




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: Hobo 2	MINE/PROSPECTING ID#: M-2017-044	MINERAL: Gemstones	COUNTY: San Juan
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: June 30, 2025	INSP. TIME: 09:38
OPERATOR: McFarland Enterprises, Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110(1) - Hard Rock Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$12,960.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 3, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</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>Y</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>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 as part of the routine monitoring program established by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program. It was also conducted to observe the site conditions prior to a pending enforcement action as noticed in the Reason to Believe a Violation Exists, provided to the Operator on March 18, 2025, for failure to submit the required Annual Report, Map and Fee. The matter is set to be heard at the Mined Land Reclamation Board's July 16-17, 2025, Hearing. The Hobo Mine is listed as an Active 110(1) operation located just off County Road 2, just up gradient from the Toltec Tunnel in San Juan County. The site is approximately 10 Miles northeast of Silverton, CO at nearly 10, 760 feet in elevation and consists of .71 Acres of Permit Area. Part of the Permitted Area falls on private land and a portion is on lands administered by the Bureau of Land Management. The Division currently holds \$12,960.00 in Financial Warranty for the site. As a result of this inspection, a Reclamation Cost Estimate was performed and found the currently held Financial Warranty is sufficient to fully reclaim the site in accordance with the Act, Rules and Regulations as well as the approved Reclamation Plan. Five photographs accompany this report to illustrate the current site conditions.

The .71 acres of the site is made up of the access road, portal pad and portal areas. The access road was observed to be in good condition and appeared stable at the time of the inspection. No evidence of erosion or slumping of the cut banks was noted. The entire length of the access road has revegetated itself with volunteer species and shows no evidence of recent travel. The access road can be seen in Photos One and Two. At the top of the access road lies the portal and portal pad. The portal pad, made up of waste rock and other local materials, was found to be in good condition and appeared stable. No evidence of settling or slumping was noted. The outsoles of the pad appeared to be stable at the time, and no significant erosion or rilling was noted down the slope. Photos Three and Four show the portal pad and an example of the out slope.

The portal shed structure was damaged in 2017-2018 and most of it was removed at that time. Various materials were observed scattered around the pad from the deconstructed portal structure. Items include the metal gates, various lumber and a damaged ladder. The portal itself was observed with a significant amount of material from above having sloughed off and closing approximately half the entrance. No water was seen emanating from the portal, however, immediately behind the sloughed material the floor of the tunnel was damp. The portal can be seen in Photo Five.

The overall footprint of the site is in fair condition, with a partially collapsed portal and construction debris scattered around the portal pad. No State-listed Noxious weeds were noted on site nor signs of significant erosion. As stated previously, the Operator has a pending enforcement action which will be heard at the July 16-17 hearing of the Mined Land Reclamation Board. All responses to this report should be directed to Lucas West at the Division of Reclamation, Mining and Safety. Direct contact can be made at the Division's Grand Junction Field office, by phone at 303-919-2997 or by email at lucas.west@state.co.us.

PHOTOGRAPHS





Photo Three: View West, showing an example of the debris on the portal pad from the deconstructed portal shed. Also visible is the partially collapsed portal.



Photo Four: View West, showing another view of the portal pad with scattered debris from the removed portal structure. The pad has begun to revegetate and appeared stable at the time of the inspection.



Inspection Contact Address

None
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CC: Lisa Merrill, BLM