




**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.

|  |  |   |                             |
|--|--|---|-----------------------------|
| <b>MINE NAME:</b><br>LZ Minerals Exploration Program   | <b>MINE/PROSPECTING ID#:</b><br>P-2008-044 | <b>MINERAL:</b><br>Ag, Au, Cu, Zn, Pb                 | <b>COUNTY:</b><br>Mineral   |
| <b>INSPECTION TYPE:</b><br>Mineral Prospect Inspection | <b>INSPECTOR(S):</b><br>Bob Oswald         | <b>INSP. DATE:</b><br>August 14, 2012                 | <b>INSP. TIME:</b><br>16:30 |
| <b>OPERATOR:</b><br>NFI Ventures LLC                   | <b>OPERATOR REPRESENTATIVE:</b><br>None    | <b>TYPE OF OPERATION:</b><br>MP - Mineral Prospecting |                             |

|   |  |  |
|---|--|--|
| <b>REASON FOR INSPECTION:</b><br>Normal I&E Program | <b>BOND CALCULATION TYPE:</b><br>None  | <b>BOND AMOUNT:</b><br>\$7,000.00            |
| <b>DATE OF COMPLAINT:</b><br>NA                     | <b>POST INSP. CONTACTS:</b><br>U.S. Forest Service   | <b>JOINT INSP. AGENCY:</b><br>None           |
| <b>WEATHER:</b><br>Clear                            | <b>INSPECTOR'S SIGNATURE:</b><br> | <b>SIGNATURE DATE:</b><br>September 12, 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-----                 | NA | (FN) FINANCIAL WARRANTY-----    | Y  | (RD) ROADS-----        | NA |
| (HB) HYDROLOGIC BALANCE-----      | Y  | (BG) BACKFILL & GRADING-----    | Y  | (EX) EXPLOSIVES-----   | NA |
| (PW) PROCESSING WASTE/TAILING---- | NA | (SF) PROCESSING FACILITIES----- | NA | (TS) TOPSOIL-----      | NA |
| (MP) GENL MINE PLAN COMPLIANCE-   | NA | (FW) FISH & WILDLIFE-----       | NA | (RV) REVEGETATION----  | Y  |
| (SM) SIGNS AND MARKERS-----       | NA | (SP) STORM WATER MGT PLAN----   | NA | (SB) COMPLETE INSP---- | NA |
| (ES) OVERBURDEN/DEV. WASTE-----   | NA | (SC) EROSION/SEDIMENTATION---   | Y  | (RS) RECL PLAN/COMP--  | Y  |
| (AT) ACID OR TOXIC MATERIALS----- | Y  | (OD) OFF-SITE DAMAGE-----       | NA | (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 of a Minerals Prospecting NOI, in order to assess the success of the 2012 noxious weed control that the operator has been undertaking to control Canada thistle at the lower (portal) area. The operator was not present and there was no activity occurring at the site at the time of the inspection. The Division's inspection in May 2012 revealed a patch of Canada thistle at the lower area, which was about the same size as the patch observed in 2011. The Division wanted to emphasize to the operator that effective weed control needed to be aggressive throughout the season.

The operator has had a contractor spray the thistles numerous times in 2012, resulting in nearly 100% mortality of the weeds. Only ten (10) live thistle plants were found on the site, plus evidence of many dead ones. This is a great improvement from all other recent inspections, and is better than some adjacent undisturbed areas that contain Canada thistle (as noted in previous reports). This area should be checked during the remainder of this season to see if treatment has been fully effective.

This inspection follows a brief period of heavy rain earlier in the week. The berm surrounding the portal-area disturbance was holding some rainwater, though it was only temporarily detained and appeared to be percolating into the pad. The historic cut slope above and around the face-up showed evidence of erosion, as the rills were deeper and the pad now contained the deposited sediment. This is a function of weathering of a surface that pre-existed on the site and was not redisturbed by the operator. The small portion of the cut slope where the "Big Six" portal was backfilled and recontoured was in better condition than the rest of the slope.

The lower area of the project appeared to be stable and reclaimed. Some of the attached photos show the individual thistle plants circled. The upper (drill area) part of the project was not inspected at this time.

The bond for this site is sufficient since reclamation is regarded to be nearly finished. There were no problems noted during the inspection.

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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EC: Nicolas Sandoval, USFS, Monte Vista (sent electronically)

**PHOTOGRAPHS**

