



**BI-ANNUAL INSPECTION****April 5, 2018****Mount Taylor Mine****PERMIT UPDATE:**

MMD approved Amended Revision 10-1 for the 2<sup>nd</sup> Standby Renewal and Updated Closeout Plan for the Rio Grande Resources (RGR) Mt. Taylor Mine on December 14, 2017, and approved Revision 13-2 for the mine to return to active status from standby on December 29, 2017. MASE and Amigos Bravos have challenged MMD's approval of Revision 13-2 and a hearing in front of the NM Mining Commission is scheduled for May 7-8. MMD wanted to inspect the mine, in advance of the hearing.

**INSPECTION NARRATIVE:**

The MMD and NMED inspectors arrived at the Mt. Taylor Mine at approximately 10:30 am. They met with Joe Lister, mine manager, Bruce Norquist, who will be managing the mine, and Barbara Everett, of NV5, the contractor who does the groundwater sampling for the mine. The mine has been without electric power for 5 days due to a blown line connection. Joe was working with the repair crew and he said that power would be restored in a few hours. He said that the delay in getting power restored was due to receiving the necessary parts.

Amber Rheubottom discussed the NMED DP-61 with Joe and the groundwater sampling requirements that were being met. Joe said that he would be submitting an interim quarterly report on the progress of the mine reactivation early next week. David Otori (MMD) reminded Joe that the required test plot work plan was due by June 30<sup>th</sup>. Joe said that he would meet the deadline.

Joe reported that the top surface of the waste rock pile had been cleared of the pipe, spools of cable and wire, and various metal parts for the underground mine (see photos). This equipment was moved to accommodate the construction of the lined-disposal cell within the waste rock pile that will receive the sediments from the treatment ponds when they are rehabilitated.

Ponds 2 and 3 were inspected (see photos). These ponds will be among the first to be excavated and re-built including synthetic-liners. Stormwater will be directed to the re-built and synthetically-lined south stormwater pond that will also receive effluent from the stage 2 abatement groundwater system. This water may also report to the renovated Pond 2 in the mine water treatment system. Joe showed where the pipelines interconnecting the surface treatment ponds were being excavated in order to upgrade them for the new mine water treatment system (see photos).

The ore pile that is covered with cover material and vegetation was observed (see photos).

The inspectors exited the mine at approximately 1:00 pm.

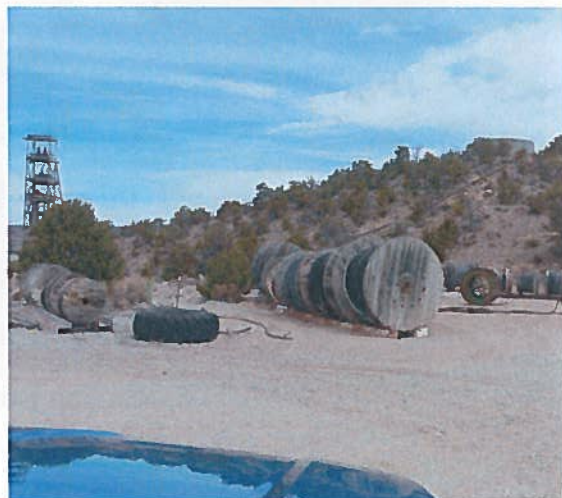
**ACTION ITEMS:**

None.

**PHOTOS:**



North Top Surface of Waste Rock Pile formerly used as an equipment laydown area in preparation for excavation for the lined-disposal cell for contaminated materials



Pipe and Spools of Cable relocated to staging areas from the Waste Rock Pile Top Surface





Pond 2



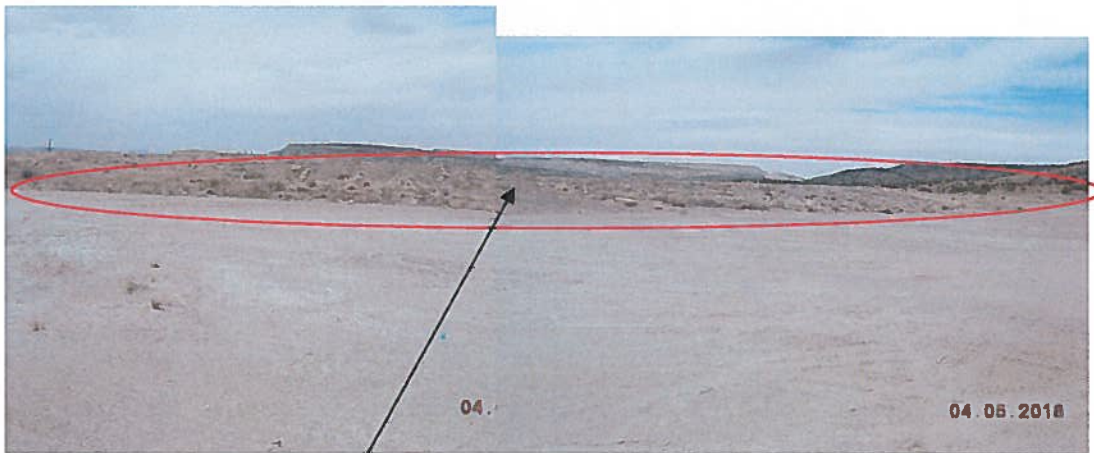
Pond 3



Concrete Connection Culvert between Pond 2 and 3



Pipelines and Excavated Interconnection to Ponds



Covered Ore Stockpile (in background)

*Additional photos may be viewed at L:\MARP\CI002RE---Rio Grande Resources\Mt Taylor Mine File Part 2\Photos\2018-04-05.*

**MAINTENANCE ITEMS**

None.

**ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED**

None.

**INSPECTOR'S SIGNATURE:**  **DATE:** 4/6/18

