




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: West Sunday	MINE/PROSPECTING ID#: M-1981-021	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: May 15, 2012	INSP. TIME: 13:00
OPERATOR: Denison Mines (USA) Corp.	OPERATOR REPRESENTATIVE: Phillip Kibel	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$74,892.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 11, 2012

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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>N</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>	(SB) COMPLETE INSP----- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</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 was a partial inspection by the Division for purposes of reviewing reclamation work performed by the operator, so that a correct bond amount may be estimated. Several new items were added to the reclamation tasks under Amendment AM-1, but the operator also wishes to have one reclamation item deleted from the reclamation tasks since it has been completed. This change will be reflected in the Division's decision for the bond reduction request (SR-1).

Phillip Kibel from Denison's Egnar office was present during the inspection.

The bond reduction request from Denison described one specific item to be deleted from the list of reclamation tasks to perform: the compressor building and concrete slab near vent SJ-1 have been fully removed. The Division inspected the site and found the reported reclamation to be correct, the structures have been removed and site has been graded. (There is still an overhead powerline and powerpole, and surface-installed power cable present there.)

One new item not previously noted onsite, and not included in the reclamation tasks or on the permit maps was a steel water tank located west of the office building. It was cylindrical and estimated to be 7 feet in diameter and about 14 feet tall. There were no other changes to the site noted. The operator should include this tank on an updated permit map for the upcoming annual report. The vent sites should be labeled also.

The Division's bond recalculation will incorporate these observations into its updated estimate. The recalculation and approval decision letter will be sent under separate cover.

No other items were inspected at this time. The Division appreciates the operator's reclamation work.

For questions related to this report please contact the inspector at the Division's Durango Field Office:
DRMS – Durango Field Office
691 CR 233, Room A-2
Durango, CO 81301
Telephone: 970-247-5193

Inspection Contact Address

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CC: James Blair, BLM (sent electronically)

PHOTOGRAPHS

