




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: Incas Mine	MINE/PROSPECTING ID#: M-1986-076	MINERAL: Gold and silver	COUNTY: La Plata
INSPECTION TYPE: Monitoring	INSPECTOR(S): Kate A. Pickford	INSP. DATE: November 8, 2012	INSP. TIME: 10:00
OPERATOR: DGMC	OPERATOR REPRESENTATIVE: Scott Martin	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$18,033.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 21, 2012

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: Rule 1.13.5 states, if an Operator temporarily ceases production of the mining operation for one hundred eighty (180) days or more, the Operator must file a Notice of Temporary Cessation in writing to the Office.

CORRECTIVE ACTIONS: The Division recommends the Operator file for Temporary Cessation. The start date of the initial 5 year Temporary Cessation period is retroactive to the last date the pit was active. If that date is more than 5 years ago, the operator is required ask the Board for a 5 year extension to the Temporary Cessation period (per rule 1.13.5 (3) and 1.13.8 (b) or begin reclamation. Alternatively, the operator may submit a plan to the Division outlining the timing of resumption of mining activities at the site for the upcoming season. If there are no plans to resume mining during the next season, the site must be placed into Temporary Cessation. The request for T.C. or plan for resumption of mining must be received by the Division before December 31, 2012.

CORRECTIVE ACTION DUE DATE: 12/31/12

OBSERVATIONS

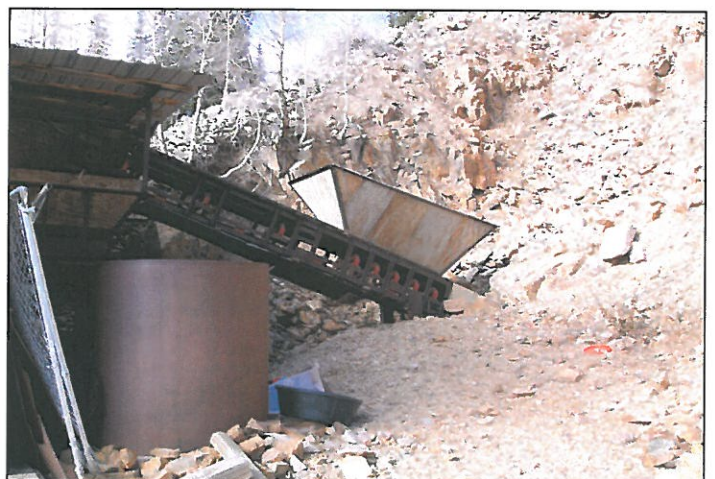
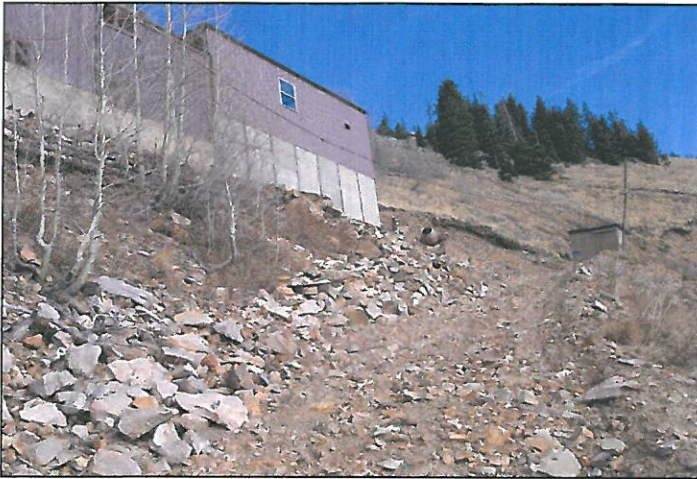
This inspection was conducted as part of the Division of Reclamation, Mining and Safety monitoring program. Present at the inspection were Scott Martin and Floyd Sword, DGMC, and Kate Pickford, DRMS.

The condition of the site has changed little since the previous inspection. The mill could not be accessed due to the company representative not have a key for the lock on the door, but there is no indication that the mill has been operated in the recent past.

The portal is mostly blocked by rock that has sloughed off from the rock face about it. Water samples were collected by the operator representative at the time of the inspection from the portal and from the river at the bridge crossing.

According to Division records, no mining has occurred at the site since 2008. See problem cited on first page of this report.

PHOTOGRAPHS



GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>PB</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>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</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>N</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

Inspection Contact Address

Paul Martin
DGMC
125 W Main St
Farmington, NM 87401