

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Camp Bird Mine	M-1982-090	Gold, silver, lead, zir	Ouray
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Bob Oswald	July 19, 2012	13:40
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Camp Bird Colorado, Inc.	None	112 - Hard Rock Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$75,000.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA WEATHER:	None INSPICTOR'S SIGNATURE:	None SIGNATURE DATE:
Cloudy	106 Fmm/	August 22, 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>NA</u>	(FN) FINANCIAL WARRANTY <u>Y</u>	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>Y</u>	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES <u>NA</u>
(PW) PROCESSING WASTE/TAILING Y	(SF) PROCESSING FACILITIES NA	(TS) TOPSOIL <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- NA	(FW) FISH & WILDLIFE NA	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(SB) COMPLETE INSP NA
(ES) OVERBURDEN/DEV. WASTE NA	(SC) EROSION/SEDIMENTATION NA	(RS) RECL PLAN/COMP Y
(AT) ACID OR TOXIC MATERIALS <u>Y</u>	(OD) OFF-SITE DAMAGE <u>NA</u>	(ST) STIPULATIONS NA

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 performed by the Division as part of its monitoring of Hard Rock/Metal 112 permits and in response to the operator's agent for an onsite meeting to discuss possible upcoming activities. The operator's agents onsite during this inspection were Mike Thompson of Reardon Steel LLC and Bob Larson of Monadnock Mineral Services. Also onsite from DRMS was Russ Means. All parties were present throughout the inspection. The site is inactive and in a late stage of final reclamation. The required permit ID sign was posted a short distance south of the county bridge.

The former mill facility area and tailings pond areas were in stable condition, not much changed from recent previous inspections. The vegetation is adequate on most areas of the site, but the operator should take note of continued patches of Canada thistle along the northern edge of the permitted area where it abuts the county road. It is not clear if this is permitted area or county property, but it bears mention here that treatment is advised.

The operator is considering re-entering the underground workings to assess current feasibility of mining. Entry via the level 14 portal and the 3 level portal was discussed. The 14 level is the main level that is within the permitted area; the 3 level is not in a permitted area. Entering the 14 level may be done under a permit technical revision, which should include description of the portal rehab, provision of discharge conveyance and sediment control, as well as any required new surface facilities. The portal discharge presently meets standards and WQCD allowed the CDPS permit to terminate. Besides commencing quarterly sampling, the operator must renew or reapply for a CDPS permit.

Entry by the 3 level portal, especially since it will be to assess mineral potential, may be possible under a new prospecting NOI. It must include description of all surface-disturbing activity and underground activity. If there is any portal discharge, it must be sampled.

The proposed activities have potential for surface and groundwater degradation, so no activity can be approved before the baseline is re-defined through sampling and analysis. This will be explored in separate correspondence as part of any technical revision or NOI that is submitted to this office.

There were no further observations and no problems.

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 Tel 970-247-5193

Inspection Contact Address

Scott Butters
Camp Bird Colorado, Inc.
P.O. Box 806
Salt Lake City, UT 84110

CC: Mike Thompson, RSL, 18050 Rd G, Cortez, CO 81321 Bob Larson, MMS, PO Box 85, Ouray, CO 81427

PHOTOGRAPHS







