




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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.

MINE NAME: Pensaukee Lode	MINE/PROSPECTING ID#: P-2018-015	MINERAL: Gold and silver	COUNTY: Park
INSPECTION TYPE: Illegal (Unpermitted Operation)	INSPECTOR(S): Elliott R. Russell	INSP. DATE: July 27, 2018	INSP. TIME: 10:00
OPERATOR: Precision Drilling & Blasting, Inc.	OPERATOR REPRESENTATIVE: Mark Mayer	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Citizen Complaint	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held
DATE OF COMPLAINT: July 24, 2018	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 27, 2018

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected

(AR) RECORDS----- PV	(FN) FINANCIAL WARRANTY----- N	(RD) ROADS----- N
(HB) HYDROLOGIC BALANCE----- N	(BG) BACKFILL & GRADING----- N	(EX) EXPLOSIVES----- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES----- N	(TS) TOPSOIL----- N
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE----- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS----- N	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE----- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS----- N
(AT) ACID OR TOXIC MATERIALS----- N	(OD) OFF-SITE DAMAGE----- N	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / **PV = Possible violation cited**

PROBLEMS/POSSIBLE VIOLATIONS

INSPECTION TOPIC: Availability Of Records

POSSIBLE VIOLATION: Failure to first file a notice of intent with Mined Land Reclamation Board before engaging in prospecting activities as required by C.R.S. 34-32-113(1).

CORRECTIVE ACTIONS: This possible violation has been scheduled to be considered by the Mined Land Reclamation Board during the September 26-27, 2018 Board meeting. Official notice of the schedule and other details for the hearing will be provided under a separate document to be sent via certified mail to the Operator.

CORRECTIVE ACTION DUE DATE: September 26-27, 2018

OBSERVATIONS

The Colorado Division of Reclamation, Mining and Safety (Division) received an anonymous citizen's complaint regarding an unpermitted operation occurring on Pennsylvania Mountain in Park County. The Division has assigned File No. P-2018-015 for this site.

The Division arrived at the site of the alleged activities by traveling on County Road 698 and a private road on the north side of the Bullger Basin Placer (M-1985-022) and the Combination Placer (M-2013-028). The site is approximately 8 miles west-northwest of Fairplay, Colorado. Specifically, the site is located in the southwest quarter of the northeast quarter of Section 17, Township 9 South, Range 78 West of the 6th Principle Meridian and the entrance is at 39°16'3.16"N 106°7'56.87"W at an elevation of 12,520'.

No one was present at the site during the inspection. A Tamrock Commando 300 rock drill and a large grizzly screen was on site. The Division also observed an excavator 2.4 miles down the mountain staged along Zebulon Street with excavator tracks leading all the way to the site.

The site consisted of a large surface disturbance near the grizzly screen along the ridgeline and a road cut several hundred feet down the north side of the mountain. The Division acquired GPS data with a Trimble Juno 3B and determined the size of the surface disturbance was approximately 5,788 square feet and the road was 1,133 feet long with a disturbance of 0.98 acres. Total disturbance of the site was approximately 1.12 acres in size. The Division has attached *DRMS 7-27-2018 Inspection Map P2018015* to this report which depicts the site and the GPS measurements discussed above.

While leaving the site, the Division met Mr. Mark Mayer, the president of Precision Drilling & Blasting, Inc., who was traveling up the road to the site. Mr. Mayer stated he started using the rental excavator on July 13, 2018, to dig a large test pit and to construct an access road to a historic adit, both on his patented claim, the Pensaukee (MS#16057). Mr. Mayer stated that he took samples from the test pit and sent them to a lab for atomic adsorption to determine what kind of deposit he had on his claim. He also was interested in rehabbing the old collapsed adit for further exploration of the potential gold and silver mineral deposit. Mr. Mayer stated that although the rock drill was on site, he hadn't started drilling the deposit. Mr. Mayer indicated he misunderstood prior conversations with the Division that he didn't need a NOI or reclamation permit for his activities and would now submit a NOI for his completed activities and his future drilling program. On August 2, 2018, the Division received the NOI application for the Pensaukee Lode.

The Colorado Mined Land Reclamation Act defines prospecting as the act of searching for or investigating a mineral deposit. Prospecting includes, but is not limited to, sinking shafts, tunneling, drilling core and bore holes and digging pits or cuts and other work for the purpose of extracting samples prior to commencement of

development or extraction operations, and the building of roads, access ways, and other facilities related to such work. Based on the findings of this inspection, the Division has reason to believe the Operator is in violation for C.R.S. 34-32-113(1) for failure to obtain from the Board or office a notice of intent prior to engaging in prospecting operations. This issue is cited as a possible violation at the beginning of this report. Details regarding this enforcement action will be sent under a separate cover.

This concludes the Division's Inspection Report; a subset of photographs taken during the inspection are included below. For any additional information or questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at elliott.russell@state.co.us.

Inspection Contact Address

Mark Mayer
Precision Drilling & Blasting, Inc.
PO Box 189
Alma, CO 80420

Attachment: DRMS 7-27-2018 Inspection Map P2018015

CC: Michael Cunningham with DRMS

PHOTOGRAPHS



Photo 1. Test pit disturbance overview; looking east.



Photo 2. Test pit disturbance overview; looking northwest.



Photo 3. Rock drill located on-site; looking northeast.



Photo 4. Upper portion of the adit access road; looking northwest.



Photo 5. Adit access road; looking west.



Photo 6. Lower portion of the adit access road; looking northeast.



Photo 7. Adit location and end of access road; looking northwest.



Photo 8. Location of historic adit; looking north.



Photo 9. Location of historic adit, note the old mine timbers; looking south.

DRMS Inspection Map




Pensaukee Lode (P-2018-015)
Inspection Date: 7/27/2018
Aerial Photo Date: 9/8/2016
Created by E.R.R.



39°16'3.16"N 106°7'56.87"W



Legend

-  Centerline of Road
-  Road Disturbance
-  Test Pit

400 ft