




**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> Hobo Mine	<b>MINE/PROSPECTING ID#:</b> M-2017-044	<b>MINERAL:</b> UNK	<b>COUNTY:</b> San Juan
<b>INSPECTION TYPE:</b> Illegal(Unpermitted Operation)	<b>INSPECTOR(S):</b> Lucas J. West	<b>INSP. DATE:</b> September 18, 2017	<b>INSP. TIME:</b> 13:39
<b>OPERATOR:</b> Keith McFarland	<b>OPERATOR REPRESENTATIVE:</b> Keith McFarland	<b>TYPE OF OPERATION:</b> ILL - Illegal	
<b>REASON FOR INSPECTION:</b> Citizen Complaint	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> No Bond Held	
<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> October 4, 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>N</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>N</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**

This inspection was conducted in response to notification of a possible unpermitted mining operation in San Juan County. The notification identified the operation to be located just off County Road 2, just up gradient from the Toltec Tunnel in San Juan County. The site is approximately 10 Miles northeast of Silverton, CO at nearly 10,760 feet in elevation. The notice included information concerns regarding major road improvements, construction of a portal pad, opening a historic portal and the construction of a portal shed structure around the portal itself. Seven Photos accompany this report to illustrate the current site conditions.

A file number was created for the site, as the site is not currently a permitted operation. The site was named the Hobo Mine and given file number M-2017-044. Along with the inspector listed on page one of this report, Keith McFarland, Operator, who conducted the work, as well as Lisa Richardson of the Bureau of Land Management were present during the inspection. The work was conducted on a historic road, leading to a historic portal just above County Road 2. The road and portal are adjacent to an area known as the Toltec Tunnel which is associated with, but not part of the permitted area for another permitted mine site. The road and portal were observed in 2015 when no recent disturbance was present. In the recent months the road has undergone major road improvements to allow vehicles and equipment to access the portal. The road has been graded and in some areas it appears to have been widened. No storm water control measures of any kind were installed along the road to prevent erosion. The road totals approximately 612 Linear Feet and is constructed to angular, un-compacted material that appears to have been sourced on site. Photos One and Two show the road with its improvements. The activities appear to have destabilized the hill side by exposing a 18-24 inch unsupported drop between the native hillslope and the base of the road. This is a concern as the un-supported drop will likely develop more severe erosional issues than what was already observed and cause head-cutting of the hillslope.

At the top of the road, the portal was excavated and opened for access, a portal pad was constructed and a timber framed portal structure was installed to prevent degradation of the portal itself. The portal pad is approximately 1200 Square feet with no safety berm around its perimeter. Photos Three and Four show the newly constructed portal pad. Evidence observed indicate that some of the material was pushed over the edge of the pad, and allowed to fall down the slope. The material fell and estimated 30 feet down the hill and resulted in an approximate 1.5H: 1V slope. Photo Five shows the newly excavated material that has been pushed over the edge of the portal pad. The timber framed portal structure consists of 2 x 6 inch framing supported by native rock outcrops and two 6 x 6 inch posts. The 6 x 6 inch posts are approximately 6-8 feet away from the exposed portal opening. The two posts are roughly 12 and 14 feet tall supporting the roof framing is approximately 16-18 feet across. The roof of the structure is sheeted with plywood, and evidence observed during a follow up inspection conducted by the BLM showed evidence of waterproofing and staged corrugated tin to complete the roof of the structure. Discussions with the Operator indicate that he was having custom steel gates fabricated by a shop in town, and the gates will be installed between the two 6 x 6 posts upon their completion. The Operator also indicated that once the gates were installed, the void space between the timbers and the rock outcropping would be back filled to prevent unauthorized access. Photo Six shows the framed structure.

The portal itself is approximately 4 feet wide and 7-8 feet tall. According to the Operator the tunnel extends approximately 180 feet underground. This was not verified during the time of the inspection. On the floor of the mine there is a standing water mine pool that is approximately 6 inches deep. The water was observed

entering the underground workings along the walls of the mine. The water is of an unknown quality at this time. However mineral staining and deposition along the walls and floor of the mine indicate that the site has acid producing potential. Photo Seven shows the underground workings just inside the portal with mineral staining along the walls of the workings. The flow was not discharging from the portal at the time of the inspection. A discharge is reasonably anticipated during the snowmelt season of next spring. Due to the unknown quality of the water a discharge of any kind is a significant concern for the Division. No control measures such as drainage ditches or retention ponds were observed to control any anticipated flow from the portal.

The Operator expressed, that the intension of the project was to complete a safety closure of the portal after finding evidence of trespassing inside the portal. The evidence observed during this inspection does not support this claim. The Operator believed that the portal was within the boundaries of the Hobo Patented claim for which he owns the mineral rights. The Hobo Patented claim is a split estate claim and the Operator admitted to having no contact with the surface owners. Preliminary investigations indicate that the portal may be outside the boundaries of the claim and on lands administered by the Bureau of Land Management. The Operator committed to getting the claim surveyed to verify the surface ownership of the area that has been disturbed by the project. The estimated completion date of the survey is unknown.

A Reason to Believe a Violation Exists letter was sent to the Operator via certified mail, return receipt requested, on Wednesday September 20, 2017. USPS tracking information indicates that the letter was signed for on September 23, 2017. The item has been scheduled to appear before the Mined Land Reclamation Board during the October 25-26, 2017 meeting. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at (970)-243-6368 or by email at [lucas.west@state.co.us](mailto:lucas.west@state.co.us).

### PHOTOGRAPHS

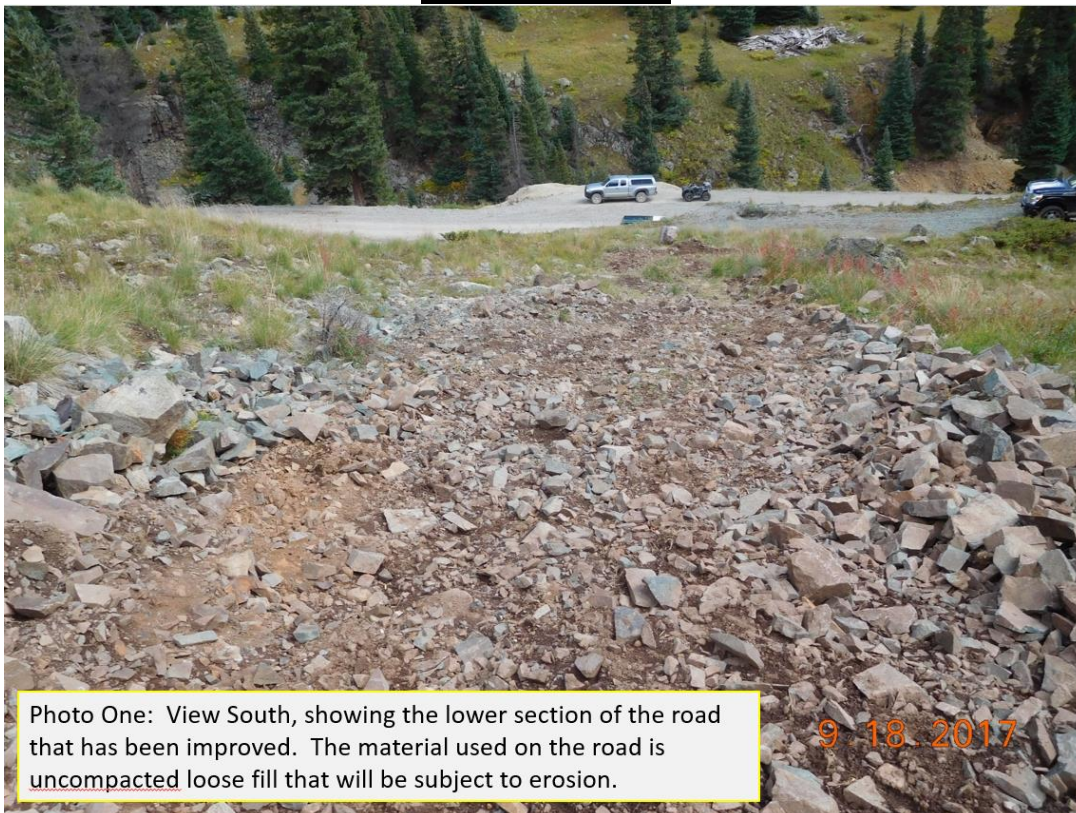
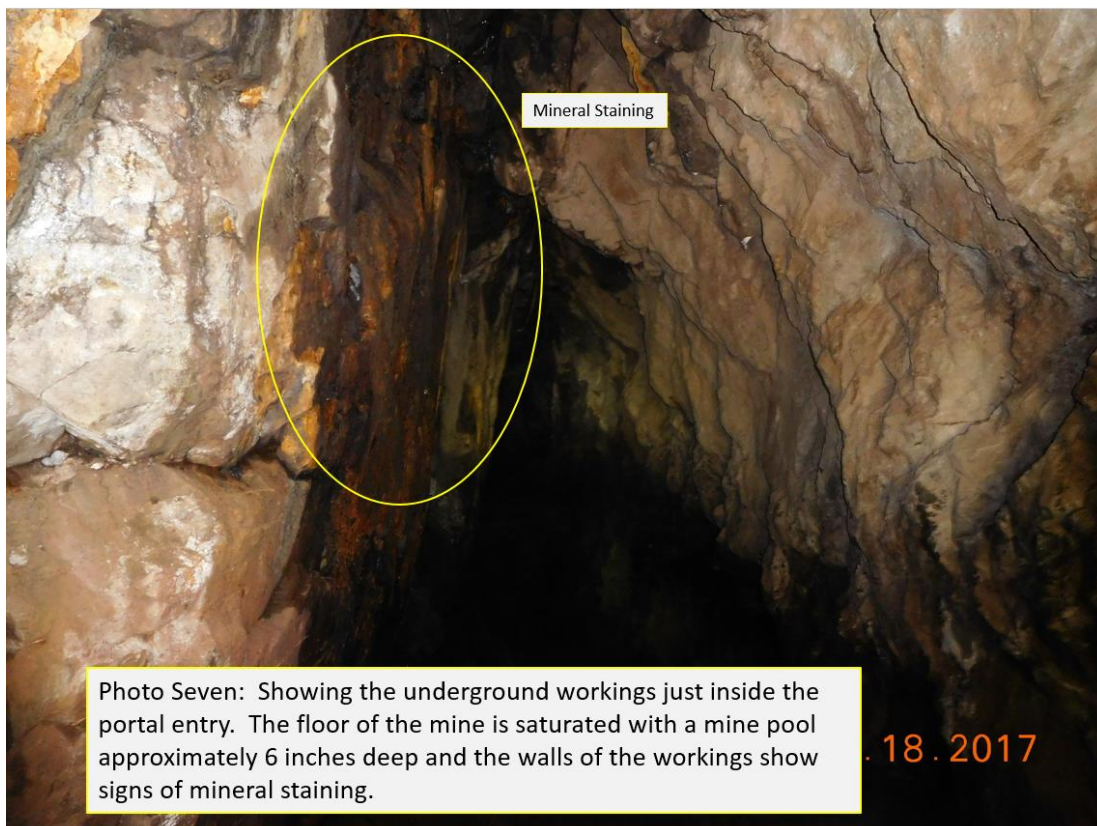


Photo One: View South, showing the lower section of the road that has been improved. The material used on the road is uncompacted loose fill that will be subject to erosion.







**Inspection Contact Address**

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Enclosure

CC: Russ Means, Senior Environmental Protection Specialist  
Jeff Fugate, DRMS Minerals AGO  
Marnie Medina, BLM