




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: Hansen Claim	MINE/PROSPECTING ID#: File No. M-2021-070	MINERAL: Gold	COUNTY: Gilpin
INSPECTION TYPE: Illegal (Unpermitted Operation)	INSPECTOR(S): Amy Eschberger, Michael Cunningham	INSP. DATE: January 12, 2022	INSP. TIME: 13:45
OPERATOR: Jim Hansen	OPERATOR REPRESENTATIVE: Jim Hansen	TYPE OF OPERATION: ILL - Illegal	
REASON FOR INSPECTION: Other Agency Request	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held	
DATE OF COMPLAINT: December 14, 2021	POST INSP. CONTACTS: Ray Rears with Central City	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 20, 2022	

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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>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

OBSERVATIONS

This inspection was conducted by Amy Eschberger and Michael Cunningham of the Division of Reclamation, Mining and Safety (Division) in response to a complaint received on December 14, 2021 from Ray Rears, the Central City Community Development and Historic Preservation Director (see enclosed complaint). The Division was accompanied by Jim Hansen during the inspection. The site is located on the north side of Nevada Gulch, approximately 0.4 miles southwest of Central City. The site is accessed from the south off of Nevadaville Rd, at approximately 0.3 miles west of its intersection with Central City Parkway. **Photos 1-4** taken during the inspection are included with this report.

According to the complaint received, Central City staff discovered potential prospecting/mining activities taking place at this site while investigating a (separate) illegal mining complaint at the nearby historic Gunnell Mine. They observed Mr. Hansen digging into the southern face of an historic waste rock pile with a pickaxe and a 5-gallon bucket. While Mr. Hansen told the City staff he was not mining, he did inquire about how the material he was removing could be evaluated for gold content. According to the complaint, the land on which the excavation activities are occurring may be owned by Central City. While the Gilpin County Assessor website shows that Mr. Hansen owns a 105 foot x 95 foot lot within City Block 059, City staff are unable to confirm whether this lot is fully within Central City limits without reviewing a survey confirming ownership.

At the time of the inspection, the weather was cold and clear with partial snow cover on the ground. The excavation is located near the top of the southern face of an historic waste rock pile (see enclosed Google Earth image showing site location), and is visible from Nevadaville Rd. The Division estimates the excavation is located approximately 70 feet from the northern edge of the road. The dimensions of the excavation are approximately 6 feet in width by 7 feet in height by 10 feet in depth. Mr. Hansen was not digging during the inspection. However, several hand tools including various shovels of different sizes and a few 5 gallon buckets were stored in the excavation area. Mr. Hansen informed the Division he was digging a "cave" in which he can meditate. Excavated material was being dumped along the side of the waste rock pile, beneath the excavation. Mr. Hansen has plans to expand the existing "cave" a little more and possibly install some kind of flooring with concrete or pavers. He would also like to construct stairs leading up the slope face to the "cave" using concrete and/or pavers, and possibly plant some additional trees in the area.

According to Mr. Hansen, he purchased the 105 foot by 95 foot parcel a few years ago in order to install a tiny home on the lot. However, he recently decided to excavate a "meditation cave" on the property instead. He initially thought he was digging into native ground, and did not realize he was digging into an historic waste rock pile (until informed of such by a neighbor). Once he learned the material was waste rock from an historic gold mine, he did run some of the material through a bucket of water to see if he could find any gold. However, he realizes he would need additional equipment, etc. in order to effectively search for gold, and at this time, he does not have plans to continue any prospecting activities. His current plans are to complete construction of the "meditation cave", as described above.

Mr. Hansen did not realize the parcel he purchased may be located within Central City limits. He has tied ropes onto t-posts to delineate the boundaries of his parcel based on a 2013 survey that was provided to him by the previous landowner. Based on the Division's communication with Central City, Mr. Hansen may be required to obtain a new survey to demonstrate to the City his ownership of the parcel.

The Division did not observe any additional disturbances at the site besides the one excavation area. Based on the dimensions of the excavation itself and the small area below where excavated material has been placed, the Division estimates the total disturbance to consist of no more than approximately 200 square feet.

C.R.S. 34-32-103(12) defines "prospecting" as the act of searching for or investigating a mineral deposit, but excludes those activities which cause no or very little surface disturbance, including any single activity which results in the disturbance of a single block of land totaling 1,600 square feet or less of the land's surface, not to exceed two such disturbances per acre; except that the cumulative total of such disturbances will not exceed 5 acres statewide in any prospecting operation extending over 24 consecutive months.

The estimated disturbance at the site is well below the 1,600 square feet disturbance criteria for prospecting. Therefore, the Division has determined the activities described in this report do not require a Notice of Intent to Conduct Prospecting Operations (NOI) or a mining permit from our office. However, if the nature of the project described in this report were to change, such as the excavated material being hauled off site and/or sold, an NOI or mining permit will be needed.

To obtain a formal determination from the Division on whether any proposed activities would require an NOI or mining permit, one can submit an Is It Mining questionnaire (see enclosed questionnaire) to our office. This questionnaire as well as the various types of permit applications available from our office can be viewed and downloaded from our website at: <https://drms.colorado.gov>.

While a permit is not required from our office for the activities occurring at the site, the Division recommends Mr. Hansen reach out to Central City and Gilpin County to determine whether any approvals or permits are required from their offices for the existing and proposed activities.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Amy Eschberger at the Colorado Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at 303-866-3567, ext. 8129, or via email at amy.eschberger@state.co.us.

PHOTOGRAPHS



Photo 1. View looking north from Nevadaville Rd at excavation (circled) into southern face of an historic waste rock pile.



Photo 2. View looking north, showing closer view of excavation (circled) into southern face of an historic waste rock pile. Note excavated material dumped on slope beneath excavation.



Photo 3. Close-up view of excavation into southern face of an historic waste rock pile, approximately 6 feet wide x 7 feet high x 10 feet deep. Note only hand tools present on site.



Photo 4. View looking south from excavation across southern face of historic waste rock pile, showing Nevadaville Rd (in background) used to access the site.

Inspection Contact Address

Jim Hansen via email at: jamesanthonyhansen@gmail.com

Encl: Complaint from Central City, received on December 14, 2021
Google Earth image showing site location
Is It Mining questionnaire

EC: Ray Rears, Central City at: rrears@cityofcentral.co
Michael Cunningham, DRMS at: michaela.cunningham@state.co.us

STATE OF
COLORADO

Cunningham - DNR, Michael <michaela.cunningham@state.co.us>

Prospecting - Nevadaville Road

Ray Rears <RRears@cityofcentral.co>

Tue, Dec 14, 2021 at 4:23 PM

To: "Cunningham - DNR, Michael" <michaela.cunningham@state.co.us>

Cc: Kimberly Kaufman <KKaufman@cityofcentral.co>

Michael,

City staff visited the Gunnell operation this afternoon west of Central City, with a report of a second operation occurring in the area. We were not able to confirm a second mining operation by that same group during our visit. In the process we discovered another smaller operation as identified by the photos and red star. The information provided is from a conversation with the prospector. Details below:

Operator/Prospector

Jim Hansen

303.775.1525

jamesanthonyhansen@gmail.com

Mr. Hansen, stated that he isn't mining, just 'digging' (using a pickaxe and 5-gallon bucket), but wanted to know how to find out if the ore he is removing could be evaluated for gold content. He referenced that the land he is working is outside City limits and that he purchased the land he was working, but was unable to provide any details regarding this claim he is working. He also placed ropes in the area confirm his parcel boundary. According to the Gilpin Assessor, the only land he owns in within City Lot/Block only. Our maps do not show block 59, so we unable to confirm if this area is the area he could own. Ownership of City lots do not provide mineral interest. According to our GIS, it appears the area is fully within Central City and could be owned by Central City, though we would need a survey confirming ownership. We stated to Mr. Hansen that we would send this information to the State to confirm what permits – if any would be required, prior to the City taking any action. Let us know if DRMS needs to be involved with this? Thank you for your continued assistance.



Account Information

Print Property Report | GIS Map

Account: R002495

Parcel:

Owner Name: HANSEN JAMES ANTHONY

Owner Address: ATTN:
9840 CARMEL CT, LONE TREE, CO, 80124

Property Address:

Legal: S: 12 T: 3S R: 73W Subd: CENTRAL CITY Block: 059 (LOT 105X95 DESC 135/372)

Tax Area: 042-MilLevy:30.001

Subdivision: 3600

Sales Information

Date	Deed Type	Doc Number	Grantor	Grantee	Amount
06/19/2020	SWD	166350	YUTHAS MARYANN	HANSEN JAMES ANTHONY	18,500
02/21/2013	419	148400	HINCHMAN SOPHIE	YUTHAS MARYANN	
04/20/1987	QC	384-116			800

Other Property Sales

Taxable Values History

Year	Land Actual	Imp Actual	Total Actual	Land Assessed	Imp Assessed	Total Assessed
2021	23,500		23,500	6,820		6,820
2020	25,000		25,000	7,250		7,250
2019	25,000		25,000	7,250		7,250



Ray W. Rears

Community Development & Historic Preservation Director

[141 Nevada Street](#) / PO Box 249 (City Hall, Ground Floor); Central City, CO 80427

303.582.5251 x30

Please note: Masks are encouraged, but not required. City Hall is closed every Friday, with expanded staff hours the remainder of the week.



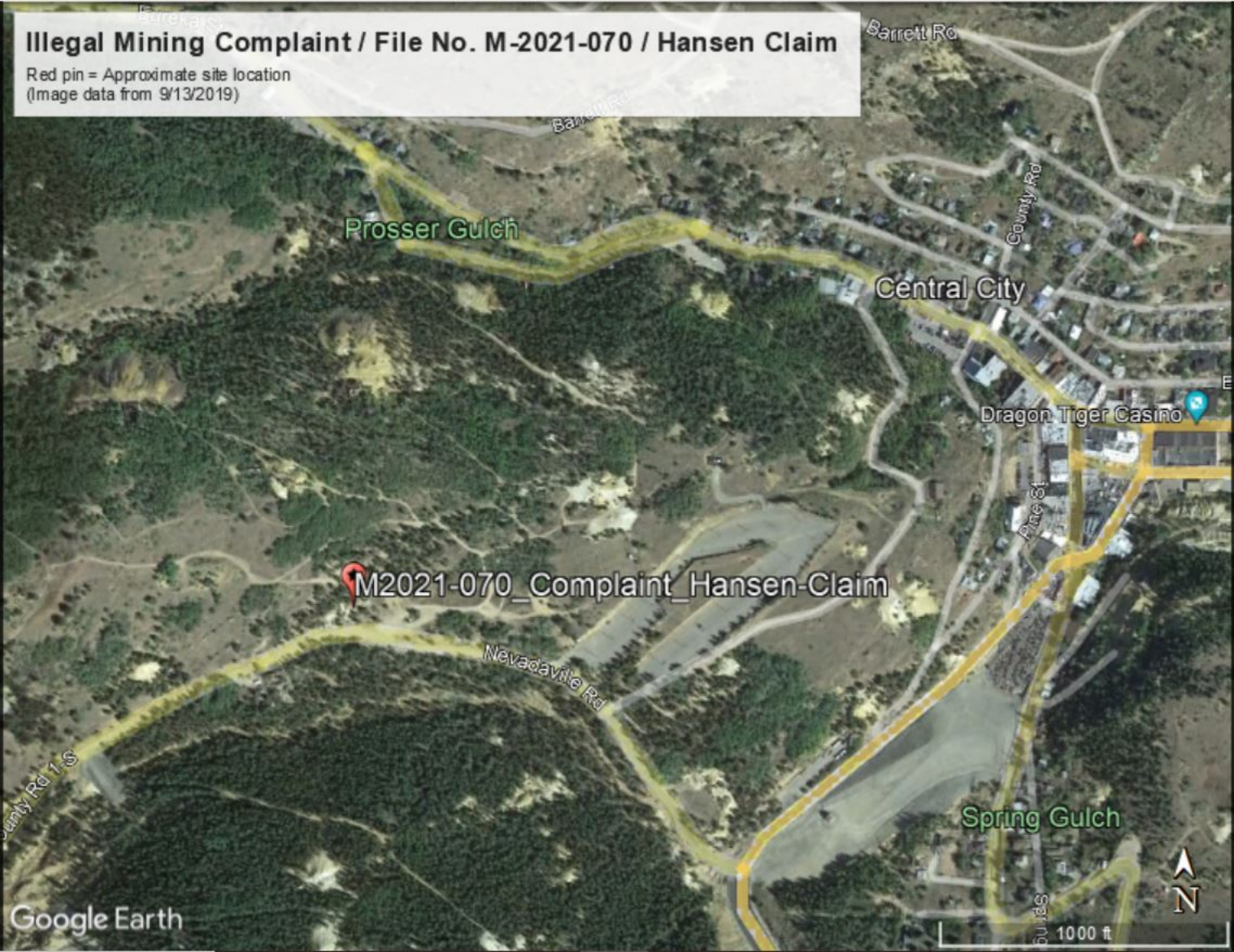
Note: Written communication may be subject to the disclosure per the Colorado Open Records Act, S 24-72-100.1, et seq.



661210647.jpg
458K

Illegal Mining Complaint / File No. M-2021-070 / Hansen Claim

Red pin = Approximate site location
(Image data from 9/13/2019)



Prosser Gulch

Central City

Dragon Tiger Casino

M2021-070_Complaint_Hansen-Claim

Nevadaville Rd

Spring Gulch

Google Earth

1000 ft



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

Date: _____

RE: Need for State Reclamation Permit: “Is It Mining?”

Name: _____

Street

Address: _____

Telephone:

() _____

Mobile:

() _____

Email

Address: _____

Enclosed are pertinent sections of the Colorado Mined Land Reclamation Board (Board) Rules governing activities that do not require a reclamation permit. To determine if you need a permit for you proposed activity, first check Rule 1.2 which describes activities the Board has determined do not require state reclamation permits. If you find a match, you can proceed based on your interpretation of the rule, but at your own risk. If you are uncertain how the Rule may apply to your activity, you should answer the list of questions below with as much detail as possible. Please feel free to use additional paper, maps, and attachments to explain your project.

Please include in your determination request answers to the following questions:

1. Please provide the legal location of the proposed project and submit a site map that clearly delineates the location of the proposed extraction site and the location of the nearest city, town, and county location name.

Section:

Township:

Range:

PM

Or NAD 27 X UTM
GPS

Y UTM

Direction and Miles to
nearest town/city:

County:



2. Is the site of material extraction on public or privately owned property?

Public

Private

3. What type(s) of material or metal is/are proposed to be extracted and describe the physical nature of the site i.e., river terrace, rocky knob, in-stream gravel deposit, etc.?

4. What processing or extraction method(s) will be used on site? Include any equipment or chemical(s) that will be used in the processing and extraction of the materials.

5. Will the extracted material be hauled offsite or used on the same parcel of property where the material is extracted?

6. How will the extracted material be used on site?

7. If the material is hauled offsite, where will it be hauled to and what is the intended use?

8. What is the approximate areal extent of the proposed extraction in acres?

9. To what approximate depth will the extraction extend?

10. In cubic yards, approximately how much material will be removed:

11. Will material extraction involve the use of explosives?

Yes ____ No ____

12. Will site of extraction result in the exposure of tributary ground water?

Yes ____ No ____

13. Will either the landowner or the mine site operator receive any type of compensation, i.e., monetary, in-kind, haulage fees, etc., from the proposed material extraction?

Yes ____ No ____

14. Please supply a copy of any documents that will ensure that the area of extraction will be reclaimed to some beneficial land use once extraction activities have been completed.

15. Do you have permits for this activity from any other governmental agencies such as building, construction, or grading permits, and if so, what are they?

16. Are there state/federal/local agency participants in terms of funding?

	Yes	No
Funding	Yes ____	No ____
Design	____	____

Percentages

State _____ Federal _____ Local Agency _____

17. What post mining land uses will be made of the extraction and why? (This question helps us determine the intent of the activity.)

18. What types and sizes of equipment will be used in the extraction?

Please send the completed questionnaire to the Division at the address above for review. The Board has directed the Division to make a decision based on the information you have supplied. We trust that the activities will be performed as represented. If we receive a complaint, we are required by law to conduct an inspection of the site. Which could result in a violation, a cease and desist order, and other corrective actions including submittal of a permit application.

If you have any questions, please contact the Division at (303)866-3567. Please feel free to visit our web site at: <https://colorado.gov/drms> for further access to the full Act and Rules governing extraction of metals, non-metals, and construction materials in the State of Colorado.

Sincerely,

Division of Reclamation, Mining and Safety Staff

Enclosure: Rule 1.2 excerpt for Hard Rock Metal Mines and Construction Materials
Rule 1.2 excerpt for Hard Rock/Metal Mining

1.2 SCOPE OF RULES AND ACTIVITIES THAT DO NOT REQUIRE A RECLAMATION PERMIT

1.2.1 Specified by Rule

The Board has determined that certain types of activities do not need reclamation permits either because the excavated substance is not a mineral as defined in Section 34-32-103(7), Colorado Revised Statutes 1984, as amended or because the activity is not a mining operation as defined by Section 34-32-103(8), C.R.S. 1984, as amended. Such activities include the following:

- (a) the exploration and extraction of natural petroleum in a liquid or gaseous state by means of wells or pipe;
- (b) the development or extraction of coal (refer to the Colorado Surface Coal Mining Reclamation Act Section 34-33-101, et seq., C.R.S. 1984, as amended);
- (c) smelting, refining, cleaning, preparation, transportation, and other off site operations not conducted on affected land;
- (d) a custom mill.

1.2 ACTIVITIES THAT DO NOT REQUIRE A RECLAMATION PERMIT

103(3) and
(13)

1.2.1 Specified by Rule

The Board has determined that certain types of activities do not need reclamation permits either because the excavated substance is not a construction material as defined in Section 34-32.5-103(3), Colorado Revised Statutes 1984, as amended or because the activity is not a mining operation as defined by Section 34-32.5-103(13), C.R.S. 1984, as amended. Such activities include the following:

- (a) the exploration and extraction of natural petroleum in a liquid or gaseous state by means of wells or pipe:
- (b) the development or extraction of coal (refer to the Colorado Surface Coal Mining Reclamation Act Section 34-33-101, et seq., C.R.S. 1984, as amended);
- (c) cleaning, preparation, transportation, and other off-site operations not conducted on permitted land: and
- (d) the extraction of geothermal or groundwater resources.

1.2.2 Reserved

1.2.3 Reserved

1.2.4 Extraction or Exploration on Federal Lands

Any person who intends to extract or explore for construction materials on federal lands shall apply for a Mined Land Reclamation Board permit or submit a Notice of Intent to conduct exploration operations unless specifically exempted by the Board according to the provisions of this Subsection 1.2.