




**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> Idarado Mining Co	<b>MINE/PROSPECTING ID#:</b> M-1977-403-HR	<b>MINERAL:</b> Lead, zinc, copper, c gold	<b>COUNTY:</b> San Miguel
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Bob Oswald	<b>INSP. DATE:</b> November 9, 2012	<b>INSP. TIME:</b> 09:00
<b>OPERATOR:</b> Idarado Mining Company	<b>OPERATOR REPRESENTATIVE:</b> Alfred Berry, Mark Parker	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$226,600.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Snowing	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 26, 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>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING----- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</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>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>Y</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 routine inspection performed by the Division as part of its monitoring of Hard Rock 112d-3 permits. Besides the operator's representatives named on page one, also present during the entire inspection was the operator's environmental consultant, Sherm Worthington. The permitted area consists of two separately located parts: near Red Mountain Pass in Ouray County and near Telluride in San Miguel County. The Red Mountain plant was inspected at 9:00 a.m. with Alfred Berry present. The Telluride portion of the permit area was inspected at 1:00 p.m. with Mark Parker present. It was windy and snowing on Red Mountain with 4 inches of new snow; and it was cold and drizzly in Telluride with no snow cover.

There has been no mining activity in the permitted area in several decades, but the operator has been actively reclaiming the site under a phased reclamation plan. The phased reclamation includes above-ground water treatment, underground water management, building and facilities maintenance, structural removal, grading and topsoiling, and revegetation. The site will require long-term management, primarily of water quality-related aspects required by CDPHE, some of which are beyond the scope of the DRMS permit. Onsite discussion included eventual completion of the DRMS-required reclamation and future permit termination. The original DRMS reclamation plan details were reviewed at both portions of the permit area, and the procedure for revising the reclamation plan to reflect the operator's future site needs was discussed.

Red Mountain: At the Red Mountain plant, the operator has been methodically removing unused/unneeded structures and items from the complex, and upgrading other structures to facilitate the ongoing maintenance of the site. The mine water originating at this area is pumped to the Telluride mine area. Among the structures removed are: office building, snow sheds, pump house, and steel debris. Structures still remaining onsite include: fuel building, trestles, Treasury Tunnel portal shed, geology building, large concrete safe, two explosives magazines (west of Hwy 550), concrete fine ore bins, old electric substation, old wooden water tower, two steel water tanks, and concrete heavy-reinforced mill building foundations. The structures that are slated for future removal include: geology building, safe, water tower, old electric substation (to be replaced by new overhead electric and substation service at Treasury portal shed), overhead electric lines and transformers near former pump house location, concrete ore bins, large water tanks and more steel debris. The operator also plans to continue fracturing the mill building foundation to prevent impounding water. The rubble resulting in the further demolition of the mill building foundation walls may be backfilled onsite to reduce slope gradient between benches or inside the foundation perimeter itself. The mill foundation walls will be covered by backfilling and capped with growth medium. Whatever portions of the mill walls remain after their demolition has occurred may be left exposed at a low height as part of the historic demonstration or legacy of the mine. For similar historic reasons, the operator will retain the raised trestle (which was recently rebuilt), some track, and the ore cars on the pad. The land on which the two old explosives magazines are located is now owned by USFS, through an ownership transfer with Trust for Public Land. It is not clear whether USFS will allow, or require, the operator to remove those structures; the operator should ask USFS for clarification of that detail, and contact DRMS to discuss revising the reclamation plan if necessary. The large shop/office/dry building, the updated electric service, and the fuel building will remain as long as site maintenance is required, or perhaps retained as permanent features.

Telluride: On the Telluride portion of the permit, at the Pandora Mill complex, the operator maintains numerous structures and features, including: an office building, mill building, a series of water treatment (settling) ponds, the Mill Level tunnel portal (discharging to the ponds), several old buildings near the tunnel

portal (in states of disrepair), topsoil area, tailings ponds 1-6, and perimeter concrete ditches for draining runoff and intercepting/diverting runoff. The structures that will remain as long as site maintenance is active include the office building and percolation ponds. The ponds percolate into the ground, and no surface water reports to San Miguel River. The ponds settle suspended solids in the portal discharge and they must be periodically cleaned to maintain function and capacity. The large old mill building does not contain any of the old mill circuit equipment or chemicals anymore. The entire exterior skin of the building is intact. The building is planned for full removal, after the asbestos in it has been mitigated. (All asbestos is contained inside the building, and entry to the building is restricted.) The tailings ponds are well along in their reclamation, having been graded, capped with inert rock and growth media, and revegetated. The revegetation is well-established overall, but a few areas exhibit bare areas that developed through poor surface drainage; the operator has been remediating the bare areas by capping and reseeded. The west end of tailings pond 4 exhibits the operator's most recent placement of new growth medium and broadcast seeding. The concrete drainage and diversion ditches appeared to be in good condition and functional.

The operator has implemented numerous changes on both of the sites, and continues to perform maintenance and reclamation activities. These activities should be reflected in the annual report narratives and maps that are submitted each year. The bond amount for this permit is \$226,600. Given the diminishing list of remaining reclamation tasks, the bond appears to be sufficient, and will not be completely recalculated at this time. However, the operator should review the existing reclamation plan to ensure that all requirements are being addressed, and prepare and provide updates to the Division regarding completed reclamation. In particular, the cost of asbestos remediation and dates of the projected clean-up should be communicated to the Division, to ensure that it is accounted for in the reclamation. Also, if changes to the reclamation plan are anticipated to be needed, please contact the Division to discuss a technical revision or permit amendment.

There were no issues regarding contaminants or noxious weeds, and no problems noted at this time.

For questions regarding 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**

Alfred Berry, Mark Parker  
Idarado Mining Company  
P.O. Box 584  
Ouray, CO 81427

Enclosure: reclamation plan detail from 1977 application

CC: Sherm Worthington, Worthington Miller Environmental, LLC, 201 Linden St, Ste 301, Fort Collins, CO 80524

**PHOTOGRAPHS – RED MOUNTAIN**



**Explosives magazine**



**Explosives magazine**



**Geology building**



**Mill foundation**



**Shop, office, and dry**



**Shop interior view**



**PHOTOGRAPHS – TELLURIDE/PANDORA**



Crusher near mill building



Office building



Settling ponds



Mill building



Tailings pond 4 bare area



Tailings pond 4 capped & reseeded