




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: Sunday Mine	MINE/PROSPECTING ID#: M-1977-285	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Bob Oswald, Lucas West	INSP. DATE: June 1, 2015	INSP. TIME: 11:20
OPERATOR: Pinon Ridge Mining LLC	OPERATOR REPRESENTATIVE: George Glasier	TYPE OF OPERATION: 112d-2 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$297,926.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. BLM	JOINT INSP. AGENCY: U.S. BLM
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 16, 2015

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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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 112d-2 DMO permits. The operator named on page one was present throughout the inspection. Also present was James Blair of the BLM, and Lucas West of DRMS. The site was not active on the day of the inspection.

The operator has installed an updated permit ID sign, which was observed posted at the entrance gate to the permitted area. Boundary markers (steel T-posts) of the affected areas were installed at the boundary corners. All disturbance is contained within the boundary. Remote vent shaft sites were identified with signage, although some of the ID signs still exhibited the former operator's name, and should be updated.

The site was mostly dry, but recent rains have left some runoff impounded in most of the sediment catchments. These all appeared to be maintained in good condition, but the operator is reminded that they should be monitored and cleaned out to maintain their intended capacity. The large basins above the office/dry and electric transformer station have been rebuilt to incorporate several smaller cells and higher berms, rather than a single cell. The idea of salvaging the material cleaned out of the ponds for use as growth medium was discussed again; the operator stated that he will stockpile it in a protected location onsite, and show it on annual report maps.

The stockpile of low-grade ore is still located near the entrance, containing approximately 100,000 cubic yards. The grade of the ore was too low to haul to the mill while mining was occurring, but it will eventually have to be either hauled, removed or placed back underground (if it still present at the time of final reclamation).

The operator mentioned the possibility of proposing to perform an "ablation process" test on the site, as a way of to evaluate the feasibility of in-situ mineral extraction of the ore. It may involve about 100 tons of ore, and processed by portable equipment. This is an activity that is not currently approved for this permit, but may become possible if proposed in a revision to the permit, and approved by the Division. (The operator is reminded that he must comply with all documentation requirements and approvals for activities that must be met for the BLM plan of operations.)

The erosional features in the permit noted last year have been graded and no new evidence of uncontrolled runoff was observed. There has been some erosional damage to the roads that pass over the ridge in the permit area, but they are still passable.

The portal is backfilled inside the steel arch sets and locked steel grate. The buildings were closed and secure. There is no fuel stored at the site. There was no knapweed noted during the inspection, although halogeton still appears to be present. The operator will continue to monitor and treat all noxious weeds, according to the approved weed control plan.

For questions related to this report, please contact the Division at: 303-866-3567.

All written correspondence should be sent directly to the Division's Denver Office:
Division of Reclamation, Mining & Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Inspection Contact Address

George Glasier
Pinon Ridge Mining LLC
P O Box 825
Nucla, CO 81424

EC: Lucas West, DRMS (via email)
James Blair, BLM (via email)

Photographs from the inspection are below and on the following page.

PHOTOGRAPHS



PHOTOGRAPHS

