



COLORADO

Division of Reclamation,
Mining and Safety


Department of Natural Resources

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: Leadville Mill	MINE/PROSPECTING ID#: M-1990-057	MINERAL: Gold	COUNTY: Lake
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: May 8, 2025	INSP. TIME: 09:58
OPERATOR: Union Milling Company, LLC	OPERATOR REPRESENTATIVE: Nick Michael, Gary Knippa	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Citizen Complaint	BOND CALCULATION TYPE:	BOND AMOUNT: \$64,430.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 14, 2025

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: Acid And Toxic Materials

PROBLEM/POSSIBLE VIOLATION: Problem: Four stockpiles of mill feed material are present on site, three stockpiles of Ore and one of historic tailings. In accordance with TR-5, the piles are to be covered. A citizen complaint was received that at least one of the piles covering has deteriorated, exposing the pile.

CORRECTIVE ACTIONS: The Operator shall, within 30 days of the date of this report, remove and properly dispose of the deteriorated pile coverings and replace the coverings on all four piles. Upon completion of the corrective actions, the Operator shall submit photo documentation to the Division showing the trash and remains of the old covers have been removed and that the new covers have been installed. Photo documentation must be received by the Division no later than Friday June 13, 2025.

CORRECTIVE ACTION DUE DATE: 6/13/25

OBSERVATIONS

This inspection was conducted in response to an anonymous citizen complaint received by the Division via electronic submittal on April 30, 2025. A copy of the complaint as well as the submitted photographs are attached to this report. This inspection also served as a routine monitoring inspection of the site. The Leadville Mill is listed as an Active 110d operation that consists of a custom mill for the beneficiation of gold ore, located in Lake County. The site lies on the west side of Leadville, CO at 10,560 feet in elevation. Public access to the site is controlled by a locked gate on the access road, just off Highway 24. The Division currently holds \$64,430.00 in Financial Warranty for the site. A reclamation cost estimate update was not performed as a result of this inspection. The site was not active the day of the inspection, and the proper mine identification signs were observed on the entrance gate. Seven Photos accompany this report to illustrate the current site conditions.

The complaint received, with photographs, showed that the covering that protects a historic tailings pile being stored on the North side of the mill had fallen into disrepair exposing the tailings and leaving the pile prone to erosion and transport. The historic tailings pile was relocated to this area, to be stored on a polypro liner with a visqueen cover under Technical Revision 5 (TR-5) submitted in October of 2020. The Operator was contacted on Wednesday April 30, 2025 via email, and the inspection was scheduled. In the time between scheduling and the day of the inspection the Operator contacted the Division to convey they were aware of the issue and were in process of conducting the corrective actions on all four piles located on site. The day of the inspection the historic tailings pile was observed and the covering was found to be torn, leaving the pile exposed as seen in Photos One and Two. Observations indicate that winter conditions including prevailing winds had deteriorated the covering. The pile itself showed no signs of significant erosion or sediment transport. The straw wattles surrounding the pile are still in good condition and appeared to be functioning as designed. On-site discussions with the Operator indicated the materials required to complete the repairs are on site, however had not yet been installed.

In addition to the historic tailings pile stored on site, there are three piles of ore stored to be processed through the mill. Similar to the historic tailings these piles are required to be covered by the visqueen liner to prevent erosion and leachate from forming. The piles are referred to as LG1, 2 and 3 respectively. Though not called out in the complaint, the Operator surveyed the three piles and conducted repairs where necessary. The covering over LG 3 was also found to be in disrepair and the entirety of its cover has been replaced as seen in Photo Three. The covering over LG 2 was also found to be in disrepair and the cover has been replaced as seen in Photo Four. Pile LG 1's cover was also in need of replacement and the day of the inspection the cover had been mostly removed in preparation to install the new liner. Pile LG 1 can be seen in Photo Five. All of these piles are protected around their perimeter with straw wattles which were in good condition and functioning as designed. No evidence of erosion or sediment transport was noted. Minor modifications to the repaired coverings will be made, specifically the cover will be laced with rope and more ballast items will be placed to mitigate wind damage.

The remainder of the site was inspected and found to be in good condition. The proper Mine Identification signage and boundary markers were observed. The stormwater control structures including conveyance ditches, berms and upland diversion ditches were found to be in good condition and appeared to be functioning as designed. An example of the stormwater control structures can be seen in Photos Six. The ECS pond to the south mill building was found to be in good condition. The liner showed no signs of compromise,

and the pond contained a small amount of water as a result of snowmelt and other precipitation events. The ECS can be seen in Photo Seven.

Based on the observations made during this inspection, Division staff has determined that the coverings over the piles, specifically LG 1 and the Historic Tailings Pile are considered a problem in need of corrective actions. The Operator shall, within 30 days of the date of this report, remove and properly dispose of the deteriorated pile coverings and replace the coverings on all four piles. Upon completion of the corrective actions, the Operator shall submit photo documentation to the Division showing the trash and remains of the old covers have been removed and that the new covers have been installed. Photo documentation must be received by the Division no later than Friday June 13, 2025.

All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety, Room 215, 1001 East 62nd Ave. Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PHOTOGRAPHS





Photo Two: View South, showing another view of the Historic Tailings Pile, with torn cover.



Photo Three: View North, showing the LG 3 stockpile. This stockpile has had the covering replaced, however is still awaiting modifications to help prevent wind damage.



Photo Four: View Southeast, showing the LG 2 stockpile. This pile has also had the cover replaced and is awaiting further improvements. Also visible is the discarded old cover that is to be removed.



Photo Five: View Northwest, showing the exposed pile LG 1. The old deteriorated covering has been removed in preparation for the installation of the new cover.



GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</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>Y</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>Y</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>PB</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

Inspection Contact Address

Nick Michael, Gary Knippa
Union Milling Company, LLC
6200 S. Vivian Street
Littleton, CO 80127

Enclosure Anonymous Citizen Complaint with photographs

CC: Travis Marshall, DRMS
 Todd Jesse, DRMS

EC: Nick Micheal, Union Milling Company, LLC
 Gary Knippa, Union Milling Company, LLC

DRMS Complaint Intake Tool

By Submitting this form you are requesting an investigation of compliance with DRMS rules.



COLORADO
Division of Reclamation,
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DRMS Internal Information

Select Permit Type *

Minerals

Permit No List *

M1990057

Date of Complaint

04/30/2025

COMPLAINANT INFORMATION

*** Indicates a Required Field**

Do you wish to remain anonymous? *

☒ Yes ☐ No

Connection to Incident *

Select all that apply

- ☒ Land Owner
☒ Nearby Resident
☐ Other

- ☐ Mineral Owner
☐ Observed Incident

DESCRIPTION OF COMPLAINT

(Please be as specific as possible)

Note: Please provide as much detail related to location and issue as possible. Without enough detail, DRMS will not be able to process or investigate the complaint and, therefore, DRMS will have no choice but to discard the complaint.

Location of Concern *

Please provide as much detail as possible. It is important to narrow down the location. If available, please include Township, Range and Section, physical address, or GPS location. You may also upload a pdf map below.

location is behind the cjk mill building, near the fence abutting our property, BTW there is no anomyoyous option as we or our neighbors would be the only people who could see this property.

Incident County *

Lake County

Is this an ongoing issue(s)?

☒ Yes ☐ No

Nature of Complaint *

Select all that apply

- | | |
|---|---|
| <input type="checkbox"/> Illegal Mining | <input type="checkbox"/> Dust |
| <input type="checkbox"/> Ground Water / Water Well Impact | <input type="checkbox"/> Acid or Toxic Materials/Spills |
| <input type="checkbox"/> Surface Water Impact / Stormwater Management | <input type="checkbox"/> Property Damage |
| <input type="checkbox"/> Mine Plan Compliance | <input type="checkbox"/> Waste Management / Dumping |
| <input type="checkbox"/> Signs and Markers | <input type="checkbox"/> Overburden / Development Waste |
| <input type="checkbox"/> Financial Warranty | <input type="checkbox"/> Backfilling and Grading |
| <input type="checkbox"/> Processing Waste / Tailings | <input type="checkbox"/> Processing Facilities |
| <input type="checkbox"/> Fish / Wildlife | <input type="checkbox"/> Erosion / Sedimentation |
| <input type="checkbox"/> Off-Site Damage | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Explosives / Blasting | <input type="checkbox"/> Topsoil |
| <input type="checkbox"/> Revegetation | <input type="checkbox"/> Weeds |
| <input type="checkbox"/> Reclamation Plan Compliance | <input checked="" type="checkbox"/> Other waste piles no longer covered |

Detailed description of the issue(s) * (?)

Please provide as much detail as possible. It is important to narrow down the issue(s).

the attached pictures are of the pile of material that was moved from the front of the mill (where it had been for years) to the back of the mill (and much closer to our property and home). It is my understanding that such materials must be covered to ensure nothing gets blown about or impacted by weather. CJK is not consistent in checking this pile. We have had a lot of wind recently. We think this pile has had the cover material blown about for several weeks, maybe longer. When we first noticed it we couldn't get to it easily to take pictures due to snow.

Have you contacted the operator or party conducting the operation? If yes, please provide details. *

☐ Yes ☒ No

If known, please provide the name of the operator or party conducting the operation.

If known, please provide the Permit or NOI Number (ie M-1970-111 or P-1970-111).

Must be entered in the following format: M1970111 or P1970111 (No dashes allowed)

M1990057

Have you contacted any other agencies or local governments related to this issue or issues? If so, please provide details. *

☐ Yes ☒ No

ADDITIONAL INFORMATION

Are there supporting photos, maps, or documents you wish to upload? *

☒ Yes ☐ No

[View Attachments in WebLink](#)

Attachments are accepted for informational purposes only. Action by DRMS requires a direct observation by DRMS staff.

What is your preferred method for DRMS to communicate with you throughout the investigation? *

Select all that apply

☐ Phone ☒ E-mail ☐ US Mail







