




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

The Division of Reclamation, Mining and Safety 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.

<b>MINE NAME:</b> Hukill Gulch Millsite	<b>MINE/PROSPECTING ID#:</b> M-2009-076	<b>MINERAL:</b> Silver and gold	<b>COUNTY:</b> Clear Creek
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter Hays	<b>INSP. DATE:</b> September 24, 2020	<b>INSP. TIME:</b> 11:30
<b>OPERATOR:</b> Venture Resources, Inc.	<b>OPERATOR REPRESENTATIVE:</b> Patrick Maher	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program		<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$107,742.72
<b>DATE OF COMPLAINT:</b> NA		<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 		<b>SIGNATURE DATE:</b> October 22, 2020

**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:** Signs & Markers

**PROBLEM:** The affected area boundary markers could not be located along the northern portion of millsite during the inspection. This is a problem for failure to maintain boundary markers around the affected area as required by Rule 3.1.12(2).

**CORRECTIVE ACTIONS:** The Operator shall conduct a survey and replace the boundary markers in the correct location(s). The Operator shall provide proof to the Division the markers have been installed by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 11/23/20

## **OBSERVATIONS**

The Hukill Gulch Millsite was inspected by Peter Hays with the Colorado Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The site was previously inspected by the Division on October 31, 2018. Mr. Patrick Maher with Venture Resources, Inc. was present during the inspection.

The Hukill Gulch Millsite is located approximately 1.5 miles northwest of Idaho Springs, CO in Clear Creek County. The site is a 110d Designated Hard Rock Limited Impact operation permitted for 8.76 acres. This site consists of two distinct areas: a 0.635 acre millsite and an 8.125 acre tailings impoundment area. The commodities approved to be mined are gold and silver.

The approved Mining Plan states the Operator will excavate waste rock from upper benches of the tailing impoundment area and process the material at the millsite. The tailings from the millsite will be transported by pipeline as a slurry to the tailings impoundment. The tailings impoundment will be constructed in five (5) benches using an upstream raised embankment method. The approved post-mining land use is rangeland.

The following aspects of the millsite were observed during the inspection; crusher feed bin, primary crusher trailer, ore bin, ball mill trailer, flotation trailer, the tailings line and the water tank. A technical revision (TR-05) was approved by the Division on November 5, 2018. The revision improves the milling process and increases the milling rate by replacing the portable equipment and temporary structures with larger equipment, additional flotation cells and larger capacity water tanks. A 65,000 gallon water tank has been installed north of the mill since the last inspection. The water tank replaces the originally approved water holding pond. No additional work approved under TR-05 was observed during the inspection. The Operator stated the mill was last operational in 2019. The small stockpile of tailings observed in the ore storage building during the last inspection was reduced in size. During the inspection, the Operator stated they are planning to submit a technical revision to add a thickener to the milling process. The Operator stated no chemicals were currently stored on-site and no designated chemicals were observed during the inspection.

The tailings impoundment and waste rock piles are located southeast of the millsite within a steep gulch. A two track road leads from the millsite to the tailings impoundment area. The Operator has constructed a concrete barrier/earthen dam at the base of the waste rock piles to act as a toe dam and leachate collection barrier. As the Operator excavates the waste rock piles, the impoundment area will be cleared and a liner will be installed to expand the impoundment area. A small storm water catchment pond is located below the concrete barrier. The waste rock area consists of pockets of dumped waste rock. A grizzly was observed on the bench above the current tailings impoundment. Stockpiles of sorted waste rock were observed on the upper portion of the current tailings impoundment bench. The liner for the tailings impoundment was repaired and recertified under TR-03 and TR-04. The Operator stated no tailings have been placed in the impoundment to date. The fabric covering the impoundment liner was ripped in several locations. The Operator stated the areas would be repaired, however the damaged fabric does not affect the function of the liner. A small pond of stormwater was observed in the impoundment during the inspection.

The mine identification sign was posted at the site as required by Rule 3.1.12. As cited as a problem, the northern permit boundary markers for the millsite could not be located during the inspection. The Division will require the Operator to conduct a survey and replace the boundary markers in the correct location(s). The Operator shall provide proof to the Division the markers have been installed by the corrective action date.

The Division currently holds a financial warranty in the amount of \$107,742.72, which appears adequate to reclaim the site based on the observations from this inspection.

The permit boundary on the 2020 annual report map does not accurately depict the approved permit boundary for the millsite. Please ensure the permit boundary is accurately represented in future annual report maps.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at 303.866.3567 x 8124, or by email at [peter.hays@state.co.us](mailto:peter.hays@state.co.us).

**Inspection Contact Address**

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Ec: Jared Ebert, DRMS

## PHOTOGRAPHS



Hukill Gulch Millsite mine sign



View of the 65,000 gallon water storage tank





View of the inactive Water Holding Pond



View of the tailing stockpile in the ore storage building





View of the crusher feed bin, primary crusher and ore bin



View of the ball mill and flotation trailers





View inside the ball mill trailer



View inside the flotation trailer





View of the tailings impoundment from the bench above the impoundment bench



View of the grizzly on the bench above the tailing impoundment



### 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>Y</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>Y</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>PB</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>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

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