




**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: Crystal Hill	MINE/PROSPECTING ID#: P-2012-010	MINERAL: Gold & Silver	COUNTY: Saguache
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: March 27, 2013	INSP. TIME: 13:00
OPERATOR: Colorado Mining and Exploration	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&e Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$14,367.45
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 28, 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>NA</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</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>Y</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION--- <u>NA</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>NA</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 prospecting NOIs. The operator was not present during the inspection. The NOI was approved and bonded in 2012. Activities that were observed during this inspection were consistent with those approved in the plan.

The operator is prospecting a mineral deposit that is exposed on the surface of a previously mined site. Reclamation performed by the prior mine operator did not include capping or topsoiling the pit floor or benched highwalls of the pit. The prospector is approved to excavate small pits and trenches on the existing pit floor and lower bench walls. Observations made during this inspection show that the operator has excavated several small trenches and pits with a Cat 235 excavator, which is still parked in the pit. The operator is allowed to remove material from the trenches from the site for bulk sampling, and to backfill all excavations. The operator is approved for up to 2 acres of surface disturbance, and is currently well below that amount.

The site is on patented (private) claim land. The site is accessible via existing road, which now contains a locked security gate to keep unauthorized persons out. The gate has the operator's name and NOI number posted on it. There are no other pieces of equipment on the site, no fuel stored, and no sediment or erosion being generated as a result of this NOI.

As this is a previously-mined site, which contains underground openings and workings, there are still several (re)opened historic mine portals and shafts on or near the 2-acre area approved for this project. The approved plan in the NOI does not include disturbing or re-opening any underground openings, but it **does** include closing the undisturbed openings with placed boulders. There were no apparent new disturbances to the old underground openings seen during this inspection. If the operator wishes to expand the project area or add other types of activities, please inquire to the Division about modifying the existing NOI or submitting a new NOI. If future expansion of the project area extends onto the BLM land that surrounds this claim block, please ensure that proper inquiry and approval are secured with BLM (Saguache Field Office). All current activity appears to be consistent with the plan.

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

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PHOTOGRAPHS

