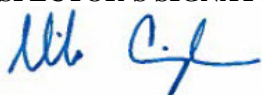




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> Lump Gulch	<b>MINE/PROSPECTING ID#:</b> M-2017-029	<b>MINERAL:</b> NA	<b>COUNTY:</b> Gilpin
<b>INSPECTION TYPE:</b> Illegal(Unpermitted Operation)	<b>INSPECTOR(S):</b> Michael A. Cunningham	<b>INSP. DATE:</b> September 22, 2017	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> NA	<b>OPERATOR REPRESENTATIVE:</b> None	<b>TYPE OF OPERATION:</b> IM - Is it Mining	
<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> July 21, 2017	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> U.S.Forest Service	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> February 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>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>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</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**

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Mike Johnson with the U.S. Forest Service (USFS) was also present for the inspection. The Lump Gulch site is located along Lump Gulch, west of Highway 119 in Gilpin County. The site is situated within the Roosevelt National Forest.

On July 21, 2017, the Division received an anonymous citizen complaint, which alleged unpermitted mining activity was occurring along Lump Gulch. The purpose of the inspection was to document the activities occurring along Lump Gulch and to determine whether unpermitted mining or prospecting was occurring. A review of Division records found that no Reclamation Permits have been issued for mining operations in the vicinity of Lump Gulch.

Lump Gulch is accessed from Highway 119, approximately 1 mile southeast of Rollinsville, Colorado. A USFS road parallels Lump Gulch and was blocked with a locked gate and a sign labeled with 'Private Mine Road'. Approximately 500 ft. north of the gate, the Division observed several claim signs which identified the Liberty Claim (CMC # 271337) and the Mad Dog #1 Claim (CMC # 251266). The Division observed a small wooden shed along the USFS road, approximately 1,000 ft. north of the access gate. The shed was locked and appeared to contain a variety of hand tools, no signs or identifying information was posted on the shed. The Division observed minor areas of excavation near the banks of Lump Gulch. The excavations were on average 2 ft. in diameter and most of them had been filled in with gravels from the stream. In addition, there was evidence of excavation into the western bank of Lump Gulch, the Division estimates two cubic yards of material had been removed from the stream bank. In addition, several wood planks were placed over the stream in the vicinity of the shed.

The Division observed a camp site located approximately 500 ft. north of the shed. The camp site was located to the east of Lump Gulch and included tarps, picnic tables, a fire ring, gas grill and a small trailer. No mining equipment was observed at the camp site and it was not apparent if there was a connection between the shed/excavation area and the camp site. In addition, the Division observed a camper van located approximately 500 ft. north of the campsite. The camper van contained a sign labeled with 'Active Mining Area'. A variety of hand tools were observed around the camper van. The license plates on the camper van were expired and there was no other identifying information on the vehicle. The Division did not observe signs of mining in the immediate vicinity of either the campsite or the camper van.

On September 26, 2017, the Division contacted Darrell Grimsley, the owner of the Mad Dog #1 Claim. According to Mr. Grimsley, he does not own the shed and did not place it in its current location. Mr. Grimsley did confirm that he had placed the gate across the USFS road. Mr. Grimsley did not have any knowledge of who owned the camper van, but did confirm the items at the campsite belonged to him and his partner Tim Hawkins. Mr. Grimsley stated he had conducted limited prospecting activities in the past, but was not currently engaged in mining activities. Mr. Grimsley stated he had reclaimed numerous excavation areas along Lump Gulch which had been created by the previous owner of the Mad Dog #1 Claim.

The Division did not find evidence of a mining operation along Lump Gulch. However, the Division did find evidence of limited prospecting activities in the area. The total disturbance observed did not exceed 1,500 square feet. Pursuant to C.R.S. 34-32-109, any operator proposing to engage in a new mining operation must

first obtain a reclamation permit from the Board. Pursuant to C.R.S. 34-32-123(2), any operator who operates without a permit shall be subject to a civil penalty of not less than one thousand dollars per day nor more than five thousand dollars per day for each day the land has been affected. Should the Division receive further evidence of mining activities along Lump Gulch, a possible violation for failure to first obtain a reclamation permit prior to engaging in a mining operation will be pursued.

This concluded the inspection.

**Report Addendum (2/22/2018):**

On February 15, 2018, the Division received additional information from the USFS regarding the owner of the camper van referenced in this report. The camper van is registered to Joreyanna Hughes, who is the owner of the Liberty, Freedom and Discovery Claims. A copy of the inspection report has been mailed to Ms. Hughes.

**Inspection Contact Address**

Darrell Grimsley  
4168 Fenton St.  
Mountain View, CO 80212

Joreyanna Hughes  
4658 Lincoln St.  
Denver, CO 80216

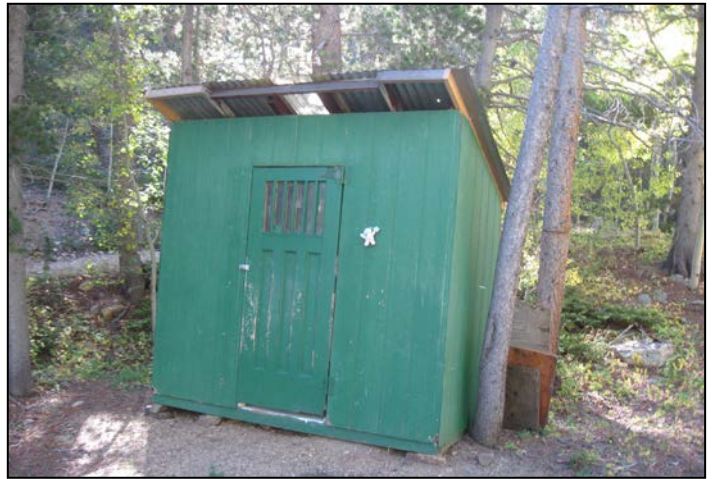
CC: Wally Erickson, DRMS  
Mike Johnson, USFS



## PHOTOGRAPHS



1. Sign posted at gate on USFS road.



2. Shed located adjacent to Lump Gulch.



3. Footbridge across Lump Gulch.



4. Footbridge across Lump Gulch.



5. Excavation into western bank of Lump Gulch.



6. Backfilled area along the bank of Lump Gulch.





7. Campsite.



8. Campsite.



9. Trailer at campsite.



10. Camper van.



11. Tools present at camper van.