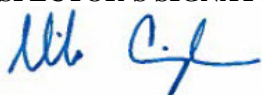




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> Fairplay Au Pit	<b>MINE/PROSPECTING ID#:</b> M-1991-037	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Park
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Michael A. Cunningham	<b>INSP. DATE:</b> June 20, 2017	<b>INSP. TIME:</b> 09:45
<b>OPERATOR:</b> High Speed Mining, LLC	<b>OPERATOR REPRESENTATIVE:</b> Lance Baller	<b>TYPE OF OPERATION:</b> 110c - Construction Limited Impact	
<b>REASON FOR INSPECTION:</b> Citizen Complaint	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$21,110.00	
<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> July 24, 2017	

**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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</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>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>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>N</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>N</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**

The inspection was conducted by Michael Cunningham and Wally Erickson of the Division of Reclamation, Mining and Safety (Division). Lance Baller was present on behalf of High Speed Mining, LLC; Freddy Dodge, was present on behalf of the Operator; and Greg Lewicki and Ben Langenfeld were present on behalf of Greg Lewicki and Associates. The purpose of this inspection was to follow up on three citizen complaints received by the Division.

On June 12, 2017, the Division received a copy of a Cease and Desist Order issued by Park County to High Speed Mining, LLC. The Operator was ordered to cease and desist all mining and commercial activities on areas zoned as residential. The Division did not observe any mining activities and found the Operator was adhering to the Cease and Desist order. The Operator received approval of Technical Revision No. 5 on May 26, 2017, which allowed the operator to install a liner in the water holding pond. The water holding pond was filled with water from the Operator's approved diversion point on the Middle Fork of the South Platte River (river). This activity was conducted prior to the issuance of the Park County Cease and Desist Order.

On June 22, 2017, the Division received notice from Park County that the Cease and Desist Order had been conditionally lifted. The Operator was allowed to continue using the wash plant. However, no mining activity could resume on areas zoned for residential use within the permit boundary.

### **Citizen Complaints:**

The Division received three Citizen Complaints from Robin Rindsig. Copies of the complaint letters are in the public file and have been forwarded to the Operator. The following is a list of the individual complaints and the Division's findings:

1. Complaint received May 26, 2017 - Complainant stated the Operator was storing mining equipment outside of the approved permit boundary. The complainant submitted photographs of the site, which appeared to have been taken from Highway 9 located approximately 0.25 miles north of the operation. The Division did not observe any mining related equipment outside of the permit boundary.
2. Complaint received June 1, 2017 - Complainant stated the Operator was illegally diverting water from a pond located outside of the permit boundary. The complainant also references a discharge pipe. The complainant submitted a photograph of what appears to be water discharging onto the property located to the east of the Fairplay Au Pit operation. As noted in the Inspection Report dated May 17, 2017, the Platte City Mining ditch terminates on the property to the east of the Fairplay Au Pit and the tail water surface flows back to the river. When the Fairplay Au Pit is not in operation, the ditch contains excess water which would otherwise be utilized by the mining operation. The mine was not operating at the time of the inspection and as a result more water than normal was discharging onto the adjacent property. There is no water diversion from an outside pond onto the Fairplay Au Pit. In addition, there is no pipe which discharges water onto the adjacent property. The Division previously conducted an inspection with Garver Brown, the District 23 Water Commissioner, who verified the location of the historical discharge point for the Platte City Mining ditch.

3. Complaint received June 8, 2017 - Complainant stated water was discharging from "mining ditch pond outside permit boundary being used to fill illegal lined pond situated on residential zone land". As noted in the response to Complaint No. 2, there is no illegal discharge of water occurring at the Fairplay Au Pit. The illegal pond referenced in the letter is situated within the approved permit boundary for the operation. The Operator is currently addressing the Park County Land Use violations and has submitted an application with the Park County Planning Department to rezone the property. As noted above, on June 22, 2017, Park County conditionally lifted the cease and desist order issued on June 8, 2017 and allowed the Operator to continue to use the wash plant which is currently located on an area zoned for residential uses.

This concluded the inspection.

## **PHOTOGRAPHS**



1. Platte City Mining Ditch.



2. Diversion point from Platte City Mining Ditch into mine. Note: no water entering into permit area.



3. End of Platte City Mining Ditch.



4. Platte City Mining Ditch discharging onto adjacent property. Note: no discharge pipe.

### **Inspection Contact Address**

Lance Baller  
High Speed Mining, LLC  
8480 East Orchard Road  
Greenwood Village, CO 80111

CC: Wally Erickson, DRMS