




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: Klondike Prospect	MINE/PROSPECTING ID#: P-2011-008	MINERAL: Gold and tellurium	COUNTY: Saguache
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: September 26, 2012	INSP. TIME: 16:00
OPERATOR: Bellevue Land & Mineral Co. LLC	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$10,857.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. Forest Service	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 23, 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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION-- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</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 bond release-related inspection performed by the Division in response to a request by the operator. There was no activity at the site at the time of the inspection, and there was nobody present representing the operator. This prospecting project was approved for trenching and drilling from private patented claim land and re-opening a historic portal on USFS-managed land. The road up to the patented land was gated and locked, but there was no prospecting disturbance carried out on that area, and therefore no reclamation liability. The road leading to the access trail to the portal on USFS land was passable, and access to the portal was gained on foot. The portal was reclaimed according to the specifications in the approved reclamation plan. The main aspect to the portal reclamation was the installation of a locked steel door, anchored to the concrete edifice. No new debris or other disturbance was evident at the portal area, and there was no discharge or other adverse feature present.

All required reclamation appeared to be completed per the approved plan. It is the Division's opinion that the operator's request for release from further reclamation liability should be approved. Since this part of the project is located on USFS land, written concurrence of adequate reclamation must be obtained. Upon the Division's receipt of USFS reclamation approval, a release approval letter will be sent to the operator containing the returned bond. The report will be mailed to the updated contact name and address for the operator, see below.

For questions related to this inspection, please contact this 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: Nicolas Sandoval, USFS, 13308 W Hwy 160, Monte Vista, CO 81144

Inspection photograph: Homestake portal with new bat gate (below).

