



**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.

<b>MINE NAME:</b> Providence Mine	<b>MINE/PROSPECTING ID#:</b> M-2012-052	<b>MINERAL:</b> Silver and gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Timothy A. Cazier	<b>INSP. DATE:</b> January 20, 2016	<b>INSP. TIME:</b> 13:35
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Company	<b>OPERATOR REPRESENTATIVE:</b> Chris Hanks	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$17,200.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b>	<b>SIGNATURE DATE:</b> March 7, 2016	

**The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.**

**INSPECTION TOPIC:** Signs & Markers

**PROBLEM/POSSIBLE VIOLATION:** Problem: The mine identification sign was not posted at the entrance of the mine site. This is a problem for failure to post a mine identification sign as required by Section 3.1.12(1) of the rule.

**CORRECTIVE ACTIONS:** The operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 4/07/16

**INSPECTION TOPIC:** Signs & Markers

**PROBLEM/POSSIBLE VIOLATION:** Problem: The affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Section 3.1.12(2) of the rule.

**CORRECTIVE ACTIONS:** The operator shall conduct a survey and replace the boundary markers in the correct location(s). The operator shall provide proof to the Division that this has been done by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 5/09/16

## **OBSERVATIONS**

The Division conducted a monitoring inspection of the site on January 20, 2016. Mr. Chris Hanks, was present for the inspection. Tim Cazier represented the Division. The Providence Mine is about 200 feet from Hwy 67, near Cripple Creek. The site is accessed from Galena Ave and Hwy 67 on the northeast side of Cripple Creek. The site was not active at the time of the inspection and covered with about a foot of snow.

Inspection – A permit identification sign was not posted at the site entrance (**Photo 1**). **The missing permit sign is cited as a problem on page 1 of this report.** No permit boundary markers were observed either. This is partly due to the site being permitted previously as a Notice of Intent to prospect (NOI file No. P-2005-005), which does not require permit signs nor boundary markers. **The lack of permit boundary markers is cited as a problem on page 1 of this report.** The surface disturbance is limited to a small area near the mine entrance (adit) (**Photo 2**). Small temporary buildings, and equipment were observed in this area (**Photo 3**). Mr. Hanks indicated most of the temporary buildings and equipment belong to the former Operator (Shannon Murphy). CC&V is working with Mr. Murphy to get this removed. However, CC&V wishes to keep the ventilation fan, ductwork and the temporary office building (as it has electrical hookups). Mr. Hanks stated they will work with the County to get proper permits once Mr. Murphy has removed his temporary buildings. Mr. Hanks pointed out the explosive magazines had been removed (**Photos 4 and 5**).

Mining Plan – CC&V has not been active at the site.

Reclamation – No reclamation has been completed. As for 110 mine sites the permit boundary and the affected area boundary are defined as being the same, we discussed a potential acreage release for portions of the permit area that CC&V expects not to disturb.

Environmental – No problems were observed, but could not be ruled out due to the snow cover.

### **Records:**

- Revisions: Permit transfer (SO-01) in October 2014.
- Commitments/Stipulations:
  - i. Stipulation No. 1: “The permittee will commit to performing annual testing of ore and waste rock if removed to the surface of the permit area. Results to be included with Annual Report.” No testing was received with the 2015 annual report. However, as the mine has not been active, there is no ore to test. No problem is cited for missing the annual ore testing requirement.
  - ii. CC&V has committed to refrain from mining activity until legal right of entry is worked out with the owner of a small part of the permit area. Mr. Hanks volunteered to provide the Division with a map depicting the part of the permit with right of entry problems. If this is not resolved by the time of the next inspection (planned for first quarter 2017), The Division will require the permit be placed into temporary cessation (TC).
- Other Records
  - a) The total permitted area is 9.93 acres, the 2015 annual report indicated ~2 acres of disturbance which is consistent with Google Earth disturbed area estimates (see **Figure 1**).
  - b) The previous inspection was performed on 9/18/2012 when it was an NOI. The inspection required the site to obtain a 110 mine reclamation permit as a corrective action. The Providence Mining, LLC 110d permit application was approved in September 2013, but not issued until October 2014 after

CC&V was able to transfer the permit and submit the bond.

c) The anniversary date is October 7. Annual reports and fees are current through 2015.

**Bond:**

The Division holds a \$17,200 bond which is deemed adequate for the current disturbance.

**Summary and Recommendations:**

1. Two problems were cited during the inspection. The corrective actions need to be completed by the due dates listed on page 1 of this report:
  - a. No permit sign,
  - b. No permit boundary markers.
2. Please provide the Division with a map depicting the right of entry problem area.
3. If the legal right of entry is not resolved by the planned 2017 inspection, the Division will require the permit be placed into TC.

Please contact Tim Cazier (303-866-3567, ext. 8169) if you have any questions regarding this report.

**PHOTOGRAPHS**



Photo 1. Missing permit sign at entrance gate.



**PHOTOGRAPHS (cont.)**



Photo 2. Mine entrance (adit) and ventilation duct work.



Photo 3. Small temporary buildings and equipment near adit (looking south).



**PHOTOGRAPHS (cont.)**



Photo 4. Explosives magazine (1 of 2) removed – previously inside fenced area.



Photo 5. Explosives magazine (2 of 2) removed – previously inside fenced area.



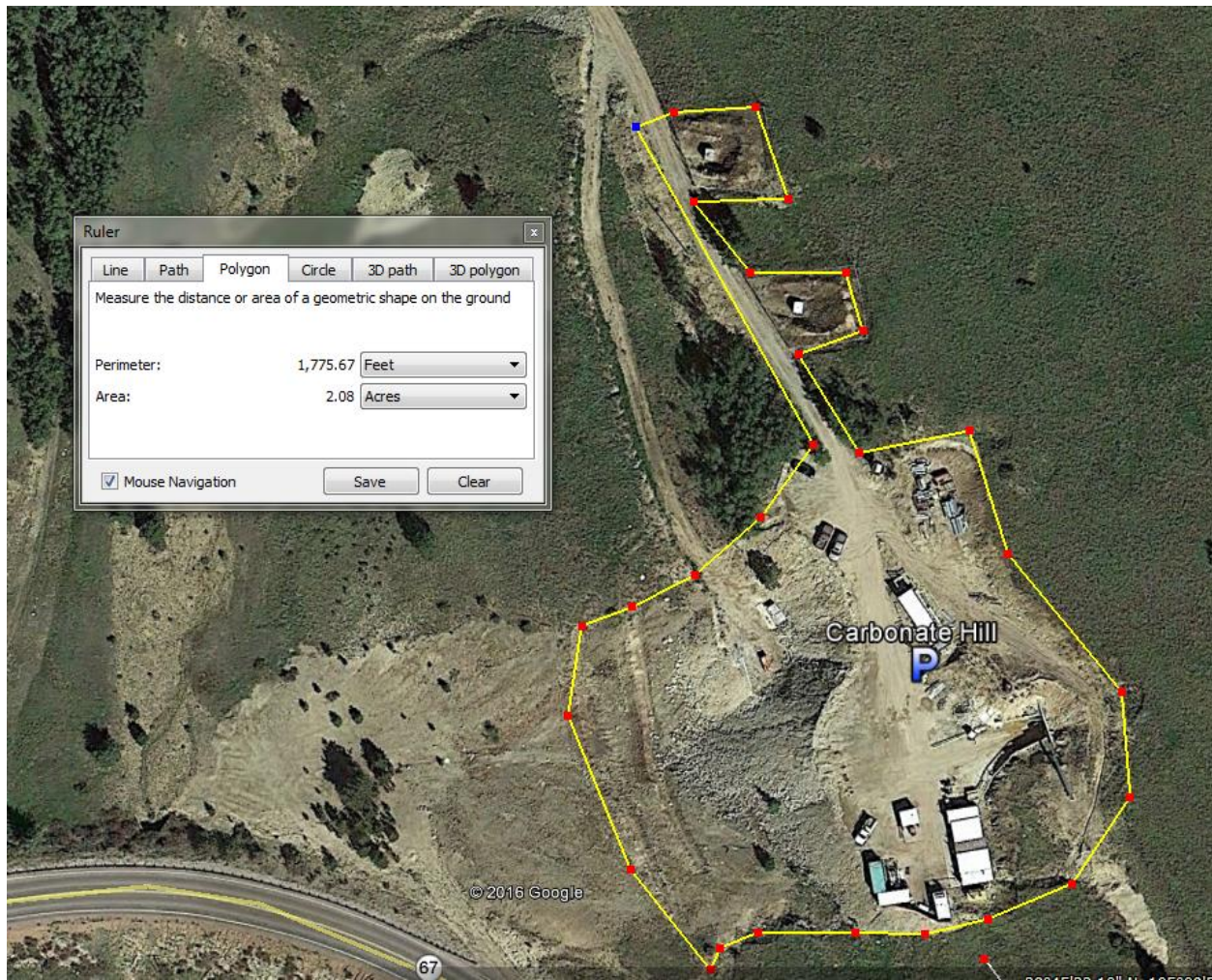


Figure 1. Google Earth Disturbed Area Estimate (9/24/2013 Image).  
*Note: Carbonate Hill was the site name under NOI File No. P-2005-005.*

### GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>PB</u> <u>(2)</u>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

### Inspection Contact Address

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DRMS file