




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: El Rancho Bondo	MINE/PROSPECTING ID#: M-2018-028	MINERAL: Gold	COUNTY: Fremont
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Timothy Cazier	INSP. DATE: August 11, 2020	INSP. TIME: 14:25
OPERATOR: Thomas Zimmerman	OPERATOR REPRESENTATIVE: Joe Lovett	TYPE OF OPERATION: 110(1) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$2,166.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.BLM	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 8, 2020	

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>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>NA</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>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	

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

OBSERVATIONS

This inspection was conducted by Tim Cazier (DRMS) as part of review process for the Succession of Operator (SO) application currently being reviewed by the DRMS. Mr. Joe Lovett was present for the inspection. Ms. Amber Sanderson (BLM) had planned to attend, but was unable. The El Rancho Bondo site is accessed from Co Rd 3 at the intersection with Hwy 50, approximately 10 miles west of Cañon City. This is a 110(1) gold mine. It was not operating at the time of the inspection.

The primary purpose of this inspection was to determine if the current bond estimate is adequate.

Availability of Records: Annual fees and reports are current through October 1st. The last inspection conducted by the DRMS was on 10/17/2018. The approved post-mine land use is recreation. There are no open infractions. Both the surface and minerals are managed by the Bureau of Land Management (BLM).

Acid And Toxic Materials: No acid or toxic materials are involved in this operation.

Backfilling and Grading: Sufficient backfill material appeared to be available. Mr. Lovett pointed out where a significant portion of the pit had been backfilled (see **Photo 1**).

Excess Spoil and Dev. Waste: No overburden piles were observed.

Financial Warranty: DRMS records indicate a \$2,219 bond is held by the BLM. The DRMS has reviewed the BLM bond estimate and determined it to be adequate. The DRMS requires a token \$100 bond in cases of a jointly held bond between us and a Federal agency. We are currently verifying this token bond is held by the DRMS.

Fish and Wildlife: No impact to wildlife was observed.

Hydrologic Balance: No standing water was observed in the bank excavation (see **Photo 1**) and no exposed groundwater was observed.

Gen. Compliance with Mine Plan: The operation appeared to be in compliance with the approved mine plan.

Off-site Damage: The operation appeared to be confined to the permit boundary, based on site observations and approved permit boundary maps.

Right of Entry: Subsequent to this inspection, the DRMS verified through the BLM, Mr. Lovett has legal right of entry for mining and reclamation. The BLM's March 12, 2020 authorized Succession of Operator letter transferred all federal reclamation requirements and the right of entry to Mr. Lovett.

Reclamation Success: No reclamation has been initiated.

Revegetation: No noxious weeds were observed.

Sediment Control: No erosion problems were observed and no BMPs were needed at the time of the inspection.

Support Facilities On-site: The Permittees keep their equipment onsite in a locked tool box.

Signs and Markers: A permit sign was posted at the claim entrance (see **Photo 2**) and all four T-post permit

boundary markers were observed (**Photos 3 and 4**). However, the approved permit boundary is not rectangular in that it has a 20-foot offset from the Arkansas River. **The DRMS recommended to Mr. Lovett he add 3 to 4 T-posts along the river boundary to better mark the river side of the boundary and darken the DRMS permit number on the claim sign as it has faded.**

Permit Stipulations: There are no permit stipulations.

Structures: The railroad across the Arkansas River is well within 200 feet of this operation. Due to 2019 Program Rule changes, a structures damage compensation agreement is now required and was included with the SO application received by the DRMS on June 18, 2020.

The DRMS will finalize the SO application. You will be notified under separate cover when all the required bonding information has been verified. Please contact Tim Cazier (303)866-3567 ext. 8169 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Active dry pit, smaller than during the 2018 inspection (looking south).

PHOTOGRAPHS (cont.)

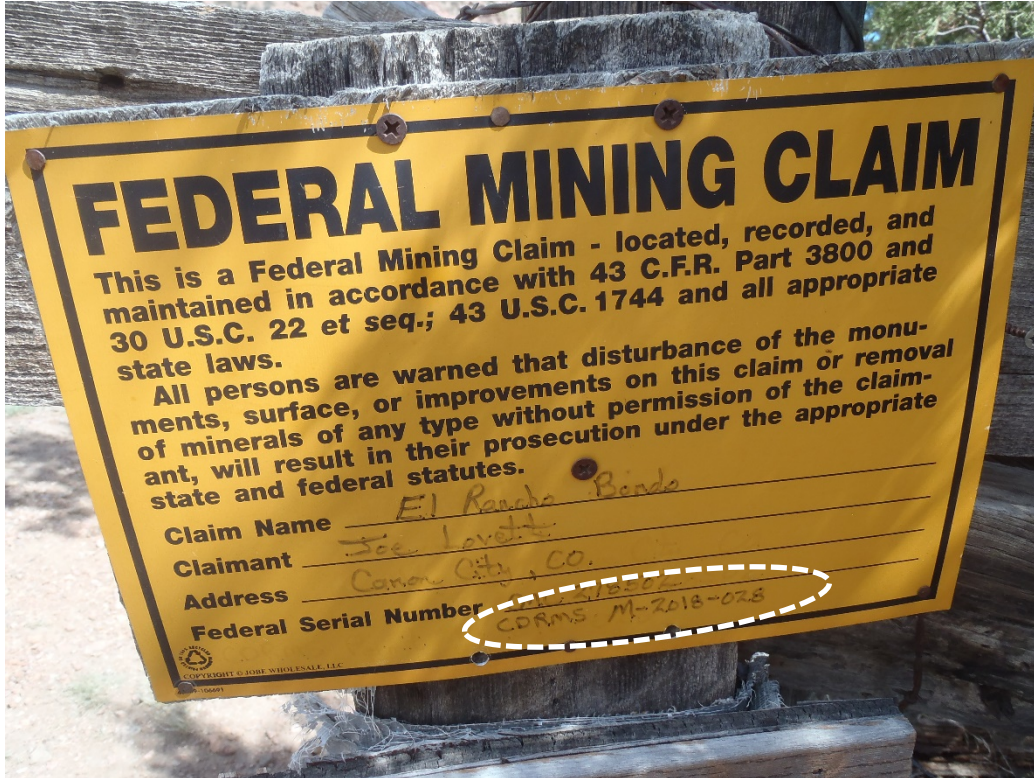


Photo 2. DRMS permit number added to Mining Claim sign (at two-track road entrance).



Photo 3. T-post marking permit boundary (east corner).

PHOTOGRAPHS (cont.)



Photo 4. T-post marking permit boundary (south corner).

Inspection Contact Address

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507 Greenwood Ave
Cañon City, CO 81212

ec: DRMS file
Joe Lovett
Amber Sanderson, BLM