File: M015 0040

EVENT VIOLATION
INSPECTOR'S STATEMENT
MINERALS REGULATORYPROGAM

Company/Mine: Miracle Rock Mining and Research/The Rockland Mine CO # MC06-03-08-01
Permit #: M0150040 Violation # 1 of 1

SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation**. Mark and explain each event.

- ☐ a. Activity outside the approved permit area.
- ☒ b. Injury to the public (public safety).
- ☐ c. Damage to property.
- ☒ d. Conducting activities without appropriate approvals.
- ☒ e. Environmental harm.
- ☐ f. Water pollution.
- ☐ g. Loss of reclamation/revegetation potential.
- ☐ h. Reduced establishment, diverse and effective vegetative cover.
- ☐ i. No event occurred as a result of the violation.
- ☐ j. Other.

060005

Explanation: The operator has been conducting mining operations without an approved Notice of Intention to Commence Large Mining Operations and without an adequate reclamation surety.

2. Has the event or damage occurred? No
If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: The operator has been mining without appropriate approvals, but, to my knowledge, there has been no particular harm to the environment or threat to public safety. It is unlikely damage or danger would occur.

3. Did any damage occur as a result of the violation? Not to my knowledge.
4.

If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not bee discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: _____

B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).

☒ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: There are two aspects of this cessation order: failure to maintain the reclamation surety and failure to gain approval for the large mine notice. The operator submitted a reclamation surety, and without the operator's knowledge, it was returned to the operator's account by the bank. I consider this aspect of the violation to not be the operator's fault.

☐ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: _____

☒ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: The Division has been working with the operator since 2002 to obtain a large mine notice. The Division requested the large mine notice in July 2002 but didn't receive the first iteration until June 2003. The Division's review was sent in August 2003, but the Division didn't receive a response until June 2005. The Division's review of this response was sent in August 2005, and the operator's response was received in response to the cessation order in August 2006.

☐ Was the operator in violation of a specific permit condition?

Explanation: _____

☐ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: _____

Was any economic benefit gained by the operator for failure to comply? Yes
If yes explain.

Explanation: The operator has been allowed to continue mining without an approved large mine notice.

GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: The cessation order will not be fully abated until the Notice of Intention to Commence Large Mining Operations has been approved.

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: _____

3. Was the submission of plans prior to physical activity required by this NOV / CO? _____ If yes, explain.

Explanation: _____

Paul Baker — Authorized Representative

Signature

9/26/06 — Date

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