




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: Monitoring	WEATHER: Clear	INSP. DATE: January 8, 2025	INSP. TIME: 10:15
OPERATOR: Cary Joe Lovett	OPERATOR REPRESENTATIVE: Mr. Cary 'Joe' Lovett	TYPE OF OPERATION: 110(1) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$2,319.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Jocelyn Carter	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 20, 2025	

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>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</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>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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

The El Rancho Bondo gold mine operation, Permit No. M-2018-028, was inspected by me, Jocelyn Carter, on behalf of the Division of Reclamation, Mining, and Safety (Division/DRMS). The permittee is Cary Joe Lovette, and Joe Lovett was present for the inspection. The weather at the time of the inspection was clear with cold temperatures of around 30° F and there was about 6 inches of fresh snow on the ground.

El Rancho Bondo is a 110(1) operation with 0.5 acres permitted located along the western banks of the Arkansas River just south of Parkdale in Fremont County. The permit area is accessible only by a trail located south of the Royal Gorge Yurts on U.S. Hwy 50 and County Road 3. From the parking area, it is about a third of a mile hike on the trail that is located on the west side of the Arkansas River. The mine sign is posted on a fence post along the trail shortly after the turn off from the road. The access trail goes through the western corner of the permitted area. The operator can use an ATV on the access trail with good ground conditions; an ATV was not used during this inspection due to the poor ground conditions.

Mining activities were not taking place at the time of the inspection. According to conversations with Mr. Lovette, the operation originally would pump water from the river to operate a sluice for gold recovery but have since stopped sluicing. Currently, the operation only consists of moving overburden material with hand tools and panning for gold in finer materials. There are two "pits" that have been excavated to expose the target material to be panned. They are adjacent to each other and parallel with the river, see Photos #4 and #5. The upstream area adjacent to the "pits" were worked and have since been filled in and vegetation has become established.

Photos taken during the inspection and a map created from information collect during the inspection are provided in this report. Any questions about this inspection report should be directed to me by email at Jocelyn.carter@state.co.us or by phone at (720) 666-1065.

Records

The permittee is up to date on the annual report and fees and have submitted their production report. There are no open infractions or enforcement issues with the permit. The surface and mineral rights are both federally owned.

Hydrological Balance

The mine operates along the banks of the Arkansas River and panning does occur using river water. The operation does not extract water from or discharge into the Arkansas River. The operation maintains a 20-foot offset from the river channel. There does not appear to be any disruption to the hydrologic balance to the area.

Processing Waste/Tailings

There is a stockpile of boulders upstream from the two pits where material is extracted and worked. Both stockpiles of materials are tailings from the pits. The boulders act as river armor to keep the river from easily inundating the pits. There did not appear to be any erosional or stability issues with the stored materials.

General Mine Plan Compliance

The approved mining plan calls for pumps to be brought onto the site to extract water from the river for sluicing and discharge into a small settling pond before returning to the river. This activity is no longer applicable to the mine operation, gold is extracted only using hand tools and pans. According to Mr. Lovette, pumping ceased when CDPHE required that the operation obtain a discharge permit and subsequent water quality testing to continue sluicing operations.

According to the answers given in questions 4 and 5 of the 2024 annual the operation did not operate between July 14, 2023, and September 19, 2024, and it is not active for 180 days during the year. The permit is not considered an intermittent operation either.

With the changes that have come up with the mining operation plans and the decrease in the active days, the operator could address this through either a Technical Revision, Temporary Cessation, or initiate reclamation operations. A Technical Revision would not be suitable for this situation as panning is not regulated by the Division. A Temporary Cessation would not be suitable as it would require a demonstration that the mining operation would resume operations according to the approved mining plan. Therefore, it is the Division's recommendation that the operator initiate reclamation operations and to seek release of the permit.

Signs and Markers

The mine sign at the entrance of the permit site was not present at the time of the inspection. The operator did repost a mine sign on January 14, 2025, and sent a photo of the posted sign located near the entrance of the permitted area at the trailhead of the trail used to access the site, see Photos #1 and #2. T-posts were used to mark the permit boundary, attached to the tops of the post were metal tags with the permit number stamped into them, see Photos #6 and #7.

Acid or Toxic Materials

There are no acid or toxic materials associated with this operation.

Financial Warranty

The current bond for this permit is \$2,319.00. An update to the calculated reclamation cost estimate was completed as part of this inspection and the financial warranty is no longer adequate to cover the estimated reclamation costs. The Division's calculated amount for reclamation costs is \$5,366.00; \$3,047.00 more than the current bond. The Division's calculated reclamation cost summary is provided below. Given the circumstances of this operation, a surety increase will not be issued. It is the Division's recommendation that reclamation activities begin.

Backfill & Grading

A couple of pits located upstream of the current pits have been backfilled and voluntary vegetation has since become established.

Processing Facilities

There are no processing facilities for this operation. There is a metal locker box that is kept on site to store hand tools, see Photo #9.

Fish & Wildlife

There did not appear to be any negative impacts on fish and wildlife. Mr. Lovette did point out an area along the southern portion of the permit where beaver activities have caused the riverbank to move inland, see Photo #8. He is monitoring this section to make sure he is maintaining the 20-foot offset from the river.

Erosion/Sedimentation

There were no observed issues with erosion or sedimentation caused by this operation

Off-site Damage

No off-site damage was observed.

Roads

There are no roads associated with this operation.

Explosives

There are no explosives used for this operation

Topsoil

There is a small berm of fine materials, consisting of mostly sand and gravel, that parallels the river channel located above the pits. This material will be used for reclamation purposes and appears stable and adequate.

Reclamation Plan/Compliance

There is an issue with this permit regarding several discrepancies with the approved mining plan and the frequency of mining activity. Given the circumstances of the situation, it is recommended that the operator initiates reclamation operations to seek release of the permit.

PHOTOGRAPHS



Photo #1: Mine sign posted on a fence along the access trail; photo was provided by the operator.



Photo #2: View of the access trail, looking southeast, with the min sign seen on the right.



Photo #3: View of the permitted area looking downstream to the southwest.



Photo #4: View of the upstream pit area looking to the northeast.



Photo #5: View of the downstream pit, looking to the southwest.



Photo #6: Permit boundary marker located at the south end of the permitted area; an example of the t-posts used

to mark the permit boundary.



Photo #7: Example of the identifying tags that are attached to the tops of the t-posts.



Photo #8: View of the portion of the bank that has been migrating inland due to beaver activity on the river.



Photo #9: The metal locker kept on site to store hand tools, located near the western t-post of the site, on the west side of the access trail.



Figure 1: Map showing the permit and the surrounding areas. The red point labeled El Rancho Bondo shows the approximate location of the posted mine sign. The Purple line shows the path taken from the parking area behind the Royal Gorge Yurt business down to the permitted area. The light blue line shows the approximate permit boundary with the red squares indicating where the t-posts marking the boundary are located. The green

line shows the approximate 20-foot river offset boundary the operation maintains.

COST SUMMARY WORK

Task description: 000

:: El Rancho Bondo Permit Action: 2024 Inspection Permit/Job#: M2018028

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 2/4/2025 County: Fremont Filename: M028-000
User: JLC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

k	Description	Form Used	Fleet Size	Task Hours	Cost
	backfill hole	EXCAVATE	1	1.84	\$955
	Topsoil replacement	EXCAVATE	1	4.06	\$2,106
	Reveg 0.1 Acres by hand	REVEGE	1	2.00	\$653
	Disposal (BLM)	NA	1	1.00	\$22
	Mob/Demob Equipment	MOBILIZE	1	1.36	\$828
<u>SUBTOTALS:</u>				10.26	\$4,564

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$92
Performance bond:	1.05	Total =	\$48
Job superintendent:	5.13	Total =	\$407
Profit:	0.00	Total =	\$0
		TOTAL O & P =	\$547
		CONTRACT AMOUNT (direct + O & P) =	\$5,111

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	\$0	Total =	\$0
Engineering work and/or contract/bid preparation:	0.00	Total =	\$0
Reclamation management and/or administration:	5.00		\$256

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$802

TOTAL BOND AMOUNT (direct + indirect) = \$5,366

Inspection Contact Address

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CC: Amy Eschberger, DRMS
Daniel Pike, BLM