

Abandoned Mine Safety Fund Annual Report

December 1, 2008

Statutory Authority: ARS §27-129: Locating abandoned mines

A. The state mine inspector shall establish a program to locate, inventory, classify and eliminate public safety hazards at abandoned mines ...

In addition, ARS § 27-131: Abandoned mines safety fund; annual report

A. The abandoned mines safety fund is established consisting of:

1. Gifts, grants, and contributions specifically designated for the fund.
2. Monies that may be appropriated by the legislature to the fund to match the gifts, grants and contributions based on the preceding year's expenditure report required under subsection D of this section

B. The state mine inspector shall administer the fund. Monies in the fund are exempt from lapsing pursuant to section 35-190.

C. Monies in the fund are continuously appropriated to the inspector to ensure public safety at abandoned mines on land owned by this state as provided by section 27-129. The inspector shall use monies in the fund to pay contractors for actual abatement costs to fill, fence or plug shafts and adits and not to pay administrative salaries and other costs. The inspector shall consult with the state land commissioner to identify and prioritize the abandoned mine sites on state lands to be considered for abatement.

D. Each year the inspector shall submit an annual report to the joint legislative budget committee on or before December 1 concerning the expenditure of monies from the fund and contributions to the fund during the preceding fiscal year. The report shall itemize each expense paid from the fund and shall describe the actions taken to ensure public safety.

Financial Statement:

The following is a summary of financial transactions during State Fiscal 2008:

| Activity | Amount | Closure | Entity |
|-----------------------------|-------------|---------|------------------------------|
| Beginning Balance | \$54,814.96 | | Arizona State Mine Inspector |
| Funds Received July 1, 2007 | 50,000.00 | | State Legislature |
| Activity | Amount | Closure | Entity |

| | | | |
|---------------------------------|--------------|--|---------------------------------------|
| Donation | \$34,390.00 | | Department of Military Affairs (DEMA) |
| Donation | \$100.00 | | Jim Bush Sand & Gravel |
| Donation | \$300.00 | | A.B.C. Sand & Rock |
| Donation | \$200.00 | | Pinal Hearvest |
| Donation | \$200.00 | | Freiday Construction, Inc. |
| Donation | \$50.00 | | Clay Mine Adobe, Inc. |
| Donation | \$500.00 | | R.T. Vanderbilt Company, Inc. |
| Ending Balance June 30, 2008 | \$126,761.37 | | |

The following is a summary of mine shafts secured during State Fiscal Year 2008:

| Project Name | Project Details | County | Timeline | Costs |
|---|------------------------------------|---------------|-----------------|---------------------------------|
| Charleston Lead Mine 20S-21E-36 | 3 shafts 60' 80' 100' (backfilled) | Cochise | September 2007 | In-kind services + \$3100.00 |
| Florence Jct. Mines 02S-10E-23 02S-11E-07 | 2 shafts 65' 85' (backfilled) | Pinal | January 2008 | \$9000.00 |
| Gerome Carrow 23N-16W-11 | 3 shafts (fenced and signed) | Mohave | January 2008 | In-kind materials \$0.00 |
| New Tennessee Mine 23N-18W-02 | 1 shaft (fenced & signed) | Mohave | May 2008 | In-kind materials \$0.00 |

| Project Name | Project Details | County | Timeline | Costs |
|--------------------------------------|---|---------------|-----------------|-----------------------------|
| Cave Creek Mines 06N-04E-29 | 3 shafts (fenced & signed) | Maricopa | February 2008 | In-kind materials \$0.00 |
| Mockingbird 26N-21W-22 | 1 shaft (signed) | Mohave | April 2007 | \$0.00 |
| Palo Verdi 02N-07W-03 | 5 shafts (2 fenced & 5 signed) | Maricopa | February 2008 | \$0.00 |
| Lucky Cuss 06N-07W-02 | 9 shafts (fenced & signed) | Maricopa | February 2008 | \$0.00 |
| Ford Mine 08S-16E-27 | 2 shafts 2 adits (signed) | Pinal | September 2007 | \$0.00 |
| Silverado Mine 18N-14W-30 | 2 shafts (fenced & signed) | Mohave | December 2008 | \$0.00 |
| Mountain View Cinnabar 01S-09E-01 | 1 shaft, and 8 mine features (signed) | Pinal | May 2008 | \$0.00 |
| Signage | | | | \$1693.59 |
| Totals | 32 Projects covering 11 Mine sites 4 Counties involved | | | \$13,793.59 |

Summary of Future Projects:

Abandoned Mine Land Physical Safety Sites

Sixty-eight projects covering thirteen mine sites have been identified for closure in FY2009 on State managed lands in Arizona. The most significant types of mine hazard features are open shafts, adits, and stopes. These areas typically have high use for backcountry touring and off highway vehicle activities, rock hounding, and recreational mineral collection by winter visitors, or are located near populated areas.

Remediation at key sites is guided by focused inventory assessments starting with those sites that are clustered in proximity to sites with high public exposure.

Priority Physical Safety Hazard Sites for closure FY2009: Additional work is planned for areas not included in the list.

| Project Name | Project Details | County | Expected Timeline | Estimated Project Costs |
|--------------------------------------|---|---------------|--------------------------|--------------------------------|
| Black Hills 08S-16E-17 | 25 shafts 100' to 200' signed (backfill) | Pinal | Pending RFP | \$70,000.00 |
| Tanya Road Mine 06N-03E-26 | 2 shafts 3 adits (backfill & bat gates) | Maricopa | Pending RFP | \$25,000.00 |
| Mountain View Cinnabar 01S-09E-01 | 1 shaft, and 8 mine features (backfill) | Pinal | Last quarter 2008 | In-kind Services \$3800.00 |
| Cave Creek Mines 06N-04E-29 | 3 shafts (backfill) | Maricopa | Pending Legalities | \$5000.00 |
| Darin's Vistancia 05N-01W-07 | 1 shafts (backfill) | Maricopa | Pending | In-kind Services + |
| Keystone 15S-22E-36 | 2 shafts (fence & sign) | Cochise | Pending RFP | Pending |
| Maid of Sunshine 19S-25E-16 | 6 shafts (fence & sign) | Cochise | Review & Monitor | Pending |
| Silverado Mine 18N-14W-30 | 2 shafts (backfill) | Mohave | Pending RFP | Pending |
| Above Mockingbird 26N-21W-22-002 | 1 shaft (fenced & signed) | Mohave | Pending | Pending |
| Point of Hill 23N-18W- | 1 adit (sign) | Mohave | Pending | Pending |
| Geovic Mining Corp. 26N-21W-36 | 9 shafts (Pending) | Mohave | Mining Lease - Pending | Pending |
| Gerome Carrow 23N-16W-11 | 3 shafts (backfill) | Mohave | Pending RFP | Pending |
| New Tennessee Mine 23N-18W-02 | 1 shaft (backfill) | Mohave | Pending RFP | Pending |
| Totals | 68 Projects covering 13 Mine sites 4 Counties involved | | | \$104,000.00 |

The Arizona State Mine Inspector's ability to accomplish this workload will be based on level of funding. We believe we have made significant progress in the last year in establishing AML teams that are poised to accomplish the work, in raising the awareness internally and externally of the importance of the AML program to public health and safety, and in garnering other agency management support to move forward with this strategy.