




**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> Idarado Mining Co	<b>MINE/PROSPECTING ID#:</b> M-1977-403-HR	<b>MINERAL:</b> Lead, zinc, copper, c gold	<b>COUNTY:</b> San Miguel
<b>INSPECTION TYPE:</b> Multi Person Inspection	<b>INSPECTOR(S):</b> Lucas J. West	<b>INSP. DATE:</b> September 20, 2017	<b>INSP. TIME:</b> 08:00
<b>OPERATOR:</b> Idarado Mining Company	<b>OPERATOR REPRESENTATIVE:</b> Larry Fiske, Mark Parker, Eric Schoenebaum	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$226,600.00	
<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> October 18, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</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>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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

## **OBSERVATIONS**

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Idarado Mine is listed as an active 112d-3 permit with permitted areas in San Miguel County, near the town of Telluride, as well as in Ouray County, near the top of Red Mountain Pass. Neither site was active during the inspection. The Division currently holds \$226,600.00 in financial warranty for the site. A reclamation cost update was not performed at this time. Along with the Inspector listed on page one of this report, Tony Waldron and Russ Means of the Division were present during the inspection. Seven Photos accompany this report to illustrate the current site conditions at both permitted areas.

### **Telluride Permit Area**

The main focus of the inspection of the Telluride Permit area was focused on the Pandora Mill Building. The Mill Building and potentially a few surrounding structures are the subject of ongoing discussions to preserve the structures. No official plans have been made nor revisions submitted to the Division however the Operator has been advised as to what steps will be necessary when the details of the plan is confirmed. The Mill Building seen in Photo One, appears to be stable and in good condition. The Operator is engaged in continued site maintenance which includes monitoring and small repairs to the structures. The mill, train shed, shops and the various other outbuildings in the area are in similar condition as the previous inspection conducted by the Division. Examples of the other structures can be seen in Photos Two and Three. Also located in the Telluride Permit Area is the Mill Level Tunnel which sits just east of the mill building. The Mill Level Tunnel is a draining tunnel that reports to the water treatment system that is located on site and monitored by various other agencies. The tunnel can be seen in Photo Four. Preliminary discussions have begun about the potential to install a flow-through bulkhead in the tunnel to control the rate of discharge that ultimately enters the treatment system. Further details will be required, however this action can likely be addressed through the Technical Revision Process.

Throughout the Telluride permit area, no signs of settling, slumping or significant erosion were observed. The site was free from excessive trash and debris and no noxious weeds were noted.

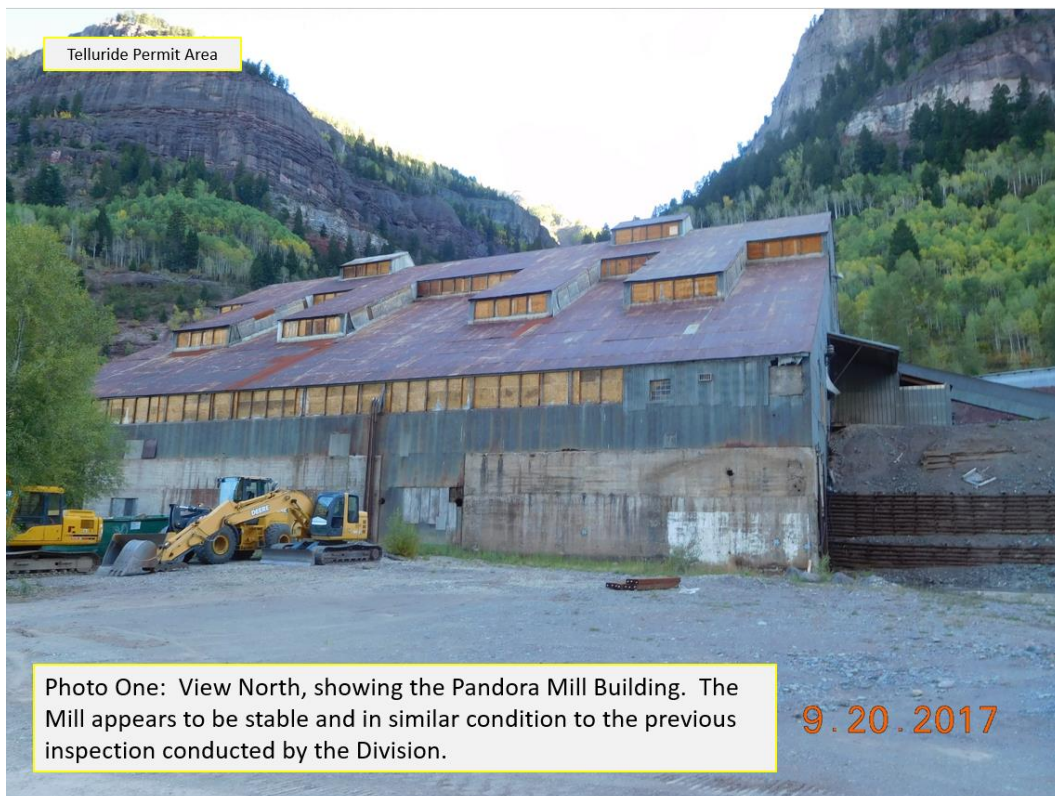
### **Red Mountain Permit Area**

The Red Mountain Permit area was also not active during the inspection. Along with the inspector listed on page one of this report, Melissa Chalona of Engineering Analytics was present during the inspection. The site has experienced ongoing maintenance and reclamation activities in the form of the final removal of several structures, and routine property maintenance. The ongoing property maintenance includes monitoring and repair of storm water controls, monitoring for erosional features and ongoing stabilization of the foundation of the mill building to prevent it from impounding water. The main focus of this portion of the inspection was to clarify the location of the permit boundaries that will be included in the forthcoming revisions. The proposed area was walked by Division Staff, the Operator and their consultant. The permit area will include all facilities in the vicinity of the Treasury Tunnel, this area can be seen in Photos Five and Six. The borrow pit that is located on the West side of Highway 550 will also be included and can be seen in Photo Seven. Several surveys will be conducted to confirm the location of the boundaries and will be included with the forthcoming revision.

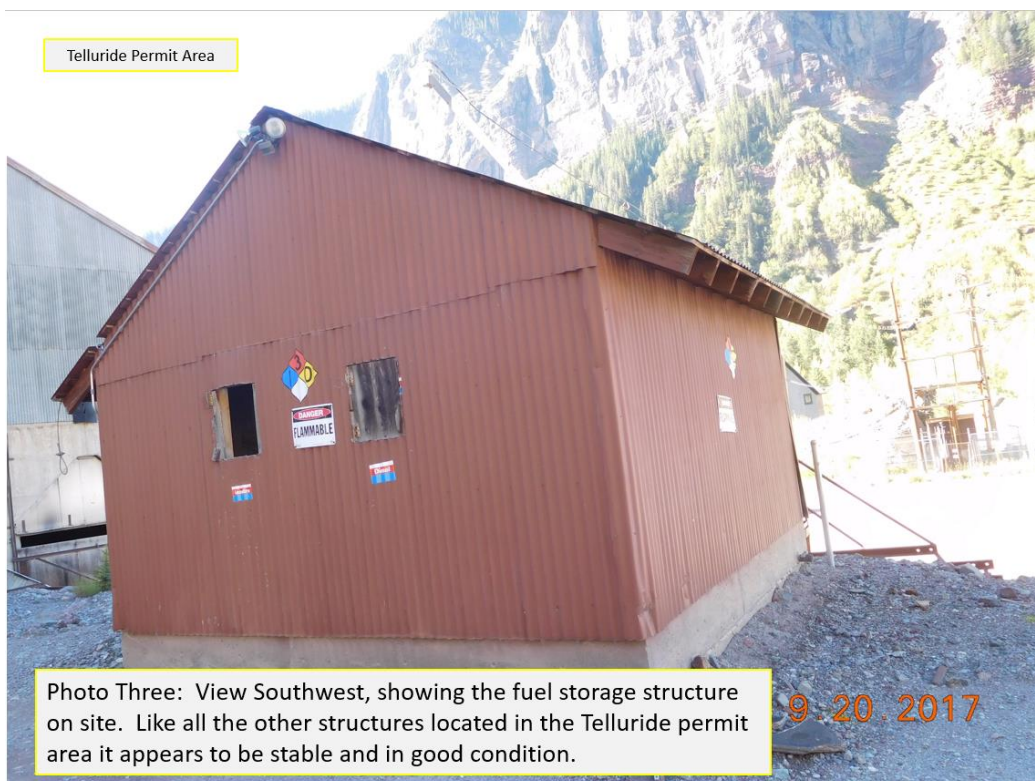
Construction activities of the new shop have begun, the forms are set and the first pour of concrete was expected to take place in the coming days. The foundation will be completed this fall and the construction of the structure will commence in the spring and summer of 2018. All slopes appear to be stable and in good condition. No erosional issues were noted during the inspection. No noxious weeds were observed. The overall footprint of the permit area was in good condition and free from trash and debris. No problems or possible violations were noted at this time.

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).

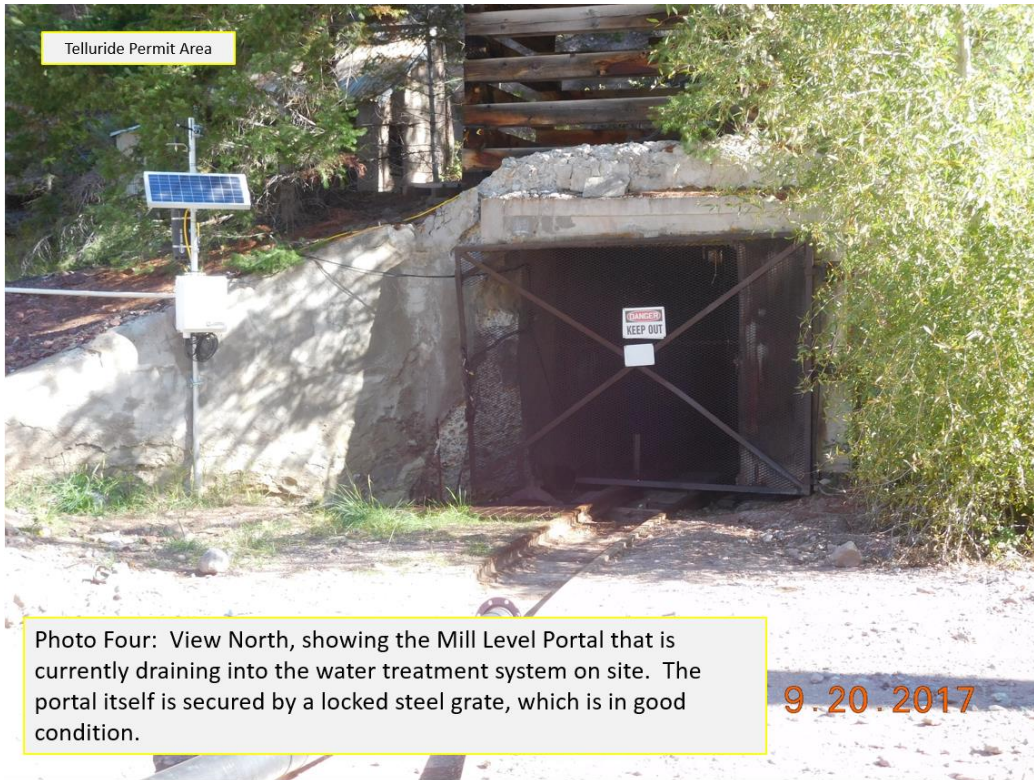
### **PHOTOGRAPHS**















**Inspection Contact Address**

Larry Fiske  
Idarado Mining Company  
P.O. Box 584  
Ouray, CO 81427

Enclosure

CC: Russ Means, Senior Environmental Protection Specialist