




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: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: September 20, 2016	INSP. TIME: 12:05
OPERATOR: Pinon Ridge Mining LLC	OPERATOR REPRESENTATIVE: Patrick Siglin, Michael Rutter	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: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 13, 2016	

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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>	(SP) 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>Y</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 was conducted as part of the normal monitoring program for permitted Designated Mining Operations established by the Colorado Division of Reclamation, Mining and Safety. The Carnation mine is a 110d operation that is currently in Temporary Cessation and consists of a maximum allowed disturbance of 9.8 acres. The site is a part of a five site permitted complex collectively referred to as the Sunday Mine Complex. In addition to the operator representatives listed on Page One of this report, James Blair of the BLM was present during the inspection. The Division currently holds \$22,468.00 in Financial Warranty for the site. Four Photos accompany this report to illustrate the current conditions of the site.

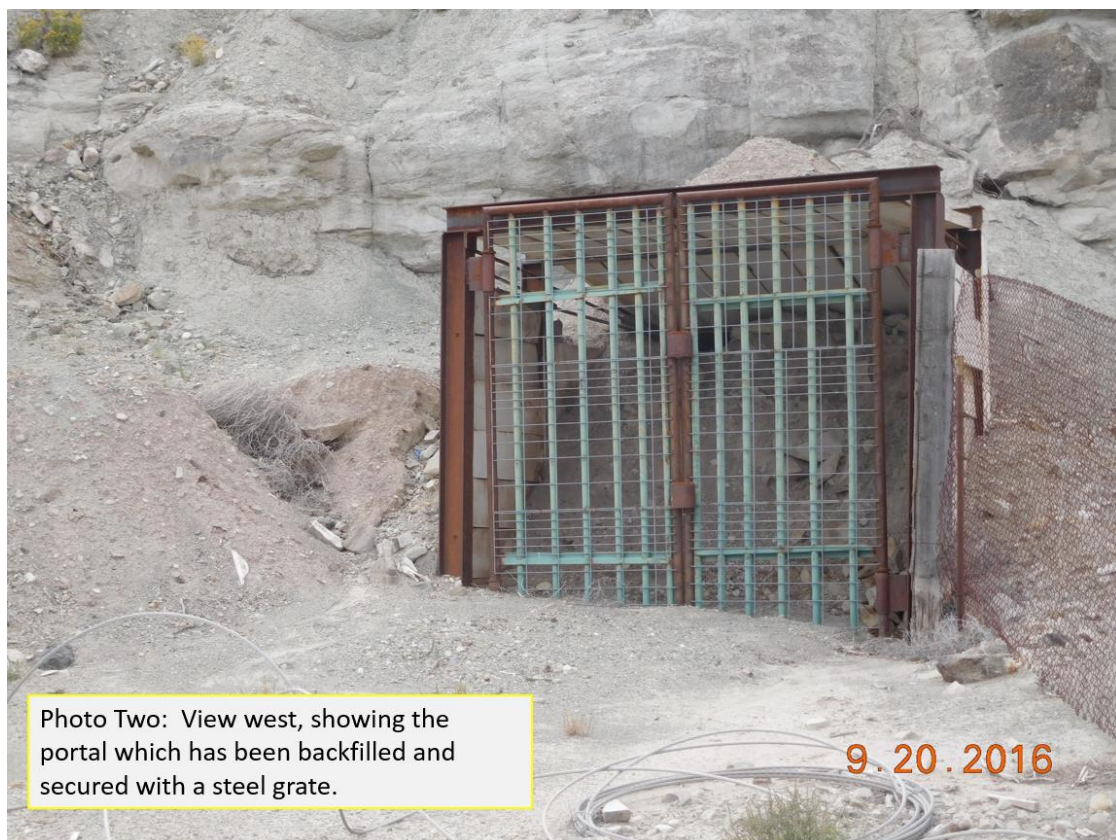
As seen in Photo One, the permit ID sign was observed at the entrance to the site. The permit boundary markers were also observed and all disturbances were confined within the permitted area. The remote vent shaft sites were inspected and found to be in good condition. All vent shaft sites were secured with a steel grate to prevent unauthorized access and showed no signs of vandalism. Evidence that the diversion ditches and storm water control devices are functioning as designed and no significant erosion was observed throughout the site. The lower permit area was also in good condition with no signs of significant erosion. The lower area has begun to revegetate itself and appears to be in good condition.

The portal located on site was also secured, it has been backfilled, closed off with steel grates as well as encompassed by a small berm as seen in Photo Two. No fuel storage containers were observed on site. Various other debris was observed on site however it was stored in an orderly fashion and was not a concern at this time.

The main pad and work area was in good condition as seen in Photos Three and Four, evidence of weed management during the growing season was observed. The whole site exhibits positive drainage and no erosional issues were observed at this time. The overall footprint of the site was in good condition and free from excessive trash and debris. No problems or possible violations were noted during this inspection.

All questions or responses to this report 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





Inspection Contact Address

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Enclosure

CC: Russ Means, Senior Environmental Protection Specialist
James Blair, BLM

EC: Patrick Siglin, Pinon Ridge Mining LLC