




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: Burros Mine	MINE/PROSPECTING ID#: M-1977-297	MINERAL: Uranium and vanadium	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald, Russ Means	INSP. DATE: May 16, 2013	INSP. TIME: 11:00
OPERATOR: Gold Eagle Mining, Inc.	OPERATOR REPRESENTATIVE: Don Corum	TYPE OF OPERATION: 110d - Designated Limited Impact	

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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>N</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>N</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 performed by the Division as part of its monitoring of Hard Rock/Metal 110d permits. 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 and 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 observed mounted on the steel supports of the ore hopper. The permitted area consists of the lower "Burro" portal and steel ore bin, plus waste dump areas, the main roadway up to the ventilation shaft on the road to the east, and extending up to the Burro #5 shaft and dump. The features comprising the affected area of the site comport well with the map of the permitted area, and the disturbances associated with the permitted activities have not exceeded the permit boundaries.

The active permitted mine disturbance contains one underground portal, which is located on a vertical face of a stratum of massive, competent sandstone with sandstone brow. The adit is safeguarded by a heavy gauge steel portal grate, whose frame is anchored firmly in the sandstone, and a door that is secured by two hooded locks. The door prevents unauthorized access to the workings. The adit is dry at the entry. The permitted area also includes a ventilation shaft located partway up the permitted roadway. The vent shaft is fenced and secured by a steel grate attached to steel plate and concrete collar. The permitted roadway extends up to the Burro #5 shaft and dump area. The current reclamation plan requires that shafts must be closed, therefore the operator must confirm whether adequate closures have been completed. An old metal building and several pieces of old mining equipment are still in place on the Burro #5 waste pad. (Note: The previous operator, Umetco, reclaimed the road to the Burro #7 and completed reclamation on that pad and shaft, though that area is still included in the permit.) No other openings are included in the permitted area.

Other structures that are located in the permitted area include: an old steel ore bin near the portal, wood cribbing, multi-level development rock pad, and sediment control structures. Some old timbers and steel debris are stored on the development rock area which will need to be removed during reclamation. There are no electric transformers, fuel or other hydrocarbon stored on the site, and no stockpiled ore observed on the surface. There are no chemicals or visible contaminants observed on the site.

(Note: There are numerous "offsite" mining features visible from the county road and often mistakenly associated with this permitted mine, but which the operator is not required to reclaim. These include an unreclaimed shaft, water tank, and waste pad on the "Burro #3" claim, which were historically associated with the Burro Canyon mine prior to the permit. The operator did not disturb, use or affect the Burro #3 shaft and waste dump, and therefore is not responsible for their reclamation.)

Toward the goal of completing the required reclamation, the operator will need to provide an updated reclamation plan through a Technical Revision (TR), in consultation with the DOE in order to define the areas to reclaim and also perform the tasks to their standards. The TR should address revegetation, removing or retaining structures, and sediment controls.

The disturbed area did not include any appreciable amount of topsoil. The original DRMS reclamation plan included a DOE-approved seed mix (which may need to be updated) and the requirement to reseed the disturbed, graded areas. Besides the other issues noted in this report, the Technical Revision (TR) must update the reclamation plan to reflect the areas where revegetation must be performed.

The mine is located on the lower part of a rocky hill slope near the mouth of Burro Canyon. Stormwater runoff from disturbed and undisturbed hill slopes upland of the mine naturally flows into and across the permitted mine site. Runoff events from this steep and rocky slope can generate significant force and volumes of sediment, which can be difficult to control. Several times in past inspections it was noted that the small upland sediment control structures had failed, although it was sufficiently controlled at the lower sediment structure where all flows report. The operator has no ability to control the runoff originating in the areas upland of the permitted areas, and it was agreed during this inspection that he should not be held responsible for damage from that runoff. Work within the permitted area however can be accomplished to redirect the flows around the reclamation areas and should be addressed within a Technical Revision.

The permitted area does produce its own runoff and possibly sediment, and the lowest sediment control structures (at the portal level and immediately above the county road) should be upgraded with a series of drop structures and engineered outlets, and must be addressed within a Technical Revision. It was observed and recognized that past occurrences of sediment and debris flow from Burro Canyon storm events had overtopped the county road and reached the Dolores River. These events appear to be natural flows and not due to disturbances by this operator or from the permitted area. A radiometric reading conducted by Division staff at the culvert that conveys flow under the county road to the river indicates readings well within natural background levels. The reading at the culvert on the permit side was lower than that taken on undisturbed lands across the road closer to the river.

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 January 2012 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 970-247-5193

Inspection Contact Address

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EC: Julie Murphy, AGO, Denver, CO

PHOTOGRAPHS



