




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: Deep Creek Placer	MINE/PROSPECTING ID#: M-1986-102	MINERAL: Limestone (general)	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: October 30, 2015	INSP. TIME: 09:00
OPERATOR: Collins Morehead, LLC	OPERATOR REPRESENTATIVE: Dan Collins	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$18,394.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 17, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 occurred as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Deep Creek Placer is an active 110c permit located approximately 8 Miles west of Telluride, Just off Highway 145. The site is an underground limestone operation with two acres of permitted disturbance on the surface. Access to the site is controlled by a locked gate at the bottom of the access road. The Division currently holds \$18,394.00 in financial warranty. Five Photos accompany this report to illustrate current site conditions. The Operator, Dan Collins was present during this inspection

Photo One shows the proper mine identification sign posted on the gate at the bottom of the access road. It is noted however that the Operator's contact number on the sign is out of date and the Division requests that the Operator update the sign with the appropriate contact information. The permit boundaries are delineated by a storm water containment berm that encompasses the work/ storage area just outside of the portals. Proper storm water control features were observed and were stable. The site exhibits positive drainage and no erosional features were observed. Small amounts of stockpiled material was observed outside of the portals. No topsoil or overburden stockpiles were observed on site. No Noxious weeds were observed.

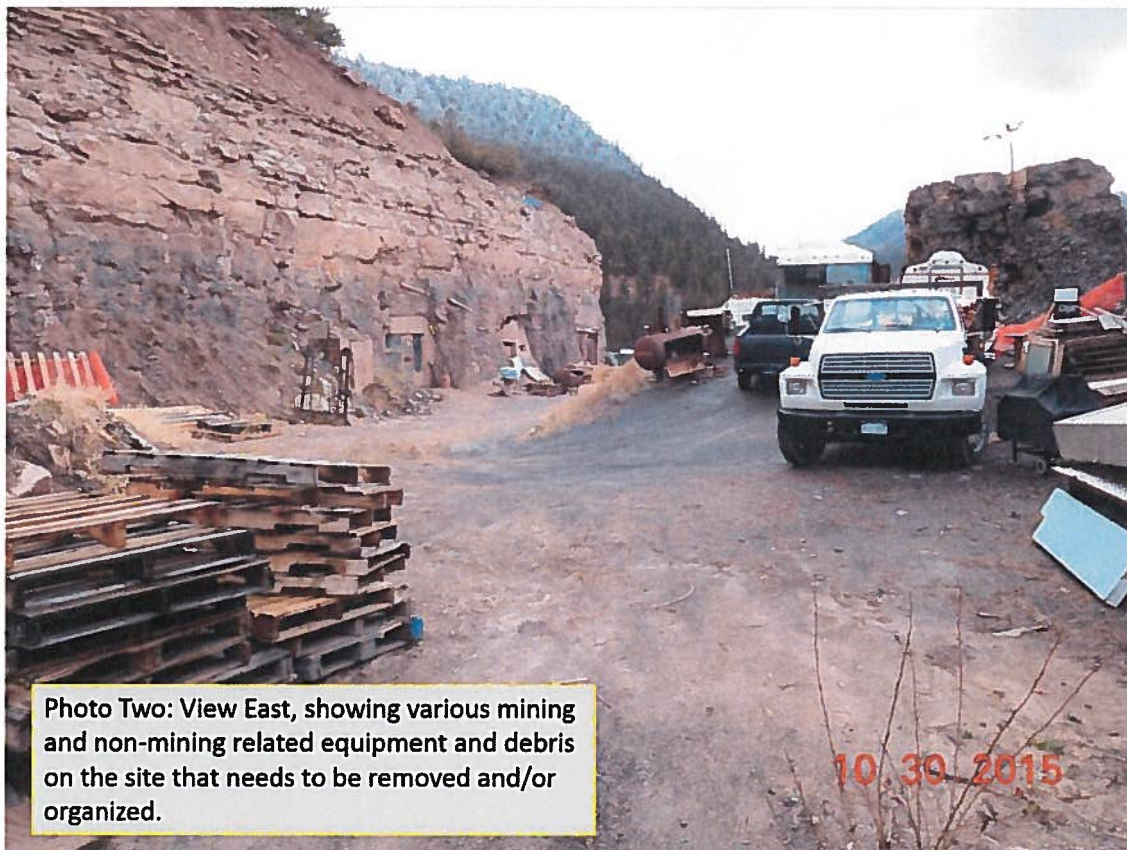
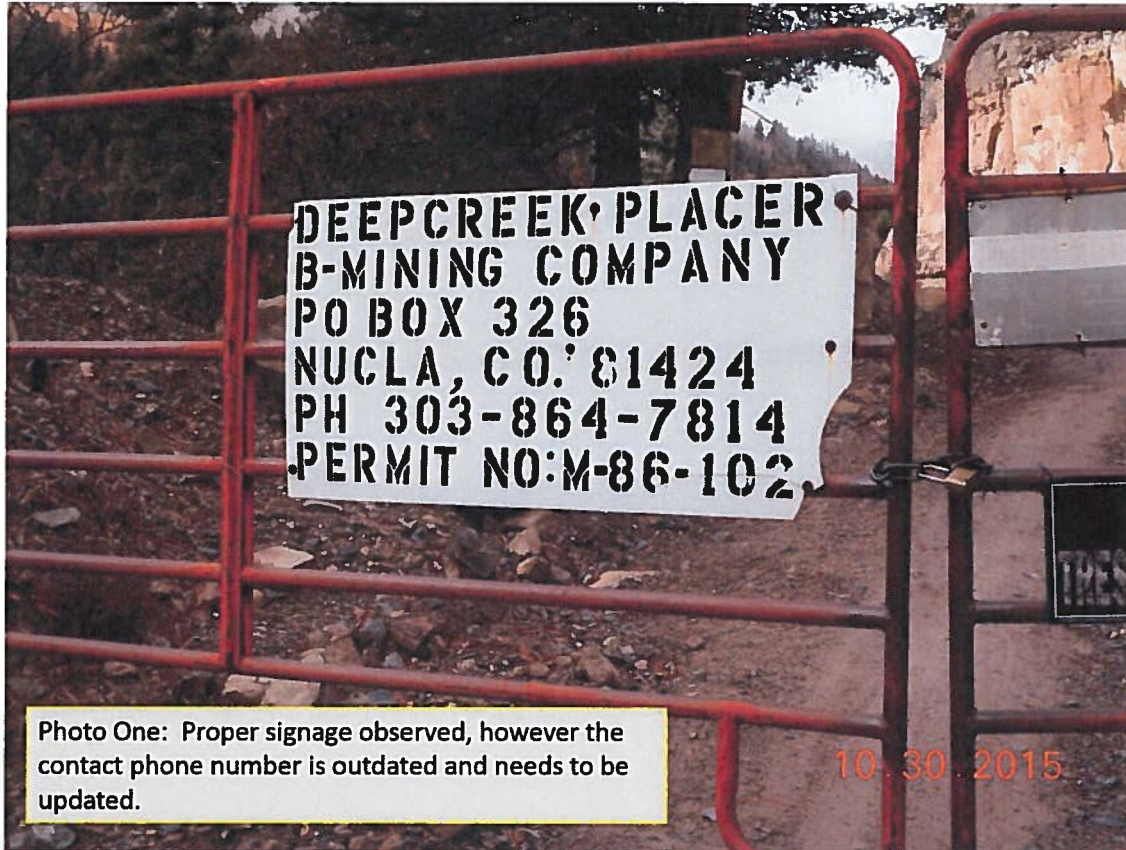
The site has not been active for several years. Due to the recent inactivity the work and storage area that is just outside of the portals has become cluttered with both mining and non-mining related equipment, and debris as seen in Photos Two and Three. The Division also requests, that the Operator clean up the site of the trash and debris, and store the equipment whether mining or non-mining related in a neat and orderly fashion.

The site consists of six portals leading into large extensive workings, and include an underground metal working and maintenance shop. Despite the recent inactivity the underground workings are in very good condition and are well kept. All portals were sealed and locked with various types of closures, shown in Photo Four including framed in doors, as well as metal grate doors used for equipment access. A historic explosives magazine is located on site, however the Operator verified it was empty, and as seen in Photo Five, the door is blocked by vegetated rock and soil berms, suggesting the magazine has not been used for some time.

Discussions with the Operator took place as to what the future of the mine holds. The Operator indicated that no further mining will take place at the site. The Division recommends that the Operator file an amendment to change the post mining land use to support his plans of a light commercial facility, as well as amending the reclamation plan to reflect the new land use. The amendment must be submitted in compliance with Rule 1.10 of the Rules for the Extraction of Construction Materials and all required materials and the associated fee of \$827.00 be submitted to the Division's Denver office, whose address is listed below. Once the amendment is filed, processed and approved the Operator can move towards the final reclamation and release phase of the mine.

No problems or possible violations were observed at the time of this inspection. All responses to this inspection should be directed to Lucas West, at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, or by phone at (970)-243-6368.

PHOTOGRAPHS



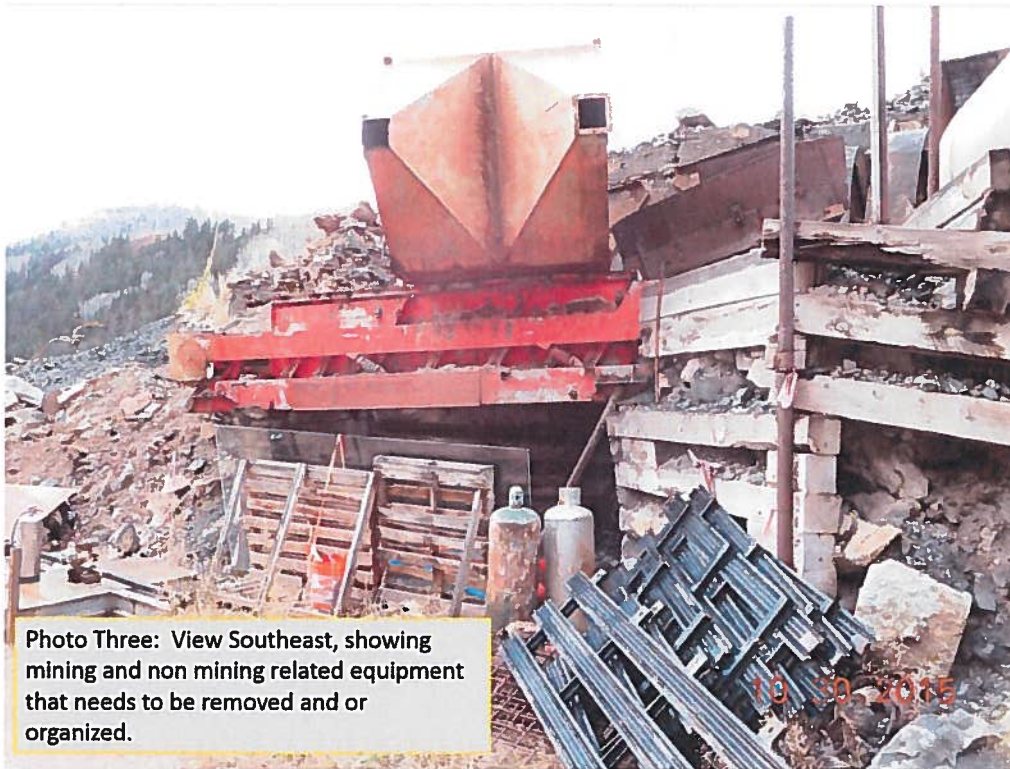


Photo Three: View Southeast, showing mining and non mining related equipment that needs to be removed and or organized.

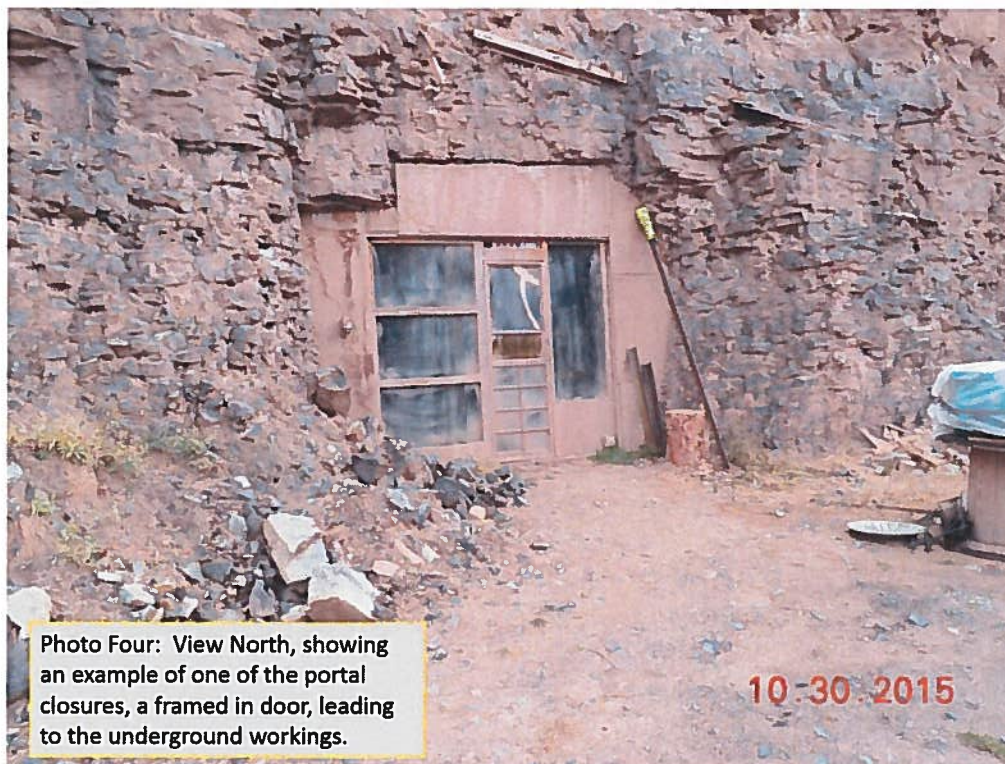
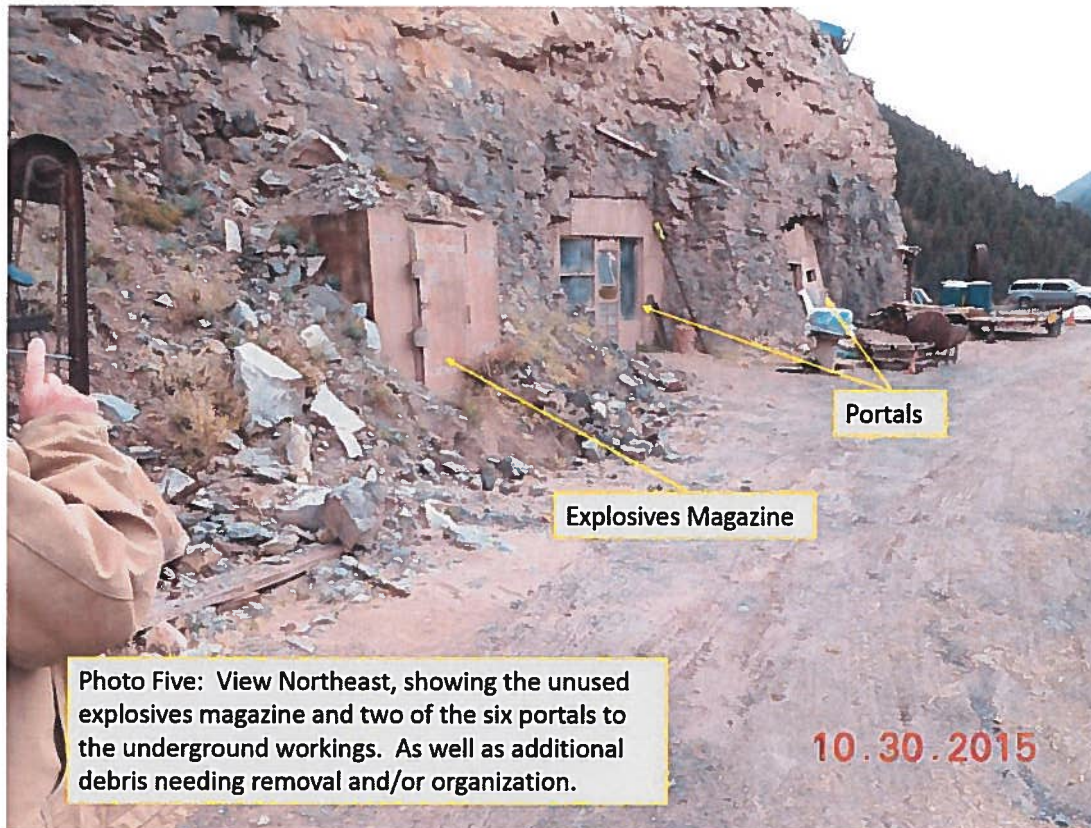


Photo Four: View North, showing an example of one of the portal closures, a framed in door, leading to the underground workings.



Inspection Contact Address

Dan Collins
Collins Morehead, LLC
1417 South Grandview Drive
Tempe, AZ 85281

Enclosure

CC: