




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: Hobo 2	MINE/PROSPECTING ID#: M-2017-044	MINERAL: Gemstones	COUNTY: San Juan
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: September 25, 2019	INSP. TIME: 09:35
OPERATOR: McFarland Enterprises, Inc.	OPERATOR REPRESENTATIVE: Keith McFarland	TYPE OF OPERATION: 110(1) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$10,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 24, 2019	

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>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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</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

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Hobo Mine is an unpermitted operation that is currently involved in the permitting process. The permit as well as other corrective actions was required by Board Order MV-2017-049. The operation to be located just off County Road 2, just up gradient from the Toltec Tunnel in San Juan County. The site is approximately 10 Miles northeast of Silverton, CO at nearly 10,760 feet in elevation. The site consists of an access road, portal pad area, newly constructed portal shed and portal. With the exception of the collapsed portal structure due to excessive snow loading over the last winter the condition of the site remains unchanged from the previous inspection as the Operator is under a Cease and Desist Order from the MLRB. The Applicant, Keith McFarland, was present during the inspection. The Division currently holds a Financial Warranty in the amount of \$10,000.00 for the site as required by Board Order MV-2017-049. Four Photos accompany this report to illustrate the current site conditions.

The main purpose of this inspection was to monitor the status of the site, as the permitting process is completed. The access road leading up to the portal from the Toltec Tunnel area appears to be stable and in good condition. No significant signs of settling, slumping or erosion were noted at this time. The initial area of concern, the uphill side of the road, also appears to be stable at this time. Photos One through Three show the condition of the road. The portal pad and work area appear to be in the same condition as the previous inspection. The Portal shed structure has collapsed due to excessive snow loading. Some of the building materials and debris has been removed from the site however some of the material that is reusable still remains. A written request to rebuild the structure this season has been submitted and approved however due to weather delays the repairs will not be able to be completed until the coming spring. The collapsed portal shed and portal can be seen in Photo Four.

The Division would like to make note of the upcoming Decision Date for the application of November 18, 2019. This Decision Date is at the maximum allowed extension of 365 days from the date the application was considered complete and filed. The only remaining adequacy item is the demonstration of legal right of entry. Please refer to the Division's Adequacy Reviews dated December 10, 2018 and February 25, 2019.

The overall footprint of the site is in good condition. The site is free from excessive trash and debris and no noxious weeds were observed during this inspection. No further problems or possible violations were noted during this inspection. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

Inspection Contact Address

Keith McFarland
McFarland Enterprises, Inc.
1810 Mineral St
Silverton, CO 81433

EC: Dave Lazorcheck, BLM

PHOTOGRAPHS

