




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: Carnation Mine	MINE/PROSPECTING ID#: M-1977-416	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: 12:30
OPERATOR: Pinon Ridge Mining LLC	OPERATOR REPRESENTATIVE: George Glasier	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$22,468.00
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>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</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>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>Y</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>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 110d 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 locked entrance gate to the permitted area. Boundary markers (steel T-posts) were installed at the permit boundary corners.

The site was mostly dry, and most of the runoff from recent rains was no longer in the sediment catchments. The catchments 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 pad at the portal level has a large, effective berm along its crest. The large basins along the main road crossing through the permit have been rebuilt to increase the capacity, and have been recently cleaned out. The berms for the sediment basins at the low, northern edge of the permit area have also been repaired and built up.

The portal is backfilled inside the steel arch sets and locked steel grate. There was no knapweed noted during the inspection, although halogeton still appears to be present. The patches of "tall whitetop" observed and discussed last year turned out to be a native "look-alike" plant belonging to the same genus; it is not an invasive noxious weed and does not need to be treated.

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

Photographs from the inspection are on the following page.

PHOTOGRAPHS

