




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: Bulldog Mine Operation	MINE/PROSPECTING ID#: M-1977-215	MINERAL: Lead and silver	COUNTY: Mineral
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: July 11, 2013	INSP. TIME: 10:30
OPERATOR: Rio Grande Silver, Inc.	OPERATOR REPRESENTATIVE: Randy McClure, Cassidy Harraden	TYPE OF OPERATION: 112 - Hard Rock Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$159,250.72
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S. Forest Service	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 2, 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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</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>Y</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 partial inspection performed by the Division to confirm the activities approved recently under Technical Revisions TR-20 and TR-22: re-opening the vent raise in Area E, enlarging the development rock disposal area below the 9400 level portal, and construction progress of the new core building at the 9360 facilities area. The operator's representatives named on page 1 were present throughout the inspection. The site was active at the time of the inspection.

The required permit ID sign was posted at the entrance gate to the 9360 facilities area of the permit. Affected area boundary markers were observed during the Division's last inspection, and these were not checked again. The operator should note that, upon the approval of Amendment AM-1 which expands the permitted area, any affected area boundaries that are changed should be marked also.

The waste rock disposal area at the 9400 portal will be expanded, as approved. The stormwater controls will be moved out to the edge of the new footprint of disturbance, and available topsoil and growth medium will be stripped back ahead of the placement of waste rock. Activities in this area were in conformance with the approved plans.

The vent raise in Area E was inspected and found to be re-opened. A competent concrete collar at the surface and steel casing were discovered at the time of removing the fill material that has been covering the vent during recent years. A steel riser extending the casing above ground will be attached soon, as well as a secure closure, to personnel safety and to prevent falling materials. The entrance road and vent area pad were constructed and fenced as approved in the revision. Topsoil has been saved for later use in reclamation. Some additional sediment control (such as straw wattles or sediment fence) should be installed at the toe of the fill slope below the pad, to catch any eroding materials, until the slope is sufficiently stabilized by vegetative cover. The installation should be carried out before winter. There is no sign of erosion or sediment transport at this time, and this is not a problem.

The new core building at the 9360 facilities area was inspected. The concrete perimeter footer, in-floor drain line, and the concrete floor are completed. The steel super structure is nearly finished (the doors and windows are not yet installed), interior walls are roughed-in, and the interior surfaces have been sprayed with foam insulation. The level pad around the building has an all-weather gravel surface. The outer edge of the constructed bench the building is located on has been completed: concrete block revetment with buried drain lines and rock-armored drain outlet conform to the revised plan and are well-constructed.

Disturbance related to new construction and development in the permit has created several areas which the operator should monitor, since they can be more prone to soil erosion and weed growth. The operator has an adequate weed control plan in the permit, and the permit also includes erosion control practices, but these should be expanded to continually include areas of new disturbance.

The inspector and the operators discussed the upcoming Environmental Protection Plan. The operator recently submitted correspondence agreeing that the permit qualifies as a DMO, which will require amending the permit to include an EPP. The initial contents of the EPP will include water quality monitoring and stormwater management. Under the EPP amendment, therefore, all significant stormwater control structures will be classified as Environmental Protection Facilities. As such, the operator must provide engineered

designs for new and existing stormwater control structures (EPFs). At present, the stormwater control structures appear to be adequate and competent, but more rigorous assessment and documentation will be required in the EPP. There is no problem at this time.

The bond for the permit was recently recalculated and it is considered to be adequate at this time.

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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Inspection Contact Address

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PHOTOGRAPHS



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