




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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: May Day Idaho Mine Complex	MINE/PROSPECTING ID#: M-1981-185	COMMODITY: Gold and silver	COUNTY: La Plata
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin Czapla	INSP. DATE: June 7, 2012	INSP. TIME: 08:30
OPERATOR: Wildcat Mining Corporation	OPERATOR REPRESENTATIVE: Randy Oser	TYPE OF OPERATION: 112d-1 – Designated Mining Operation	
REASON FOR INSPECTION: Monitoring	BOND CALCULATION TYPE: None	BOND AMOUNT: \$ 204,562	
DATE OF COMPLAINT: June 1, 2012	POST INSP. CONTACTS: None	JOINT INSPECTION AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 8, 2012	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. Note: 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>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>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>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This joint monitoring inspection was conducted by the Division of Reclamation, Mining and Safety (Division) and La Plata County personnel, Courtney Krueger and Marianna Spishock. Personnel present, representing the Operator, were Randy Oser, Gary Gibbons, Mike Thompson and David Gonzales. Photographs are included with this report in order to illustrate some of the conditions observed during this inspection.

The May Day Idaho Mine complex is located approximately 12 miles northwest of Durango and accessed from CR 124. The site is a 112d-1 operation that includes a total of 274.7 permitted acres. The Division currently holds a financial warranty amount of \$204,562.00 for this site.

Background

On December 12, 2011 the Mined Land Reclamation Board (Board) issued a partial approval of a conversion application (CN1), submitted by the Operator, in order to allow the Operator to conduct geotechnical work and gather information needed for future submittals of work plans addressing stabilization and reclamation of the new access road, the Chief Portal area, Little Deadwood Gulch at the Chief Portal and May Day 2 areas, the May Day 1 area, and for collecting adequate information for determination of ambient surface and groundwater quality, and for design of Environmental Protection Facilities. Approval of CN1 did not allow for any mining or milling activity to take place at the site until all permit adequacy issues identified by the Division were resolved through the Technical Revision or Amendment processes.

On March 12, 2012 the Division approved TR1, which authorized the Operator to begin stabilization and cleanup of the May Day 1 collapsed portals. Activities approved through TR1 included:

1. Removal of collapse material from the access and mill portals.
2. Removal of buried equipment and collapsed debris from the access and mill portals.
3. Removal and replacement of damaged steel set(s) and protective canopy inside the access portal.
4. Geotechnical sampling.

On May 23, 2012 the Division approved TR2, which addressed stabilization and repair of the new access road from CR 124 to the La Plata River. La Plata County approval of the plans will be required before the Operator may commence construction of the new access road.

New Access Road

During this inspection, it appeared that the new access road was not being utilized for vehicular access to the site.



Figure 1: New access road

May Day 1 Area

A ground water monitoring well had been installed in this area. Stabilization of the highwall above the collapsed portal was occurring during this inspection. The access road to this area had been graded and stormwater controls installed.



Figure 2: May Day 1 groundwater monitoring well



Figure 3: May Day 1 highwall stabilization



Figure 4: May Day 1 highwall stabilization



Figure 5: May Day 1 access road

May Day 2 area

A groundwater monitoring well had been installed on the east side of the access road in this area. Rock from an historical dump pile, located on the west side of the access road, had been removed and used to resurface portions of the access roads, as was approved by the Division on February 10, 2012. Little Deadwood Gulch was dry during this inspection.



Figure 6: May Day 2 groundwater monitoring well



Figure 7: Location of rock pile

Idaho Area

A groundwater monitoring well had been installed at this location, southwest of the building on the east side of the access road. A drill rig was parked in this area, southwest of the building on the west side of the access road. Overall, the area seemed orderly. The access road to this area had been graded with stormwater controls installed.



Figure 8: Idaho groundwater monitoring well



Figure 9: Drill rig located in Idaho area



Figure 10: Building in Idaho area



Figure 11: Area on southwest side of building

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

Inspection and Enforcement Contact

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