




**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: JD-7 Pit	MINE/PROSPECTING ID#: M-1979-094-HR	MINERAL: Uranium and vanadium	COUNTY: Montrose
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin Czapla, Russ Means	INSP. DATE: October 2, 2012	INSP. TIME: 14:30
OPERATOR: Cotter Corporation	OPERATOR REPRESENTATIVE: Glen Williams	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$39,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 15, 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>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</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>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</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 inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Glen Williams, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The JD-7 Pit is located approximately 10 miles west of Naturita and accessed from Ee17 road. The site is a 112d-3 operation that includes a total of 490 permitted acres.

Notice of the AM1 application was noted at the site.

No evidence of recent mining activity was noted during this inspection.

Various mine equipment and debris was noted around the area of the mine office/shop located near the JD-7 Underground portal. Settling ponds are located just west of the office area. Should the site become operational again, the integrity of the pond liners shall be addressed. Fuel storage was not noted at the site.

The pit floor and dump area to the west appeared to be well vegetated and stable. A benched highwall, with overall slopes approximately 1H:1V, was located on the east side of the pit. No major stability issues were noted during this inspection. Slopes at the west end of the dump area have been reclamation graded and vegetated.

No problems or violations were noted.

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.

PHOTOGRAPHS



Figure 1: Area around mine office/shop and JD-7 Underground portal.



Figure 2: Upper settling pond located just west of the office/shop area.



Figure 3: Middle settling pond located just west of the office/shop area.



Figure 4: View towards pit and highwall, from the northwest.

Inspection and Enforcement Contact

Glen Williams
Cotter Corporation
P.O. Box 700
Nucla, CO 81424