


**COLORADO**Division of Reclamation,
Mining and Safety

Department of Natural Resources

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: Monogram Mines	MINE/PROSPECTING ID#: M-1978-222-UG	MINERAL: Uranium and Vanadium	COUNTY: Montrose
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin M. Czaplá	INSP. DATE: April 17, 2019	INSP. TIME: 11:00
OPERATOR: Nuvemco, LLC	OPERATOR REPRESENTATIVE: Craig Howell	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$46,450.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 23, 2019

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.

1. INSPECTION TOPIC: Availability Of Records

PROBLEM: It appears the operation is in a prolonged period of non-production. Rule 1.13.5 states that if an Operator temporarily ceases production of the mining operation for 180 days or more, the Operator must file a Notice of Temporary Cessation, in writing, to the Division.

CORRECTIVE ACTIONS: The Division recommends the Operator file for Temporary Cessation. The start date of the initial 5 year Temporary Cessation period is retroactive to the last date the operation was active. If that date is more than 5 years ago, the operator is required ask the Board for a 5 year extension to the Temporary Cessation period (per rule 1.13.5 (3) and 1.13.8 (b) or begin reclamation. Alternatively, if the operation has been active, provide a detailed report to the Division documenting activities that have occurred at the site along with justification explaining why the operation should not be considered to be in Temporary Cessation.

CORRECTIVE ACTION DUE DATE: 6/24/19

2. INSPECTION TOPIC: Financial Warranty

PROBLEM: The Division has updated the reclamation cost estimate, based on current reclamation costs, and determined that the financial warranty is not sufficient to assure the completion of reclamation of the affected lands in accordance with the approved reclamation plan.

CORRECTIVE ACTIONS: The operator shall submit an adequate financial warranty amount. A Surety Increase Notice is included with this report. The operator shall fulfill the new financial warranty requirement within 60 days.

CORRECTIVE ACTION DUE DATE: 6/24/19

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Craig Howell, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Monogram Mines site is located approximately twelve miles west of Naturita and accessed from CR DD16 Road. The site is a 112d-1 operation that includes a total of 48.38 permitted acres.

Adequate mine identification signage was noted at the entrance to the site.

The affected area was marked by posts and landmarks that were clearly visible and adequate to delineate the affected area boundary.

The operation appears to be in prolonged period of non-production. Rule 1.13.5 states that if an Operator temporarily ceases production of the mining operation for 180 days or more, the Operator must file a Notice of Temporary Cessation, in writing, to the Division. This has been noted as a problem on page one of this report.

The Environmental Protection Plan was approved in 2009. Construction of environmental protection facilities has not yet commenced. Since the Division's last inspection, activity at the site has consisted of site maintenance, improvements to stormwater controls, underground exploration and sampling activities. Several of the old underground portals have been located and reopened. Once reopened, secure gates are installed.

Site stormwater controls direct water around the staging area to the location of the approved retention basin. The retention basin has not been constructed yet. An earthen berm has been constructed at the north end of the staging area to retain stormwater until the approved stormwater controls are constructed. Sediment is regularly cleaned out of the retention and added to the berms. The temporary stormwater controls appear effective.

The ore bins are not yet constructed. Mining has not commenced and no ore or waste rock has been generated.

The Division currently holds a financial warranty amount of \$46,450.00 for this site. The Division has updated the reclamation cost estimate, based on current reclamation costs, and determined that the financial warranty is not sufficient to assure the completion of reclamation of the affected lands in accordance with the approved reclamation plan. This has been noted as a problem on page one of this report. A reclamation cost estimate and Notice of Surety Increase are included with this report.

Overall, the site is well maintained and orderly. No other problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

PHOTOGRAPHS



GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>PB</u>	(FN) FINANCIAL WARRANTY----- <u>PB</u>	(RD) ROADS----- <u>Y</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>Y</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

Inspection Contact Address

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Naturita, CO 81422

Enclosure: Surety Increase Notice
Reclamation Cost Estimate