



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: Camp Bird Mine	MINE/PROSPECTING ID#: M-1982-090	MINERAL: Gold, silver, lead, zinc	COUNTY: Ouray
INSPECTION TYPE: Multi Person Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: December 3, 2012	INSP. TIME: 11:00
OPERATOR: Camp Bird Colorado, Inc.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112 - Hard Rock Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$90,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: <i>Bob Oswald</i>	SIGNATURE DATE: January 3, 2013

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>NA</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>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</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>Y</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 a routine inspection performed by the Division as part of its monitoring of 112 Hard Rock/Metal permits. The inspection was performed by Bob Oswald and Wally Erickson from the Division. The operator was not present during the inspection, but two people overseeing activities on behalf of the operator accompanied the inspectors throughout the inspection: Mike Thompson (Reardon Steel LLC) and Bob Larson (Monadnock Mineral Services). The site was active at the time of the inspection. The permit ID sign was posted near the sediment pond and bridge at the site. All activities were observed to be within the permit affected area.

The recent approval of TR-4 allowed for commencement of 14 level portal rehabilitation and pad facilities construction, and approval of TR-5 allowed prospect drilling into onsite tailings to look for possible metal values in the existing tailings. Drilling has occurred and has apparently been completed. 14 level portal and pad activities were currently underway, as described below.

The perennial discharge from the 14 level portal was formerly conveyed to a sediment pond, and was regulated by a CDPHE discharge permit. Later, the discharge was found to meet applicable water quality standards, and the piped conveyance and sediment pond were removed and the discharge permit was terminated. Discharge was routed directly to Imogene Creek for several years. The portal discharge still exists, therefore prior to portal disturbances under TR-4, a new piped conveyance was constructed and sediment pond re-established. These features include new ditching and flume, new 36-inch diameter corrugated poly pipe (buried) extending from flume to pond (with a portion attached to new steel span over Imogene Creek), steel span with concrete footers, newly excavated sediment pond on footprint of old pond, armored pond inlet, and concrete spillway outlet. The majority of the pipeline is buried, between the portion on the span and the pond inlet. There are new water quality sampling locations approved under TR-4, and the operator is applying for a new or renewed CDPHE discharge permit.

The site of the pond and a staging area above it has been stripped of growth medium, which is stockpiled for reclamation use. Two French drain lines have been buried in the staging area, to eliminate seeps in that area, and drainage reports to the sediment pond. There are two large steel culverts presently being stored in the staging area, which are intended for use in a future creek crossing after a plan for it is approved; no application has been received by the Division for that proposed structure to-date. No activities or other stockpiled materials are currently in the staging area west of Imogene Creek. (The operator is involved with the rehabilitation of the historic house and office structures at the west edge of the site, but that is separate from the permitted mining-related activities.)

The roadway along the upper (southern) edge of the permitted area is being utilized to access to the eastern portion of the permit, where the 14 level portal and operations pad area are. The old bridge across Imogene Creek has been rebuilt to accommodate equipment traffic. The operator would like to construct another creek crossing, possibly near the upper edge of the sediment pond. (This may be where the large culverts are installed.) The old electric substation (poles, transformers and fencing) have been removed. The operator has poured a new concrete pad near the same location where the new electric substation will be installed.

The 14 level portal has been collapsed for many years, and through TR-4 the operator is presently rehabilitating the portal to gain access to the workings. The operator has stripped back the overlying

unconsolidated ground above the brow, exposing competent rock. New steel sets, connected by steel lacing and corrugated plate, and on new concrete footing, have been installed approximately 20 feet out from the brow. This will be covered by backfill and recontoured for stability and surface drainage. New timber cribbing has been installed to retain surface material outside of the steel sets. New timber decking and track have been laid into the mine. The plan also allows new track to extend out from the portal and a snow shed to be built above the tracks, which will lead from the portal into the new shop building. Construction of the snow shed and laying surface track had not been started at the time of the inspection.

The operator has begun construction of the new shop building, as approved under TR-4. Concrete perimeter footers have been poured, and the steel I-beam superstructure was nearly complete. The operator expects to have the skin installed by late December. There were several temporary structures in place near the portal and shop, including an office trailer and steel shipping containers for storage, all of which will be removed after surface facility construction is completed. The operator is following the plan as approved under the permit and TR-4. The operator is reminded that final as-built drawings and photos must be provided to the Division upon completion.

The prospect drilling that was performed on the in-permit tailings, approved under TR-5, in the portion that is south of the creek, was briefly inspected. All drill holes were closed, all equipment was removed, and the surface was left in a roughened condition. This will be suitable for seeding in the coming spring. An improved revegetation plan may be needed, however, since the site would benefit from an organic soil amendment and/or fertilizer, in addition to the right seed choice. This is not a problem at this time.

The other area of in-permit prospect drilling, on the existing tailings lying to the north of Canyon Creek, was not closely inspected, although the pre-existing cottonwood vegetation was observed to still be present and relatively undisturbed.

The bond amount for this permit was recently recalculated, and, based on the new activities approved under TR-4, the operator was notified of a bond increase. The bond increase was submitted and is sufficient.

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

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PHOTOGRAPHS

