




**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: C-JD-5	MINE/PROSPECTING ID#: M-1977-248	MINERAL: Uranium and vanadium	COUNTY: Montrose
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald, Russ Means	INSP. DATE: May 16, 2013	INSP. TIME: 14:30
OPERATOR: Gold Eagle Mining, Inc.	OPERATOR REPRESENTATIVE: Don Corum	TYPE OF OPERATION: 112d-1 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$100.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. Energy	JOINT INSP. AGENCY: U.S. Energy
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 31, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>NA</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>NA</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>Y</u>	(SC) EROSION/SEDIMENTATION----- <u>Y</u>	(RS) RECL PLAN/COMP----- <u>NA</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 inspection was performed by the Division as part of its monitoring of Hard Rock/Metal 112d-1 permits. Since the operator recently submitted a statement to the Division that he is voluntarily placing the permit into the "final reclamation" stage rather than submit an Environmental Protection Plan as provided by a DRMS letter of September 30, 2011. The site is located in a US Department of Energy (DOE) uranium lease tract, so the Division wished to perform a joint inspection of the site with DOE staff. Besides the Division staff and the operator's representative named on page one as present during the inspection, also present were Daryl Corum, Ed Cotter of DOE, and Julie Murphy of the Colorado Attorney General's Office.

The required permit ID sign was posted on the steel hoist house located near the entrance to the permitted area. The permit boundary markers were observed, and all disturbance is within the permit boundaries.

The permitted mine contains one primary shaft to the underground workings, and one ventilation shaft (also maintained for use as a secondary escapeway). The primary shaft is 16 feet in diameter and is safeguarded by heavy gauge steel mesh welded to a framework anchored to the concrete collar. There is a steel headframe above the shaft, outfitted with ducts for ventilation, and a skip capable of lifting and discharging ore and lifting personnel. The hoist cable is intact and extends to the mechanism in the nearby hoist house. The grate prevents material infall and unauthorized access. However, there are several areas that need expanded metal repair to ensure that the exposed timbers are not the sole deterrent to unauthorized entry. The inspectors pointed out these areas to the operator on site. The secondary (ventilation) shaft is about four feet in diameter, contains a concrete collar, and is secured by steel grate attached to the casing. The operator reports that the workings are dry and no groundwater issues have been reported or observed in regard to the underground workings. DRMS personnel reported the same findings several years ago during an underground safety reconnaissance. No other openings are included in the permitted area or associated with this mine. The current approved reclamation plan requires the closure of these shafts. A report commissioned by the BLM in 1994 recommended that the main shaft headframe and secondary shaft man-skip be considered for retention onsite for their historic value. If this is to become part of the reclamation plan, the operator must specifically address this question in a Technical Revision (TR) and obtain approval from the DOE.

Other structures in the permitted area include: old wood and steel ore bins, wood cribbing, and concrete ore pads. The current approved reclamation plan includes demolition and disposal of onsite structures. There is a small amount of wood and steel debris to remove or properly dispose of. The site contains overhead electric service, which is the property and responsibility of the local electric utility. There are no other buildings, electric transformers, chemicals, fuel or other hydrocarbon stored on the site, and no ore stockpiles observed.

The operator has been monitoring the site for noxious weeds. No noxious weeds were observed during this inspection. However, monitoring should continue because the upcoming reclamation-related disturbance will create the opportunity for new infestations of weeds.

The disturbed area does not include stockpiled topsoil to be replaced. There are several stockpiles of overburden and/or waste rock, which could be used for backfilling shafts or voids, recontouring graded areas, or capping demolished structures, as needed. These waste piles have been present on the site for several decades and are revegetated. Although their current side slopes are mostly steeper than the gradient specified in the reclamation plan, 2:1 versus 3:1, they appear to be very stable in their present configuration

and should not be redisturbed simply for the reason of reducing their slopes. If utilizing the waste material is needed for carrying out reclamation, it will serve adequately as a growth medium for the operator to perform the required revegetation of those surfaces. Existing native vegetation on the site includes abundant pinyon pine, juniper, and rabbitbrush. Wherever possible, disturbance to the existing native vegetation should be avoided during reclamation activities.

The operator has voluntarily entered into final reclamation rather than submitting an Environmental Protection Plan. This was one of the options available to uranium mine permit holders in a September 30, 2011 letter to all operators. The Division will require final reclamation commencement by October 1, 2013 construction season and all work must be complete by May 31st, 2014. A plan, including the required Technical Revision and a schedule for commencement of reclamation activities must be submitted to the Division by August 1, 2013. Failure to submit the required plan and TR by August 1, 2013 may result in a "Reason to Believe" a violation exist letter being issued for failure to comply and scheduling the matter as an enforcement hearing before the Mined Land Reclamation Board.

If there are 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 979-247-5193

Inspection Contact Address

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

CC: Ed Cotter, US DOE, Office of Legacy Mgmt., 2597 Legacy Way, Grand Junction, CO 81503
EC: Julie Murphy, AGO, Denver, CO

PHOTOGRAPHS



