




**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> Revenue Mine	<b>MINE/PROSPECTING ID#:</b> M-2012-032	<b>MINERAL:</b> Lead, silver and gold	<b>COUNTY:</b> Ouray
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Travis H. Marshall	<b>INSP. DATE:</b> July 31, 2018	<b>INSP. TIME:</b> 10:30
<b>OPERATOR:</b> Ouray Silver Mines Inc.	<b>OPERATOR REPRESENTATIVE:</b> Brian Briggs	<b>TYPE OF OPERATION:</b> 112d-1 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$476,269.41	
<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> August 7, 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>NA</u>	(EX) EXPLOSIVES-----	<u>NA</u>
(PW) PROCESSING WASTE/TAILING----	<u>Y</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>NA</u>	(RS) RECL PLAN/COMP--	<u>Y</u>
(ES) OVERBURDEN/DEV. WASTE-----	<u>NA</u>	(SC) EROSION/SEDIMENTATION---	<u>Y</u>	(ST) STIPULATIONS-----	<u>NA</u>
(AT) ACID OR TOXIC MATERIALS-----	<u>Y</u>	(OD) OFF-SITE DAMAGE-----	<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 (Division). The Revenue Mine is a 112d(1) active underground mine. The Revenue mine is located approximately 5 miles southwest of Ouray Colorado off of Ouray County Road 26. Brian Briggs with Ouray Silver Mines Inc. was present during the inspection.

The mine identification sign was observed at the entrance to the mine site and permit boundary markers in the form of tall white PVC posts were observed around the perimeter of the permitted area. Both the sign and the permit boundary markers were in compliance with Rule 3.1.12.

The main focus of the inspection was to observe the current conditions of the site. The site was in orderly condition and free from any unnecessary debris. The roads and parking area were recently regraded and covered with a layer of crushed development rock. The power was shutoff during the inspection due to maintenance being performed at the Camp Bird mine. No mining related activity was observed during the inspection due to the lack of power.

The underground pilot mine discharge passive water treatment system was observed. The operator stated that the system is working well enough to meet in stream standards. The system consists of a series of tanks with multiple cells to simulate the mine water pond, bioreactor and wetlands that will eventually be incorporated on a large scale through a technical revision. The operator stated that they have been working closely with the Colorado Department of Public Health and Environment regarding the design of the proposed full scale passive treatment system. The technical revision will likely be submitted August 2018.

The replacement well for GW-3A well GW-3R was observed as well as the plugged and abandoned GW-3A well. The operator was notified that the that the abandoned well GW-3A must be in compliance with the Division of Water Resources Rules and Regulations for Water Well Construction, Pump Installation, Cistern Installation and Monitoring and Observation Hole / Well Construction. Specifically, Rule 16 Standards for Plugging, Sealing and Abandoning Wells and Boreholes. Cement was observed in abandoned GW-3A. Please provide the abandonment report required by DWR to DRMS for the Division's record.

All components of the mine that were inspected were in good working order and free of any unnecessary debris.

No erosion or sedimentation issues were noted.

No issues, problems or possible violations were observed during the inspection.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation Mining and Safety Grand Junction Field Office, 101 South 3rd Street, Suite 301, Grand Junction, Colorado 81501 phone no. (970) 241-2042.



**PHOTOGRAPHS**



Infiltration Pond



Replacement Well GW-3R



Well GW-3B and abandoned GW-3A in background.



Abandoned Well GW-3A







Pilot passive water treatment system



Pilot passive water treatment system

**Inspection Contact Address**

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