved for this project, but the operator did not do very much excavation. The operator's Cat 235 excavator was still parked in the main pit. No backfilling was evident. There was no debris and no fuel onsite.

The disturbance observed is in compliance with the approved plan. It also conforms to the excavation to be done under the new mining permit. Since the new mining permit which overlays this NOI has been approved, the NOI disturbance may remain, and become bonded under the mining permit.

The NOI is eligible for release, but the operator must initiate it by requesting release. Please refer to Hard Rock Rule 4.16 for the steps to follow in submitting the release request.

There were no problems noted. For questions related to this report, please contact this inspector at the Division's Durango Field Office: telephone 970-247-5193, or 303-866-3567 ext 8175.

All written correspondence should be sent directly to the Division's Denver Office:
Division of Reclamation, Mining & Safety
1313 Sherman Street, Room 215
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Inspection Contact Address

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PHOTOGRAPHS

