



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: King Pit	MINE/PROSPECTING ID#: M-2004-036	MINERAL: Clay/sand/gravel	COUNTY: Washington
INSPECTION TYPE: Monitoring	INSPECTOR(S): Elliott R. Russell	INSP. DATE: April 11, 2014	INSP. TIME: 09:00
OPERATOR: Mason King	OPERATOR REPRESENTATIVE: Mason King	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$6,500.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: <i>Elliott R. Russell</i>	SIGNATURE DATE: April 18, 2014

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: There is an overhead powerline within 200 feet of the affected area boundary that is not an addressed structure within the permit. This is a problem for failure to comply with Rule 6.4.19.

CORRECTIVE ACTIONS: The applicant shall provide to the Division, by the corrective action date, either: a notarized agreement between the applicant and the person(s) having an interest in the structure, that the applicant is to provide compensation for any damages to the structure; or where such agreement cannot be reached, the applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by mine activities; or where such structure is a utility, the applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility.

CORRECTIVE ACTION DUE DATE: 6/10/14

INSPECTION TOPIC: Financial Warranty

PROBLEM/POSSIBLE VIOLATION: Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

CORRECTIVE ACTIONS: The operator shall submit adequate financial warranty, as determined by the Division. The Division will be sending a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.

CORRECTIVE ACTION DUE DATE: 6/17/14

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Section 3.1.12(2) of the rule.

CORRECTIVE ACTIONS: The operator shall conduct a survey and replace the boundary markers in the correct location(s). The operator shall provide photographic proof to the Division that this has been done by the corrective action date.

CORRECTIVE ACTION DUE DATE: 5/11/14

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS-----	<u>PB</u>	(FN) FINANCIAL WARRANTY-----	<u>PB</u>	(RD) ROADS-----	<u>Y</u>
(HB) HYDROLOGIC BALANCE-----	<u>Y</u>	(BG) BACKFILL & GRADING-----	<u>Y</u>	(EX) EXPLOSIVES-----	<u>NA</u>
(PW) PROCESSING WASTE/TAILING----	<u>NA</u>	(SF) PROCESSING FACILITIES-----	<u>NA</u>	(TS) TOPSOIL-----	<u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE-	<u>Y</u>	(FW) FISH & WILDLIFE-----	<u>Y</u>	(RV) REVEGETATION----	<u>Y</u>
(SM) SIGNS AND MARKERS-----	<u>PB</u>	(SP) STORM WATER MGT PLAN----	<u>NA</u>	(SB) COMPLETE INSP----	<u>Y</u>
(ES) OVERBURDEN/DEV. WASTE-----	<u>NA</u>	(SC) EROSION/SEDIMENTATION---	<u>Y</u>	(RS) RECL PLAN/COMP--	<u>Y</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

The inspection was conducted by Elliott Russell of the Division of Reclamation, Mining and Safety (Division). Mason King was present for the inspection. The King Pit is located approximately 1/2 mile west of Cope, Colorado. The site is permitted for 9.9 acres and the post-mining land use is pastureland. This inspection was carried out as a part of the Division's routine monitoring inspection program.

At 9:00, the Division met Mr. King at his residence along County Road Xx. At the time of the inspection it was sunny and the ground was dry. The mine site identification sign was observed at the entrance to the site just north of Mr. King's residence.

The 110c permit consisted of two separate pits on either side of the Arikaree River. The two pits, one on the north side and one on the south side of the river, are approximately 1,300 feet apart. No mining was taking place at the time of the inspection. Recent excavation was observed in the southern pit. Topsoil had been stripped and piled along the edges of both pits. A small ramp had been constructed on the north side of the northern pit to allow for loading of mined material into trucks.

The two boundary markers on the west side of both pits were not in their correct locations. These t-posts were moved by the operator to prevent damage to off-road vehicles and/or livestock from damaging the post. Please see the corrective action section of this report for further information. It was discussed that the Division would allow for alternate boundary markers, such as low-profile concrete filled PVC pipes, in order to comply with the Rules.

An overhead power line was located on the north end of the southern pit. After further research, this structure was not mentioned in the original permit. It was unclear if the utility line was constructed sometime after the permit was issued. This overhead power line will now need to be accounted for within the permit. Please see the corrective action section of this report for further information.

As per Rule 4.2.1(2), the Division reviewed the estimated cost to reclaim the site and found that the current bond of \$6,500.00 is inadequate. The Division calculated the cost to reclaim the proposed affected disturbance of 9.9 acres to be \$14,300.00. Even though the current bond held is adequate for the actual disturbance area, estimated at 2 acres, the Division requires a financial warranty that covers the cost of fulfilling the requirements of the entire reclamation plan. Please see the corrective action section of this report and the attached Financial Warranty Increase (SI-01) letter for further information.

Photographs taken during the inspection are attached.

Inspection Contact Address

Mason King
P.O. Box 68
Cope, CO 80812

PHOTOGRAPHS



Permit sign at site entrance; looking north.



Recent excavation at southern pit; looking northeast.



Northeast boundary marker of southern pit, overhead powerline along northern edge; looking west.



Excavated area in northern pit, looking southwest.



Northeast boundary marker of the northern pit; looking southwest.



Load-out ramp on north side of the northern pit; looking east.