



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: Mackey Mine	MINE/PROSPECTING ID#: M-1984-013	MINERAL: Gold, silver and copper	COUNTY: Gilpin
INSPECTION TYPE: Monitoring	INSPECTOR(S): Jared L. Ebert	INSP. DATE: September 12, 2019	INSP. TIME: 11:00
OPERATOR: George E. Otten	OPERATOR REPRESENTATIVE: Matt Collins	TYPE OF OPERATION: 110(2) - Hard Rock Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$1,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 17, 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.

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM: The Operator's first term of Temporary Cessation expired on March 8, 2016. The Operator has not resumed mining operations at the site nor has received approval from the Mined Land Reclamation Board of a second five year period of Temporary Cessation pursuant to Rule 1.13.5(3) and (4) and CRS 34-32-103(6).

CORRECTIVE ACTIONS: If the Operator does not intend to conduct mining at the site, please commence reclamation and provide the Division a written plan to initiate reclamation by the corrective action due date. Or,

Submit a notice in accordance with Rule 1.13.5(3) and the required \$115 fee to request a second period of temporary cessation from the Mined Land Reclamation Board by the corrective action Due Date.

CORRECTIVE ACTION DUE DATE: 10/15/19

OBSERVATIONS

This was an inspection of the Mackey Mine, Division of Reclamation, Mining and Safety (DRMS or Division) permit number M-1984-013, operated by George E. Otten. I, Jared Ebert with DRMS conducted the inspection, Mr. Matt Collins accompanied me during the inspection. This is a .35 acre 110(2) permitted operation. The Division received a letter on July 19, 2016 giving Mr. Matt Collins authority to act as the main point of contact in all matters pertaining to permit number M-1984-013.

Financial Warranty:

The Division currently holds a cash bond in the amount of \$1,000.00. On October 16, 2013 the Division issued a \$7,000.00 surety increase (SI02) for the site bringing the total required surety to \$8,000.00. Based on corrective actions taken by the Operator, on November 25, 2014 the Division withdrew the surety increase requirement for SI02. Based on the observations made during this inspection, the Division estimates the reclamation liability at the site to be \$2,860.00. Enclosed is a copy of the Division's reclamation cost estimate. The Division requests that the Operator review the enclosed cost estimate and forward any questions or concerns to me by **October 1, 2019**. The Division may issue a new surety increase after **October 1, 2019**. If so, the Operator will have sixty days from the date of the surety increase notice to submit the required surety increase in accordance with Rule 4.2.1(2).

Gen. Compliance With Mine Plan:

According to Mr. Collins, the last time the site was actively mined was in 1991. Since then, based on the Division's previous inspections and corrective action documentation submitted by the Operator, various actions have been taken to secure the mine portal from unauthorized access. Also, the Operator has done general cleanup of vandalized equipment that had been stored at the site. The operation was granted temporary cessation for the first five year period beginning on March 8, 2011 in accordance with Rule 1.13.5(2). The first period of Temporary Cessation expired on March 8, 2016 and a second period of Temporary Cessation was not approved by the Mined Land Reclamation Board (Board) in accordance with Rule 1.13.5(3) and (4). This issue is cited as a problem at the beginning of this report and will require corrective action to be taken by the Operator. Either reclamation will need to commence or the Operator will need to request approval of a second period of Temporary Cessation from the Board. However; if approved, the second period of Temporary Cessation will have begun at the end of the initial period of Temporary Cessation in accordance with Rule 1.13.5(1)(b). This means, if approved, the second period of temporary cessation will expire on March 8, 2021.

Off-site Damage:

Based on the information in the original permit application for this site, the area was historically mined and the permit area is located within a leveled area about 1.1 to 1.2 acres in size. Mr. Collin's indicated that they may consider amending the permit area in the future. The future amended area should include any land to be affected (as defined by Rule 1.1(4)) by the future mining operation.

PHOTOGRAPHS



Figure 1. From the eastern corner of the site looking west.



Figure 2. Portal

GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>U</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>N</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,
U = Under Review

Inspection Contact Address

Matt Collins
1508 Ridge Rd
Nederland, CO 80466

Enclosure: 1.) *CIRCES Cost Estimate, Mackey Mine, M-1984-013, September 17, 2019*