




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: Hawkeye Mine	MINE/PROSPECTING ID#: M-1978-311	MINERAL: Uranium & vanadium	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: October 16, 2012	INSP. TIME: 15:30
OPERATOR: Gold Eagle Mining, Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$100.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. Dept of Energy	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 2, 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>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</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>Y</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 an inspection performed by the Division, in part to monitor the site for existing conditions and in part to check the site prior to the planning and implementation of an Environmental Protection Plan (EPP). The site has not been active for several years, and a federally-required analysis is currently in place, but the operator is still required by state law to amend the permit with an EPP. A preliminary EPP document has been submitted, which is under review by the Division. The permitted area is located on Department of Energy (DOE) lease tract C-SR-13. The site was not active and the operator was not present at the time of the inspection.

The required permit ID sign was posted, but all permit boundary markers were not located. There has been no increase in permit disturbance since the markers were inspected, and it is presumed that all disturbance is still within the permit boundary. Prior to reactivation of the site, the operator must check to ensure that all boundary markers are installed durably and visibly.

Most of the features and structures onsite have been observed at previous inspections. These include: mine portal safeguarded with heavy steel grate; and steel ore hopper. There is no building onsite, nor waste rock dump, ore stockpile, or fuel storage. There is a small topsoil stockpile in the SE flat area of the permit, which may be respread on the graded lower areas for final reclamation. A sediment pond was formerly located on the lower level, but it appears to have been filled and breached. All site drainage reports to this pond location. The road ramping up to the portal crosses a steep natural gully. Runoff passes through it uncontrolled, but it picks up no sediment from onsite disturbance; this is not a problem and no drainage control work appears to be needed here.

The operator has worked to control a small patch of Tamarisk that had infested the sediment pond floor. The large old plants were dead, but there were about 4 or 5 young sprouts emerging from the patch, which the operator should endeavor to re-treat this year. Weakening the plants now will help make 2013 treatments more effective. Treatments and results should be summarized in the upcoming annual reports.

The old permit map is deficient and is not current, and the operator should not reuse it in the new EPP submittal. This is not being noted in this report as a problem, because the operator will be required to provide an updated permit map to the Division as part of an adequate EPP. (The operator should refer to the minimum map standards which are described in Hard Rock/Metals Rule 6.2)

There are no disturbances up on the upper rim rock level of the permit. Grading and seeding was carried out several years ago on the slope below the hopper west of the gully.

No contaminants and no noxious weeds were noted on the site.

The reclamation bond for this permit is held by the DOE, with a token amount of \$100.00 held by the Division. The reclamation costs will be recalculated by the Division after the EPP has been finalized, and the total combined bond amount that is posted to both agencies will be verified.

Cont.

For questions related to this report, 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

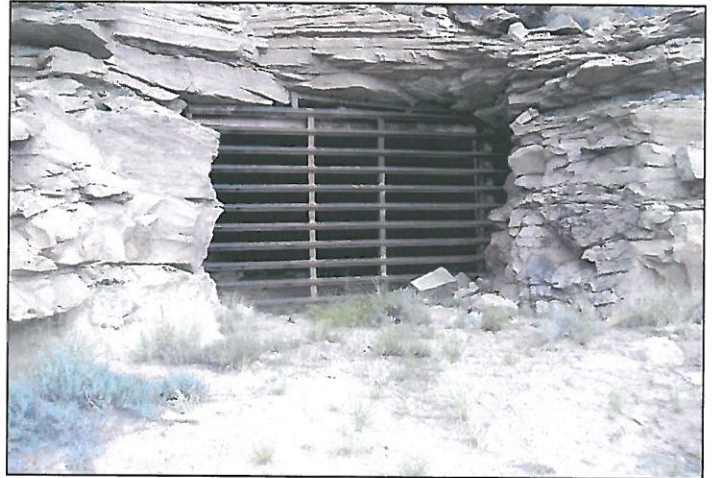
Inspection Contact Address

Don Coram
Gold Eagle Mining, Inc.
P.O. Box 3007
Montrose, CO 81402

CC: Ed Cotter, DOE, Grand Junction

Please see inspection photographs on page 4.

PHOTOGRAPHS



Tamarisk sprout



Tamarisk sprouting in sediment
pond floor



Graded area SW of hopper