




**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.

<b>MINE NAME:</b> Crystal Falls #1	<b>MINE/PROSPECTING ID#:</b> M-2019-045	<b>MINERAL:</b> Gemstones	<b>COUNTY:</b> El Paso
<b>INSPECTION TYPE:</b> Monitoring	<b>WEATHER:</b> Raining / Hail	<b>INSP. DATE:</b> June 17, 2025	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> James Thomas	<b>OPERATOR REPRESENTATIVE:</b> James Thomas	<b>TYPE OF OPERATION:</b> 110(1) - Hard Rock Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$2,978.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> U.S.Forest Service	
<b>INSPECTOR(S):</b> Hunter Ridley	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> July 11, 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>Y</u>	(RD) ROADS----- <u>N</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>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</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 Hunter Ridley with the Colorado Division of Reclamation, Mining and Safety (Division) as part of the normal monitoring program and was a joint inspection with the U.S. Forest Service (USFS) representative Julie Spawn. The Permittee, James 'Leif' Thomas was present during the inspection. The Crystal Falls #1 site is a 110(1) Hard Rock Limited Impact permit and is located 1.5 miles west of Colorado Springs at ~8,400 feet. The site was accessed from Bear Creek trail in the Pikes Peak National Forest, west of Colorado Springs in El Paso County. The site can also be accessed from the north, via Crystal Park trailhead.

The extent of this Hard Rock operation is segmented into 5 noncontiguous dig sites. These are Mathew & Scott's dig, Facebook dig, Matthew's dig, Discovery Post #1, and Discovery Post #2. Each dig site is permitted for an additional disturbance area around the actual dig site, as shown on the Mine Map and Annual Maps. The permit area is also surrounded by several dig sites that are historic and not attributed to Mr. Thomas's permit. For example, (as shown on the **Figure 1 Site Map** below), Discovery Posts 1 and 2 were dig sites that occurred before Mr. Thomas discovered the area. Discovery Post #1 is within the Crystal Falls #1 mining claim and the Discovery Post #2 site is within the Crystal Falls #2 mining claim, also owned by Mr. Thomas. Both Discovery Post sites have been permitted under M-2019-045 and Mr. Thomas has therefore assumed liability for their reclamation. Mr. Thomas' mining claims are shown below in **Figure 2**. Many other small dig disturbances in this area exist but are not attributed to Mr. Thomas and are not included under this permit.

Records: Annual reports are current, having been filed through July 2025. The previous inspection was on September 26, 2019. The approved post-mine land use is forest land. There are no open infractions. Both the surface and minerals are federally owned.

Signs & Markers: A white post and laminated mine entrance sign were located on the informal trail up towards the permit's dig sites (Photo 1).

Backfill and Grading: Mr. Thomas has consolidated and stabilized cast off material that was found near the dig sites and continues this practice as he actively mines. Backfill has been available for several of the larger dig sites. Currently, Mathew & Scott's dig and Facebook dig are the only sites that have been completely backfilled and Mathew's dig has been partially backfilled (Photos 7-10).

Excess Spoil and Dev. Waste: Development waste or cast-off material surrounded all five notable dig sites. Where previous cast-off material had been deposited by past gemstone hunters, Mr. Thomas has done work to move subgrade material, rock and boulders closer to the dig sites. At the bottom of Discovery Post #2 (looking south), a barrier made of downed trees and logs has been put in place by Mr. Thomas to prevent the erosion of large cast-off rock materials further down the steep slope (Photo 2).

The Division and USFS expressed concerns with some of the gem hunting supplies that had been left out at the site, such as a frayed plastic tarp at Discovery Post #1 (Photo 3). Mr. Thomas sent follow-up information and photographs to show that this tarp had been picked up and removed from the site (Photo 12).

Fish & Wildlife: No negative impact to wildlife was observed. Construction fencing provided a short barrier to steep highwall drop offs (Photos 3 and 6).

Hydrologic Balance & Sediment Control: No stormwater or exposed groundwater was observed at any of the dig sites. Dig sites are graded in such a manner to collect stormwater and allow water to infiltrate into the ground. Construction fences are in place at some of the dig locations to catch larger material, but little to no

additional measures are in place to collect eroding sediment. However, no significant erosion problems were observed as a result of the dig site disturbances, therefore no immediate need for erosion control best management practices (BMPs) was deemed necessary. However, the Division encourages Mr. Thomas to continue his efforts in stabilizing the disturbed areas related to his claims with the suggestion of adding silt fences to open dig sites, which are especially vulnerable to erosion and could contribute excess sediment to the watershed. Please reference the 'Right of Entry' section below to review why this operation should be especially cognizant of this type of erosion.

Reclamation Success: As stated above, Mr. Thomas had initiated stabilization of cast-off material in the steeply sloped area (approximately 1H:1V) near the discovery digs. Reclamation has been initiated at Mathew & Soctt's dig and Facebook dig sites.

Revegetation: Partial revegetation had been initiated at the Matthew & Scott's and Mathew's dig sites at the time of the inspection. An unidentified species of thistles was also noted at this dig site (Photo 9). The Division indicated that this large patch was required to be removed, pursuant to Rule 3.1.10(6). Prior to the issuance of this report, the Division received follow-up from Mr. Thomas, showing that the noxious weeds had been removed from the site (Photo 11), stating that all thistles were removed by the roots, bagged, and removed from the site.

Inspection attendees discussed potential changes to the seed mix and general mining plan. The Division would like to remind the Operator that all changes to the permit will need to be reviewed and approved by the Division before implementation. Minor changes that do *not* include increasing the permit acreage size or changing the post mining land use can be completed under a Technical Revision (TR) application. A copy of the TR application is included below for reference. Please submit any requests for a TR through the Division's online e-permitting system.

Topsoil: Mr. Thomas stated he has been salvaging the little topsoil that is available around the dig sites for use in later reclamation and has been supplementing low topsoil areas by utilizing a small layer of pine duff and topsoil from other areas to cover reclaimed dig sites.

Right of Entry: Mr. Thomas' mining claims are located entirely on USFS land, within the Bear Creek Watershed. Effective the 9 September 2022, the USFS initiated Forest Order #PSICC-2022-15 (Occupancy and Sue Bear Creek Watershed Restoration Project). A copy of the order has been attached below for full reference. In summary, this Order disallows overland travel in the Bear Creek Watershed except on National Forest Service (NFS) Trail or Road. Restrictions are related to an effort to reduce sedimentation into surrounding waterways, which negatively impacts the watershed's population of greenback cutthroat trout, a threatened species under the Endangered Species Act.

All parties involved in the inspection discussed this order to determine what this means for Mr. Thomas' operation. Is it the Division's understanding that the USFS allows Mr. Thomas' operation to be exempt from this order and Mr. Thomas may continue to use informal trails to access his dig sites. However, the Division, USFS and Mr. Thomas did discuss potential alternatives / best practices to be used in this area while the forest order is in effect. Mr. Thomas stated his desire to ensure that his operation was not negatively impacting the endangered fish species. The Division does not possess the jurisdiction to enforce this forest order, however maintaining Legal Right to Enter with the USFS *is* part of the Division's permit requirements (Rule 6.3.7). Should the USFS require any additional measures or restrictions for Mr. Thomas' mining claims that impact legal right to enter, the Division should be promptly notified.

**Financial Warranty:** The Division currently holds a financial warranty amount of \$2,978.00 for this site. In an effort to ensure the Financial Warranty adequately reflects the actual current cost of fulfilling the requirements of the approved reclamation plan, the Division has updated the reclamation cost estimate. The Division has found the current bond to be inadequate for reclamation of the site. The updated required bond amount is \$4,584.00. This is an increase of \$1,606.00. A copy of staff calculations has been attached with this report. A notice of surety increase will be sent under separate cover.

### **PHOTOGRAPHS**



**Photo 1: Permit entrance sign and information.**





**Photo 2: Wooden barrier for large rock material, south of Discovery Post #2.**



**Photo 3: View into Discovery Post #1 dig site.**





**Photo 4: View south looking down the slope from Discovery Post #1.**





**Photo 5: Construction fence located above Discovery Post #1.**



**Photo 6: Construction fencing seen at Mathew's dig.**





**Photo 7: View looking into Mathew's Dig, Mr. Thomas plans to continue mining in this area before final reclamation.**



**Photo 8: Area of backfill at Facebook Dig.**





**Photo 9: Large patch of noxious thistles.**



**Photo 10: Backfill areas at Mathew & Scott's dig.**





**Photo 11: Thistle area removed of noxious weeds.**



**Photo 12: Tarp cleaned up around Discovery Post #1.**





Figure 1: Site Map



Figure 2: Map showing the extent of Mr. Thomas' mining claims (Crystal Falls #1 and Crystal Falls #2 (Highlighted in yellow).



**Inspection Contact Address**

James Thomas  
3506 Mesa Grande Dr  
Colorado Springs, CO 80918



## COST SUMMARY WORK

Task description: \_\_\_\_\_

Site: Crystal Falls #1

Permit Action: Inspection2025

Permit/Job#: M2019045

### PROJECT IDENTIFICATION

Task #: HCR

State: Colorado

Abbreviation: None

Date: 5/6/2025

County: El Paso

Filename: M045-HCR

User: HRI

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Hand Backfill Disturbances	MISCTRUK	1	25.00	\$2,172
002	Reveg 1.0 acre	REVEGE	1	2.00	\$596
003	Mob Crew to Site	MOBILIZE	1	0.72	\$22
<b><u>SUBTOTALS:</u></b>				<b>27.72</b>	<b>\$2,790</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$56

Performance bond: 1.05

Total = \$29

Job superintendent: 13.86

Total = \$1,041

Profit: 10.00

Total = \$279

TOTAL O & P = \$1,406

CONTRACT AMOUNT (direct + O & P) = \$4,196

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 4.25

Total = \$178

Reclamation management and/or administration: 5.00

\$210

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$1,794

**TOTAL BOND AMOUNT (direct + indirect) = \$4,584**



## MISCELLANEOUS TRUCK WORK

Task description: Hand Backfill Disturbances

Site: Crystal Falls #1 Permit Action: Inspection2025 Permit/Job#: M2019045

### PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None  
Date: 5/6/2025 County: El Paso Filename: 001  
User: HR1

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Make and Model: Light Duty Pickup, 4x4, 1 T. Crew Horsepower: 340  
Attachment 1: \_\_\_\_\_ Shift Basis: 1 per day  
Attachment 2: \_\_\_\_\_ Weight: 2.45  
Labor Unit 1: General Laborer (US Tons)  
Labor Unit 2: General Laborer

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$15.30</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$15.81</u>	<u>100</u>
Operator Cost/Hour:	<u>\$55.75</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$86.86</u>	
Total Fleet Cost/Hour:	<u>\$86.86</u>	

### JOB TIME AND COST

Fleet size: 1 Truck(s) Total job time: 25.00 Hours  
Unit cost: \$86.86 /Hour Total job cost: \$2,172



**REVEGETATION WORK**Task description: Reveg 1.0 acreSite: Crystal Falls #1Permit Action: Inspection2025Permit/Job#: M2019045**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 5/6/2025County: El PasoFilename: 002User: HR1Agency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

**TILLING**

Description	Cost /Acre
	\$
<b>Total Tilling Cost/Acre</b>	<b>\$0.00</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Mountain Brome - Bromar	3.86	6.20	\$23.78
Sandberg Bluegrass - VNS	0.74	15.71	\$10.95
Idaho Fescue	1.58	19.95	\$23.05
Prairie Junegrass	0.30	15.95	\$14.97
Yarrow, White	0.50	31.80	\$37.57
Bluebunch Wheatgrass - Goldar	7.42	23.85	\$87.06
<b>Totals Seed Mix</b>	<b>14.40</b>	<b>113.46</b>	<b>\$197.38</b>



**Application**

Description	Cost /Acre
Broadcast seeding [DMG]	\$279.08
<b>Total Seed Application Cost/Acre</b>	<b>\$279.08</b>

**MULCHING and MISCELLANEOUS****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
<b>Total Mulch Materials Cost/Acre</b>				<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Mulch Application Cost/Acre</b>	<b>\$0.00</b>

**NURSERY STOCK PLANTING**

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$0.00</b>

**JOB TIME AND COST**

No. of Acres:	1	Cost /Acre:	\$476.46
Estimated Failure Rate:	25%	Cost /Acre*:	\$476.46
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	<b>\$476.46</b>
Reseeding Job Cost:	<b>\$119.12</b>
Total Job Cost:	<b>\$596</b>
Job Hours:	<b>2.00</b>



**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Mob Crew to Site**Site: **Crystal Falls #1**Permit Action: Inspection2025Permit/Job#: M2019045**PROJECT IDENTIFICATION**

Task #: 003 State: Colorado Abbreviation: None  
 Date: 5/6/2025 County: El Paso Filename: 003  
 User: HR1

Agency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**

Shift basis: 1 per day  
 Cost Data Source: CRG Data

Truck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,  
400 HP (2ND HALF, 2006)Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT  
TRAILER (25T, 50T, AND 100T)**Cost Breakdown:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
Ownership Cost/Hour:	\$21.47	\$38.32	\$48.96
Operating Cost/Hour:	\$31.47	\$60.11	\$65.86
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$22.25	\$22.25
Total Unit Cost/Hour:	\$75.46	\$143.20	\$159.59

**NON ROADABLE EQUIPMENT:**

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Subtotals:					<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$31.11	1	\$31.11	\$31.11
Subtotals:			<b>\$31.11</b>	<b>\$31.11</b>



**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region: MANITOU SPRINGS  
 Total one-way travel distance: 9.00 miles  
 Average Travel Speed: 25.00 mph

Total Non-Roadable Mob/Demob Cost \* \$0.00  
 \*\* two round trips with haul rig:  
 Total Roadable Mob/Demob Cost \*\* \$22.40  
 \*\* one round trip, no haul rig:

**Transportation Cycle Time:**

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.36	0.36
Return Time (Hours):	0.36	0.36
Loading Time (Hours):	0.00	NA
Unloading Time (Hours):	0.00	NA
Subtotals:	0.72	0.72

**JOB TIME AND COST**

Total job time: 0.72 Hours

Total job cost: \$22

**FOREST ORDER  
USDA FOREST SERVICE  
PIKE-SAN ISABEL NATIONAL FORESTS &  
CIMARRON AND COMANCHE NATIONAL GRASSLANDS  
Pikes Peak Ranger District**

**Occupancy and Use  
Bear Creek Watershed Restoration Project**

Pursuant to 16 U.S.C. § 551 and 36 C.F.R. § 261.50 (a) and (b), the following acts are prohibited on the National Forest System (NFS) lands, waters, and trails in and surrounding the Bear Creek Watershed of the Pikes Peak Ranger District, Pike National Forest, described below and shown on the attached map incorporated into this Order as Exhibit A (the “Described Areas” and “Described Trails”).

The purpose of this Order is to implement requirements of the July 17, 2016, Final Decision Notice for the Bear Creek Watershed Restoration Project designed to protect a unique population of greenback cutthroat trout, a threatened species under the Endangered Species Act.

**DESCRIBED AREAS AND TRAILS:**

The Described Areas are located in El Paso and Teller Counties, Colorado, and are referred to as the “Broader Bear Creek Area” within which is the “Bear Creek Watershed.”

The Broader Bear Creek Area is the NFS lands located in:

- Sections 20, 21, 28, 29, 30, 31, 32, and 33, Township 14 South, Range 67 West, 6th P.M.
- Sections 22, 23, 24, 25, 26, 27, 34, 35, and 36, Township 14 South, Range 68 West, 6th P.M.
- Sections 5 and 6, Township 15 South, Range 67 West, 6th P.M.
- Sections 1, 2, 3, 10, 11, and 12, Township 15 South, Range 68 West, 6th P.M.

The Bear Creek Watershed is the northern portion of the Broader Bear Creek Area and includes the NFS lands and waters, including Bear Creek and any tributaries of Bear Creek, located in:

- Sections 20, 21, 28, 29, 30, 31, 32, and 33, Township 14 South, Range 67 West, 6th P.M.
- Sections 22, 23, 24, 25, 26, 27, 34, 35, and 36, Township 14 South, Range 68 West, 6th P.M.

The Described Trails, which are located in the Bear Creek Watershed, are the entire length of NFS Trail 666, Bear Creek Trail, and the portion of NFS Trail 776, Buckhorn Trail, beginning at its junction with NFS Trail 666 and ending at its junction with NFS Trail 667.

**PROHIBITIONS:**

1. Being in the Bear Creek Watershed, except if on an NFS Trail or NFS Road. 36 C.F.R. § 261.53(a).
2. Camping within the Bear Creek Watershed. 36 C.F.R. § 261.58(e).
3. Entering or using Bear Creek or any tributary stream of Bear Creek, within the Bear Creek Watershed. 36 C.F.R. § 261.53(a).
4. Possessing a dog, or any saddle or pack animal, in the water of Bear Creek, or in the water of any tributary stream of Bear Creek, within the Bear Creek Watershed. 36 C.F.R. § 261.58(s).



5. Possessing a dog, unless it is on a leash six feet or less in length, or any saddle or pack animal, unless it is harnessed or haltered with a lead rope or reins, on the Described Trails. 36 C.F.R. § 261.58(s).
6. Possessing or using an over-snow vehicle, as defined in 36 C.F.R. § 212.1, on any NFS Trail within the Bear Creek Watershed or Broader Bear Creek Area. 36 C.F.R. § 261.55(b)
7. Building, maintaining, attending or using a fire, campfire, or stove fire in the Broader Bear Creek Area. 36 C.F.R. § 261.52(a).

**EXEMPTIONS:**

Pursuant to 36 C.F.R. § 261.50(e), the following persons are exempt from this Order:

1. Any Federal, State, or local officer, or member of an organized rescue or firefighting force in the performance of an official duty.
2. Persons with a special use authorization or other Forest Service authorization specifically exempting them from the effect of this Order.

This Order will be in effect on September 9, 2022, at 12:01 AM, and shall remain in effect until September 8, 2027, at 11:59 PM or until rescinded, whichever event occurs first.

Done at Pueblo, Colorado, this 8th day of September 2022.

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DIANA M. TRUJILLO  
Forest and Grassland Supervisor  
Pike-San Isabel National Forests &  
Cimarron and Comanche National Grasslands

A violation of these prohibitions is punishable as a Class B misdemeanor by a fine of not more than \$5,000 for an individual or \$10,000 for an organization, or imprisonment for not more than six months, or both. (16 U.S.C. § 551 and 18 U.S.C. §§ 3559, 3571, 3581).