




**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> West Side Placer	<b>MINE/PROSPECTING ID#:</b> M-2016-081	<b>MINERAL:</b> Gold and rare earths	<b>COUNTY:</b> Moffat
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Amy C. Yeldell	<b>INSP. DATE:</b> July 11, 2018	<b>INSP. TIME:</b> 08:30
<b>OPERATOR:</b> AuPt Industries LLC	<b>OPERATOR REPRESENTATIVE:</b> Peter Freedman	<b>TYPE OF OPERATION:</b> 110(2) - Hard Rock	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$34,483.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> July 23, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	

Y = Inspected / 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 Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. Peter Freedman and his crew represented AuPt Industries, LLC and accompanied Amy Yeldell of the Division on the inspection. The West Side Placer mine is a 110(2) permitted site that includes a total of 9.9 acres on State Land Board land. This site is located on the 15 miles southwest of Baggs, WY and is accessed from Moffat County Road 88.

This is the first inspection as a preoperational inspection was not conducted due to timing of the application. The site was converted from a 110(1) to a 110(2) prior to mining commencing. The summer of 2017 was the first mining season. At the time of this inspection mining had not yet begun, the site was being prepared for the 2018 season.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. A large mine sign is posted near the mine entrance off of CR 88. The permit boundary is delineated with highly visible wood stakes and flagging. The active mine area is encompassed by a portable hot fence to keep grazing animals out.

This area has pre-law mining which has resulted in un-reclaimed excavations and miscellaneous piles of washed cobble. Most slopes from previous mining are at approximately 1:1. Vegetation has volunteered in areas where soil was present. Generally only the topography and rock piles give evidence of previous mining. Native vegetation in the undisturbed areas is primarily fringed sage with some mixed in wheat grasses. Cheat grass makes up the majority of grasses especially in those areas that have been disturbed. There is no surface water within the permit boundary. There is a creek bed to the east of the mine but it is outside of the permit boundary. This area is used for grazing. There are no man-made structures outside of those associated with the mine.

The mining crew is living on site during the week in three camper trailers. The permitted well on site supports both the mining operation as well as domestic use.

The mine was inactive at the time of the inspection. 2 super stack conveyors, 3 frac tanks, a trommel and excavator were on site. A conex building is used for storage with a covered porch that is adjacent to the mine cut. A fuel tank is located within proper secondary containment. A water filtration system was being prepared to be installed later that week. Several cement pillars had been poured in addition to the temporary cement blocks that were brought in.

The water retention pond used to feed the plant was dry at the time of the inspection. The floating silt curtain laid in the bottom. From discussions with the crew, the curtain did not efficiently screen out sediment. Dirty water was then used in the plant which decreased the efficiency of gold recovery. Also due to the slimy nature of the sediment it was difficult to clean out the pond. The pond area will need to be reclaimed before it can be omitted from the reclamation bond.

Moving forward the operator would like to use a water treatment system that employs the use of frac tanks to hold water and a flocculant additive to the water that will help sediment drop out faster. This type of change to the mining plan will require a technical revision. The request form is attached. Please note that several changes may be made under a single technical revision. In the technical revision request please describe the equipment setup and specify if the equipment is mobile (trailer) or if it requires equipment to be installed. Also describe any foundations or pillars that will need to be removed upon final reclamation.

The seam in which mining is occurring is fairly shallow. Bedrock in some areas is within 6 feet of the surface. Excavated slopes are generally no steeper than a 1.5:1. Some pay material is stockpiled and ready to be run.

The northeastern portion of the permit that was mined in 2017 has been reclaimed. All surface grading has been completed. Very little native/desirable vegetation is present. The area is primarily a monoculture of Alyssum. Alyssum is not on the state listed noxious weeds list however it is considered non-desirable and has weedy tendencies. It is highly recommended that this area be reseeded this fall with the approved seed mix. This site would also benefit from weed treatments of non-desirable plants to prevent them from out-competing the desirable species. Surface roughening prior to seeding as well as mulch afterwards might help to improve the reclamation success.

The Division currently requires a financial warranty amount of \$34,483 for this site. The bond was last recalculated with CN-1 in 2017. In an effort to ensure the Financial Warranty adequately, reflects the actual current cost of fulfilling the requirements of the approved reclamation plan the Division will be updating the reclamation cost estimate. If the current bond is found to be insufficient the Division will send a Notice of Surety Increase under a separate cover.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

**Inspection Contact Address**

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Enclosure

EC:  
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**PHOTOGRAPHS**























