


**COLORADO**Division of Reclamation,  
Mining and Safety

Department of Natural Resources

**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> Climax Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-493	<b>MINERAL:</b> Molybdenum	<b>COUNTY:</b> Summit
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Lucas J. West	<b>INSP. DATE:</b> January 17, 2018	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Climax Molybdenum Company	<b>OPERATOR REPRESENTATIVE:</b> James Haag, Diana Kelts	<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> \$78,246,088.00	
<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> January 22, 2018	

**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>Y</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>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <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 established by the Colorado Division of Reclamation, Mining and Safety. Climax is a 112d-3 Molybdenum mining and milling operation located primarily in Summit County. The site consist of 14,000 permitted acres with approximately 8,000 acres of affected lands. The site is bisected by Colorado State Highway 91 and public access is controlled by a guard station at the main gates. The Division currently holds \$78,246,088.00 in Financial Warranty for the site. Along with Division Staff listed on page one of this report, James Haag and Dianna Kelts of Climax Molybdenum were present during the inspection. Seven Photos accompany this report to illustrate the current site conditions.

The site was active during the inspection. Mining, Milling and maintenance activities were all being performed as part of the daily operations of the site. The main focus of this inspection was to inspect the Vehicle Shop, Bulk Fuel Storage areas, Hazardous Waste Management Facility and the Mill Facilities. The Vehicle Maintenance Shop is separated into two main areas, one designated for light vehicles such as pickup trucks and small equipment and the other for all other heavy equipment used on site. The light vehicle maintenance area was in excellent condition and well kept. All hazardous materials including oils and lubricants were being stored correctly with proper secondary containment while in use and in storage. The proper safety equipment was observed and in good working order in the area. Spill kits and cleanup tools are stored throughout the shop to provide rapid response to any accidental spills that may occur in both the light vehicle and heavy equipment areas of the shop. The rest the Vehicle Shop is utilized for heavy equipment repairs and preventative maintenance. Several of the bays were occupied with equipment undergoing various stages of periodic maintenance and various repairs. The entire heavy equipment area including the welding and metal fabrication area was in good condition. The bays are well organized and all hazardous materials including aerosols, oils, lubricants and fuel were properly marked and stored. An example of the storage methods used throughout the shop can be seen in Photos One and Two. All oils and lubricants used in the shop both new and used are stored in bulk tanks on the outside of the shop building as shown in Photo Three. The tanks are double walled for proper secondary containment and heat taped to prevent freezing during the winter months. The Vehicle Shop as a whole is in excellent condition, clean and well kept. No problems or possible violations were observed in this area.

The bulk fuel storage consists of two separate locations. One is used for dyed diesel fuel for on-site heavy equipment as seen in Photo Four. The other consists of unleaded and un-dyed diesel fuel for use in light vehicles used on site as seen in Photo Five. Both storage areas are clean, organized and well-kept with spill kits readily available. All fuel tanks on site have adequate secondary containment and are in good condition.

The Hazardous Waste Storage Facility is a small building located near the Main Building on site. All manner of hazardous materials are stored there for disposal including used oils, oily rags, various electronics and other materials that are regulated as hazardous materials. The building was constructed in a way that the storage area acts as secondary containment for any and all items stored there. The storage area can be seen in Photo Six. All materials being stored in the facility are well kept and organized. No problems or possible violations were observed in this area.

The Mill Facility, including the Mill Lube Room was inspected. The Mill Lube Room is a small room located within the Mill Facility that houses the lubricant pumps for the Sag Mill, Ball Mill and other heavy equipment

used in the milling process and can be seen in Photo Seven. Also stored in the Mill Lube Room are various other lubricants and oils used throughout the milling process. All materials stored in the room are stored with proper secondary containment. The room is well organized and is in good condition. The flow of material was followed through the Mill Facility from the Sag Mill through the Flotation Circuits and to packaging and storage areas of the concentrate. All conveyors and equipment observed in operation during the inspection were in good condition and appeared to be functioning as designed. No signs of leakage of hazardous materials or spills were observed within the facility. Safety equipment as well as first aid and spill kits was observed at several locations throughout the facility and appeared to be in good condition. The Mill Facility as a whole is in excellent condition and in good working order.

No problems or possible violations were noted during this inspection. 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: Showing an example of the storage methods utilized in the Vehicle Shop. Various oils, lubricants aerosols and other items are stored with proper identification and secondary containment.







Photo Four: View West showing the bulk fuel storage used for dyed diesel for use in heavy equipment on site.



Photo Five: View Northeast, showing the second bulk fuel storage area that houses both unleaded and undyed diesel fuel for use in light vehicles on site. All bulk fuel storage sites have proper secondary containment as well as safety equipment readily available.



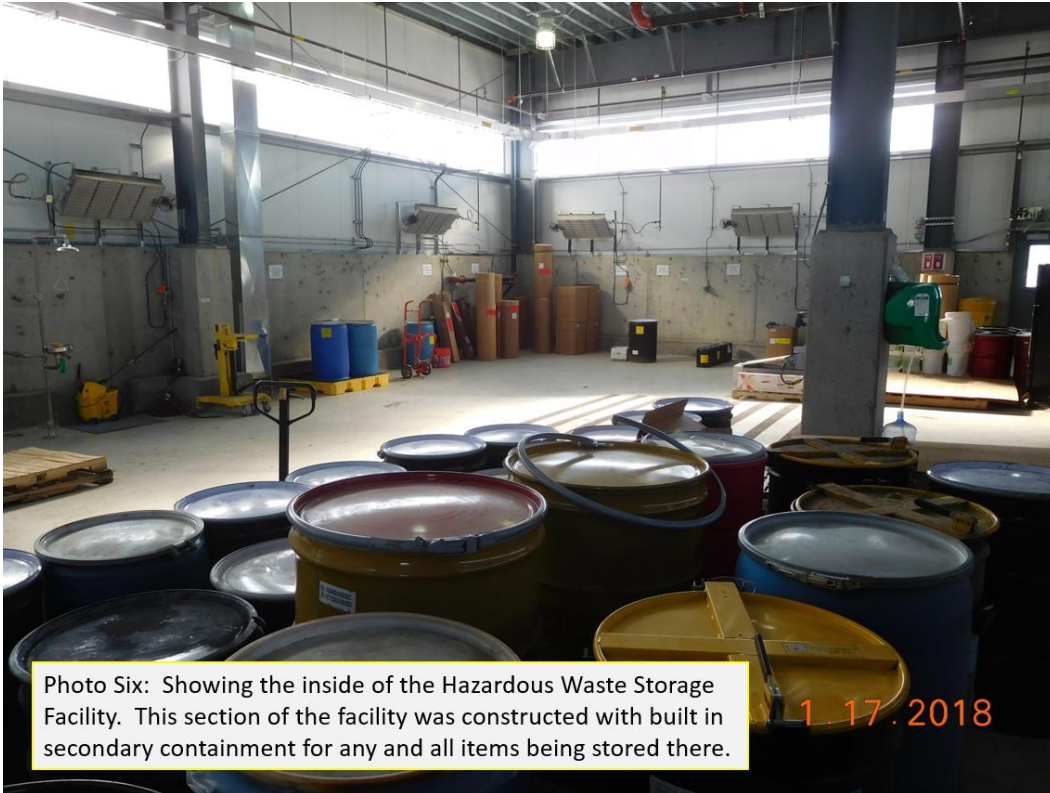


Photo Six: Showing the inside of the Hazardous Waste Storage Facility. This section of the facility was constructed with built in secondary containment for any and all items being stored there.

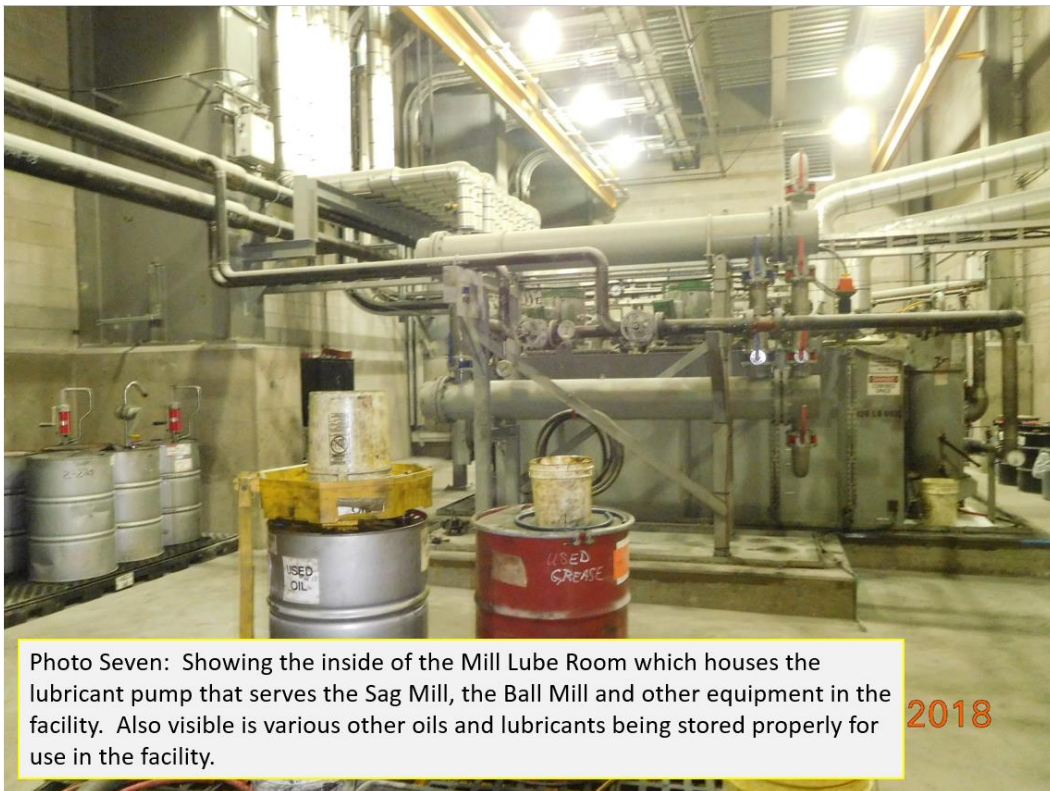


Photo Seven: Showing the inside of the Mill Lube Room which houses the lubricant pump that serves the Sag Mill, the Ball Mill and other equipment in the facility. Also visible is various other oils and lubricants being stored properly for use in the facility.

**Inspection Contact Address**

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Enclosure

CC: Russ Means, Senior Environmental Protection Specialist