




**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: Walstrum Mine	MINE/PROSPECTING ID#: M-1983-033	MINERAL: Granite	COUNTY: Clear Creek
INSPECTION TYPE: Monitoring	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: September 20, 2013	INSP. TIME: 13:00
OPERATOR: Albert Frei & Sons Inc.	OPERATOR REPRESENTATIVE: Al Frei	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Other Agency Request	BOND CALCULATION TYPE: None	BOND AMOUNT: \$742,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 1, 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>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Al Frei of Albert Frei & Sons, Inc. and Steve O' Brian of Environment Inc. were also present for the inspection. The Walstrum Mine is located on the north side of I-70 approximately 4.5 miles east of Idaho Springs, Colorado. The site is permitted for 292.07 acres and sits on the border of Clear Creek and Gilpin counties; the commodity of interest is granite.

On September 13, 2013 the Division received two reports from the Colorado Department of Public Health and Environment's (CDPHE) Environmental Release and Incident Report System for the Walstrum Mine. The first report (Case # 2013-0592) was filed by a citizen and stated that granite fines were being mobilized in stormwater runoff and were flowing down an unnamed tributary towards the North Fork of Clear Creek. The second report (Case #2013-0598) was filed by the Operator of the Walstrum Mine and stated that sediment ponds had failed and released stormwater to Clear Creek. The purpose of the inspection was to assess the site conditions at the Walstrum Mine and to determine if granite fines did leave the site.

At the time the reports were filed with the CDPHE, Clear Creek and Gilpin counties were receiving record amounts of rainfall and flooding was occurring in both counties. The site visit commenced at the top of the quarry, which is located on the border of Clear Creek and Gilpin counties. Granite is mined using conventional quarrying methods at the Walstrum Mine. After the granite is blasted from the pit walls it is hauled to the crusher which is located at the base of the operation near the tarping and truck staging area. The granite fines which are produced through crushing are hauled to the top of the quarry and are deposited outside of the permit area into an unnamed gulch which daylight towards the North Fork of Clear Creek on Highway 119 in Gilpin County. The granite fines are being used to create a level area at the top of the gulch. The Frei Family owns this land and has plans to build in this area in the future. In 2007, the Operator received a Declaratory Order from the Mined Land Reclamation Board (Board) which allowed them to deposit the granite fines outside of the permit area. The Board determined the activity was exempted from oversight by the Division since the Operator had obtained a permit from Gilpin County. The Operator had constructed a berm approximately 3 feet high that spanned the gulch. During the storm the berm failed and stormwater flowed freely down the gulch towards the North Fork of Clear Creek. The Division observed large gullies at the top of the gulch. The gullies were approximately 10 feet wide and over 15 feet deep. The Operator informed the Division that the sediment pond, located approximately half way down the gulch, had failed during the storm. Following the inspection of the permitted mine site, the Division and the Operator drove to the bottom of the gulch in Gilpin County. The Division observed a deposit of granite fines approximately two feet thick at the edge of Clear Creek. The Division does not have information on the approximate volume of granite fines which may have been discharged to Clear Creek; no discharge was occurring at the time of the inspection.

The report which addressed the mobilization of the granite fines also stated that the fines may contain metals and uranium. The Walstrum Mine is regulated under a Construction Materials Reclamation Permit and is not a metal mine. In addition, the granite and the granite fines are not a source of radiation. The main concern with the fines leaving the site is sedimentation of Clear Creek. As stated earlier in this report, the area where fines are being deposited is outside of the mine permit boundary. Therefore, the Division does not have any jurisdiction over this matter and will not issue any corrective actions or recommendations with regard to the stabilization of the granite fines. The Operator has repaired the berm at the top of the gulch and increased the height to six feet. The Operator informed the Division that the extent of the backfilling operation will be

reevaluated and future backfilling will be engineered to prevent erosion of the granite fines. The Operator indicated that they plan to present future plans to the Board for their consideration.

The Division inspected the sediment ponds located along the haul road that runs from the base of the quarry to the top. The Division observed two sediment ponds which had failed during the storm; the water was discharged toward the base of the operation in Clear Creek County. The sediment ponds have been in place for many years and have always functioned properly, despite not being built for any particular sized storm event. The storm event which led to the failure of the sediment ponds has been classified as a 1,000 year event. The Operator has regraded the haul road and repaired the two large sediment ponds. The Operator is still in the process of cleaning out stormwater ditches and repairing rills and gullies. The Division observed minor erosion near the top of the quarry benches; however, the benches are stable and there were no signs of instability. The product stockpile area, which lies just above Highway 6 was inundated with water; however, no water was discharged from this part of the mine site.

The Operator possesses a NPDES permit which covers stormwater discharges from the site. The water is discharged into Clear Creek through a culvert which runs under Highway 6. The discharge point was under water at the time of the inspection and the Operator has not been able to conduct sampling at the discharge point. As a result of discharging water and potentially exceed the discharge limits of the stormwater discharge permit, the Operator will file a report with the CDPHE. The report will detail how and why the discharge occurred and will specify the actions taken by the Operator to mitigate the discharge. The Operator has done an excellent job in quickly repairing all stormwater control structures at the site. Given the magnitude and rarity of the storm event, the Division will not cite any problems related to the discharge of sediment from the site.

This concluded the inspection.

Inspection Contact Address

Al Frei
Albert Frei & Sons Inc.
11521 Brighton Rd
Henderson, CO 80640

Enclosures (2)

CC: Tom Kaldenbach, DRMS
Steve O'Brian, Environment Inc.
CDPHE

PHOTOGRAPHS



1. Reconstructed berm at the top of the unnamed tributary (outside of permit boundary).



2. Gully formed when the berm failed.



3. Granite fines deposited on the bank of the North Fork of Clear Creek.



4. Upper sediment pond.



5. Sediment capture in the upper sediment pond.



6. Reconstructed berm of upper sediment pond.



7. Lower sediment pond.



8. Stormwater pond and ditch near the crushing facility.



9. Erosion on slope above the crushing facility.



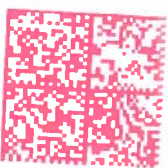
10. Product stockpile area.

STATE OF COLORADO

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