




**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> Scott Blue II	<b>MINE/PROSPECTING ID#:</b> M-2007-031	<b>MINERAL:</b> Gold, Gemstone	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Elliott R. Russell	<b>INSP. DATE:</b> April 19, 2017	<b>INSP. TIME:</b> 10:30
<b>OPERATOR:</b> The Turquoise Connection, Inc.	<b>OPERATOR REPRESENTATIVE:</b> Foster Scott	<b>TYPE OF OPERATION:</b> 110(2) - Hard Rock Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$6,352.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> U.S.BLM	<b>JOINT INSP. AGENCY:</b> U.S.BLM
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> June 1, 2017

**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.**

**GENERAL INSPECTION TOPICS**

The following list identifies the environmental and permit parameters inspected

ACID OR TOXIC MATERIALS	<u>N</u>	FISH AND WILDLIFE	<u>Y</u>	ROADS	<u>Y</u>
AVAILABILITY OF RECORDS	<u>Y</u>	HYDROLOGIC BALANCE	<u>Y</u>	PERMIT STIPULATIONS	<u>NA</u>
BACKFILL AND GRADING	<u>Y</u>	GEN COMP WITH MINE PLAN	<u>PB</u>	SEDIMENT CONTROL	<u>PV</u>
COMPLETE INSPECTION	<u>Y</u>	OFF-SITE DAMAGE	<u>PV</u>	SIGNS AND MARKERS	<u>PB</u>
EXCESS SPOIL/DEV. WASTE	<u>N</u>	PROCESSING WASTE	<u>Y</u>	STORM WATER MGT PLAN	<u>N</u>
EXPLOSIVES	<u>NA</u>	RECLAMATION SUCCESS	<u>N</u>	SUPPORT FACILITIES	<u>N</u>
FINANCIAL WARRANTY	<u>Y</u>	REVEGETATION	<u>N</u>	TOPSOIL	<u>Y</u>

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

### **PROBLEMS/POSSIBLE VIOLATIONS**

**INSPECTION TOPICS:** Off-site Damage and Sediment Control

**POSSIBLE VIOLATIONS:** Land has been affected outside of the approved permit boundary by uncontrolled erosion. This is a possible violation of C.R.S. 34-32-116(7)(h) for failure to protect areas outside of the affected land from slides or damages occurring during the mining operation, and a possible violation of C.R.S. 34-32-116(7)(i) for failure to stabilize and protect all surface areas of the affected land to effectively control erosion..

**CORRECTIVE ACTIONS:** These possible violations will require a hearing before the Mined Land Reclamation Board scheduled for the June 28-29, 2017 Board meeting. The schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the operator.

**CORRECTIVE ACTION DUE DATE:** July 26-27, 2017

**INSPECTION TOPIC:** Gen. Compliance With Mine Plan

**COMPLIANCE PROBLEM #1:** Approved storm water control and sedimentation prevention methods have not been implemented or have not been maintained.

**CORRECTIVE ACTIONS:** The operator shall submit photo documentation showing the implementation of approved storm water control methods by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** July 5, 2017

**INSPECTION TOPIC:** Signs and Markers

**COMPLIANCE PROBLEM #2:** The mine identification sign needs to be refreshed or replaced, pursuant to Rule 3.1.12(1).

**CORRECTIVE ACTIONS:** The operator shall submit photo documentation showing a sign posted at the entrance to the mine site, which shall be clearly visible from the access road, specifying the following:

- the name of the operator
- indicate that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board
- the permit number

**CORRECTIVE ACTION DUE DATE:** July 5, 2017

### **OBSERVATIONS**

This inspection was conducted as part of the Division's routine monitoring program for permitted operations. The Operator was represented during the inspection by Foster Scott. This was a joint inspection with the Bureau of Land Management (BLM). William Jenkins represented the BLM.

The Scott Blue II is a 110(2) Operation and is approved to affect 1.7 acres of land. The site is located immediately northeast of Cripple Creek in Teller County. Affected lands will be reclaimed to support rangeland post-mining land use. The operation is approved to process alluvial materials for gold and turquoise. The majority of the operation is located on the south side of the upper reaches of Cripple Creek, while a small portion of the operation is located in the ephemeral channel. The southern portion consists of the site entrance, processing area, a large processed-material stockpile, and a small topsoil stockpile. The northern portion (channel area) consists of the mining excavation and two settling ponds (see **Photo 1**).

The Division met Foster Scott and William Jenkins at the mine site entrance on the north side of Galena Avenue, approximately 640 feet northeast of State Highway 67 and Carbonate Street. The site was not active at

the time of the inspection and no equipment was on-site. Mr. Scott stated the placer operations have not been active for eight years; however, the 2016 Annual Reports indicates the date of last excavation, processing, or hauling activity was in April 2015. The Operator is reminded of permit activity obligations and the requirements of temporary cessation in accordance with C.R.S. 34-32-103(6)(a)(II) and Rule 1.13. The only equipment located on-site at the time of the inspection was a large trommel (see **Photo 2**).

Availability Of Records: Annual fees are paid through July 2016. The 2017 Annual Report, Map and Fee will be due on the permit's anniversary date (July 5, 2017). The Division's previous site inspection was conducted on September 26, 2012. There are no outstanding infractions.

Backfilling and Grading: Mining slopes in the northern portion of the permit were approximately 1H:1V and steeper (see **Photo 3**). The steepest slopes are located in the northwest portion of the site (see **Photo 4**). A processed-material stockpile is located in the southwest portion of the site (see **Photo 5**); this appears to be an adequate amount of material to be used as backfill to achieve the approved final reclamation configuration at the site. However, Mr. Scott stated this material is potential ore and may be hauled off-site for further processing. Please note, this is in conflict with the approved permit as material was not proposed to be hauled off-site and the processed material would be used as backfill; a technical revision to the approved mining and reclamation plans is required address this proposal. In addition, potential milling operations would require a permit with the Division pursuant to C.R.S. 34-32-103(8).

Financial Warranty: The \$6,352 bond held by the Division appears to be adequate for reclamation efforts.

Gen. Compliance With Mine Plan: The Division observed evidence of an old and dilapidated silt fence along the western permit boundary at the toe of the processed-material stockpile (see **Photo 6**). This silt fencing will need to be replaced in accordance with the approved permit. This is cited as Compliance Problem #1 on page two of this report. Upon further review of the approved permit, in addition to silt fencing along the western permit boundary to protect off-site lands from sedimentation, a berm was to be installed along the eastern permit boundary to protect the site from off-site runoff and erosion. The Division did not observe a berm along the eastern boundary (see **Photo 7**). This is also cited as a part of Compliance Problem #1.

Off-site Damage: During the inspection the Division observed a head cut erosional feature in the northwest portion of the site advancing upstream of the ephemeral channel. A fence, delineating the permit boundary, was damaged by this head cut which had affected lands approximately 10 feet upstream of the permit boundary (see **Photos 8 and 9**). The Division collected GPS data of the head cut and the two survey monuments on either side of the channel, which delineated the permit boundary corners, and determined that approximately 683 square feet of lands outside of the permit boundary have been affected. A second erosional feature has developed along the eastern permit boundary and advanced to off-site lands. Failure to implement the berm discussed above has allowed a small head cut to develop from upland storm water entering the operation's excavation (see **Photos 10 and 11**). The off-site disturbances and uncontrolled erosion is cited as Possible Violations on page two of this report.

Signs and Markers: The permit identification sign was posted at the entrance of the site, but is illegible and needs to be refreshed or replaced (see **Photo 12**). This is cited as Compliance Problem #2 on page two of this report. The permit boundary is delineated by fence lines and t-posts with survey monuments at the boundary corners.

Topsoil: A small topsoil stockpile is in the southwest corner of the site, located on the south side of the large processed-material stockpile.

This concludes the Division's Inspection Report; a subset of photographs taken during the time of the inspection are included below. If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at [elliott.russell@state.co.us](mailto:elliott.russell@state.co.us).

### **PHOTOGRAPHS**



**Photo 1.** Site overview; looking southeast.



**Photo 2.** Trommel used for processing the placer deposit; looking southeast.



**Photo 3.** Eastern mining slopes in the northern portion of the site; looking south.



**Photo 4.** Mining slopes in northwest corner of the site in close proximity of the permit boundary (yellow line); looking southwest.



**Photo 5.** Processed-material stockpile located in the southern portion of the site; looking south.



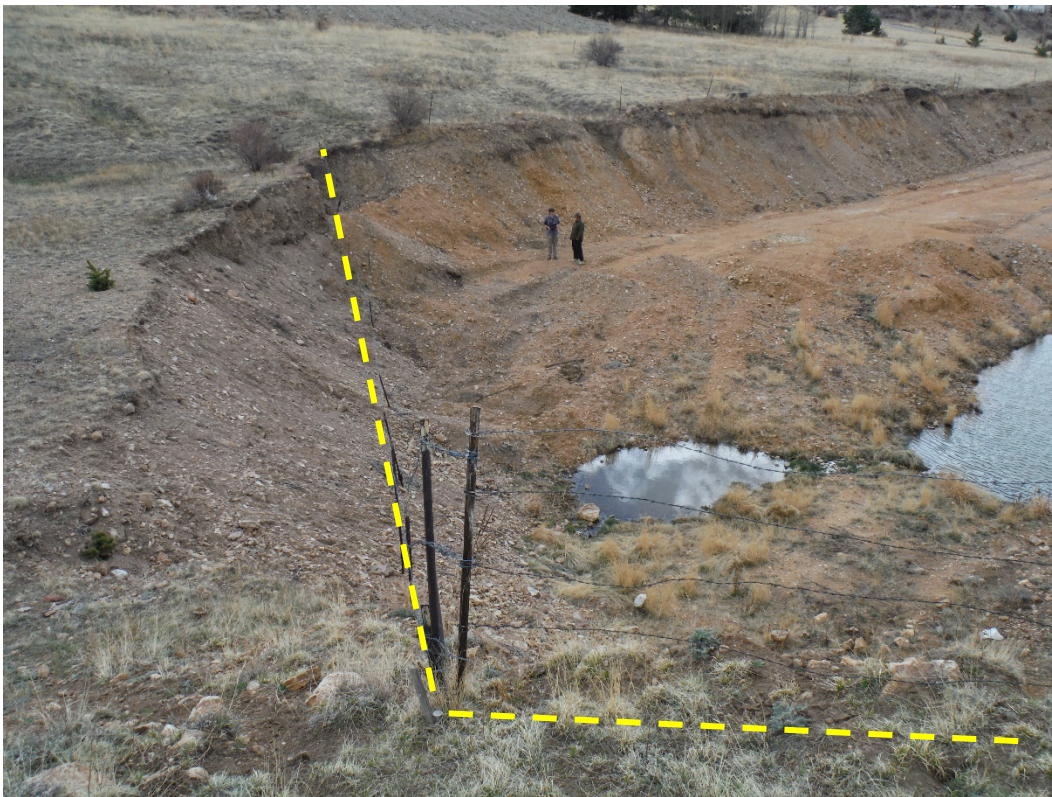
**Photo 6.** Toe of processed-material stockpile along western permit boundary (yellow line), evidence of degraded silt fence; looking north.



**Photo 7.** No drainage berm observed along eastern permit boundary (yellow line); looking south.



**Photo 8.** Head cut erosional feature migrating upstream of the permit boundary (yellow line); looking northwest.



**Photo 9.** Head cut erosional feature migrating upstream of the permit boundary (yellow line); looking southeast.



**Photo 10.** Erosional feature migrating uphill of the eastern permit boundary (yellow line); looking southeast.



**Photo 11.** Base of erosional feature along eastern permit boundary; looking east.



**Photo 12.** Permit identification sign; looking north.

**Inspection Contact Address**

Foster Scott  
The Turquoise Connection, Inc.  
107 Wild Rose Dr.  
Cañon City, CO 81212

CC: Wally Erickson with DRMS  
William Jenkins with BLM