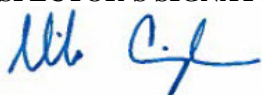




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> Bullger Basin Placer	<b>MINE/PROSPECTING ID#:</b> M-1985-022	<b>MINERAL:</b> Gold and gravel	<b>COUNTY:</b> Park
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Michael A. Cunningham	<b>INSP. DATE:</b> September 7, 2017	<b>INSP. TIME:</b> 14:00
<b>OPERATOR:</b> Eagle Peaks Mining LLC	<b>OPERATOR REPRESENTATIVE:</b> Ken Tunstall	<b>TYPE OF OPERATION:</b> 112 - Hard Rock Regular Operation	
<b>REASON FOR INSPECTION:</b> Citizen Complaint	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$140,350.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Raining	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 1, 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>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>Y</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). Ken Tunstall was present on behalf of Eagle Peaks Mining LLC. The Bullger Basin Placer site is located approximately 7 miles northwest of Fairplay, Colorado. The commodity of interest is gold. The operation is permitted for 49 acres and the approved post-mining land use is mining and wildlife habitat.

On February 27, 2017, the Division received a citizen complaint which alleged the Operator had affected land outside of the approved permit boundary. The complainant stated they were informed of the off-site activity by members of the Gold Rush film crew. The complaint letter included a copy of a map obtained from the Park County GIS mapping system, which depicts the property ownership in the vicinity of the Bullger Basin Placer operation. The purpose of the inspection was to determine if the Operator had affected land outside of the approved permit boundary. The inspection was delayed until the snow had melted from the site so the permit boundary could be traversed.

### **Hydrologic Balance:**

The water from the wash plant is discharged into a series of three ponds through a 14" HDPE pipe. Pond No. 1 discharges into Pond No. 2 through a 12" steel pipe. The overflow pipe in Pond No. 1 would prevent the overtopping of embankment between Pond No. 1 and Pond No. 2. The water from the wash plant has additional time to settle out in Pond No. 2 before discharging into Pond No. 3. Water is recirculated from Pond No. 3 back to the wash plant through an 8" HDPE pipe and there is no discharge of process water on the site. All three ponds are equipped with overflow pipes designed to prevent the overtopping of the pond embankments. Any overflow from Pond No. 3 would be directed into an emergency catchment basin which is equipped with a rock overflow channel. The Division inspected all three ponds and found they were functioning properly, no erosion was observed on the pond embankments. The water used for the mining operation is diverted from Pennsylvania Creek, which lies to the south of the operation.

### **Gen. Compliance With Mine Plan:**

The mine was operational at the time of the inspection. The Operator is currently mining to the west of the wash plant. The material which is run through the wash plant first goes through a screen to separate rocks larger than 10", 10" minus material continues through the gold recovery circuit. Additional screening separates the remainder of the material between 2.5" to 8" and 1/4" to 2.5". The Operator utilizes the 2.5" to 8" material as riprap for sediment control around the site. The remainder of the material is used to establish final slopes during reclamation. The Operator inquired about selling excess aggregate material during the inspection. The primary commodity to be mined was identified as gold, no secondary commodities were identified under the Mining Plan. In order to sell aggregate materials under the Hard Rock Reclamation Permit, the Operator will be required to submit a Technical Revision which addresses the changes to the Mining and Reclamation Plans. If the proposed changes to the Reclamation Plan are determined to have significant impact to the post-mining land use, then the Division may require an Amendment to add a secondary commodity.

### **Signs and Markers:**

The Operator informed the Division they have not allowed any outside entities onto their permitted mine site for the purpose of mining or filming reality television. The Bullger Basin Placer is operated by a small crew and operates intermittently due to the elevation of the operation. The complainant's assertion that the operation has affected areas outside of the permit boundary is based on the above referenced map which has an aerial

photo showing portions of the mining operation on parcels of land not owned by the Permittee. The Park County GIS mapping system provides a disclaimer, which states "the data which is provided here has been developed solely for internal use only by Park County. The county makes no warranties, representations or guarantees, either expressed or implied, as to the completeness, accuracy or correctness of the data, nor accepts or assumes any liability arising from or for any incorrect, incomplete or misleading data provided". Therefore, the Division does not consider the Park County GIS mapping system to be a reliable tool for identifying land ownership or for determining if disturbance occurred outside of an approved permit boundary.

The Division and the Operator traversed the entire length of the permit boundary during the inspection. The Division verified that each corner of the permit boundary was adequately delineated and was in the correct location based on the Mining Plan Map approved under Technical Revision No. 3. Furthermore, the Division did not find any disturbance located outside of the delineated permit boundary. A survey conducted by a professional land surveyor would need to be conducted in order to determine the location of individual parcels. The objective of the inspection was to determine if the boundary of the affected land was adequately delineated and to confirm all disturbance from the mining operation was contained within the permit boundary.

This concluded the inspection.

**Inspection Contact Address**

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CC: Wally Erickson, DRMS