



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: Wiley Pit	MINE/PROSPECTING ID#: M-1977-223	MINERAL: Sand and gravel	COUNTY: Prowers
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Eschberger	INSP. DATE: April 3, 2014	INSP. TIME: 14:30
OPERATOR: Five Rivers Ranch Cattle Feeding LLC	OPERATOR REPRESENTATIVE: Thane Milenski	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$761,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: <i>Amy Eschberger</i>	SIGNATURE DATE: April 21, 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: Signs and 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 proof to the Division that this has been done by the corrective action date. Photographic proof may be emailed to amy.eschberger@state.co.us.

CORRECTIVE ACTION DUE DATE: 6/20/14

INSPECTION TOPIC: Topsoil

PROBLEM/POSSIBLE VIOLATION: Problem: The topsoil stockpiles do not have established vegetation on them and are therefore susceptible to erosion. Rule 3.1.9(1) states if topsoil is not replaced into the backfill area within a time short enough to avoid deterioration of the topsoil, vegetative cover or other means shall be employed so that the topsoil is protected from erosion.

CORRECTIVE ACTIONS: The operator shall seed the stockpiles with the seed mix that was submitted as part of the approved Reclamation Plan. The Operator shall demonstrate compliance by submitting seed tags, a bill of sale or photographs of seeding activities to amy.eschberger@state.co.us. The Operator may also request a follow up inspection.

CORRECTIVE ACTION DUE DATE: 6/20/14

OBSERVATIONS

This inspection was conducted by Amy Eschberger, Tyler O'Donnell, and Tony Waldron of the Division of Reclamation, Mining and Safety (Division). Thane Milenski of JBS Five Rivers Cattle Feeding LLC was also present for the inspection. The Wiley Pit is located approximately 1.9 miles south of Wiley, Colorado. The site is permitted for 174.6 acres and the post-mining land use is for a developed water resource with surrounding rangeland (according to the amendment approved on November 23, 2010). Approximately 75 acres are reported to be currently affected, with approximately 31 acres graded, seeded, fertilized, and mulched in accordance with the approved Reclamation Plan.

During inspection, a permit sign was posted on the existing service road off Highway 50 that leads to the site from the south entrance (Photo 1), and also on the existing service road off Highway 287 that leads to the site from the east entrance (Photo 2). The permit boundary of the affected area was delineated with rebar stakes; however, as discussed with Mr. Milenski during inspection, many of these stakes were difficult to find and to correlate with the approved map. This has been cited as a problem and will require corrective action by the Operator; please see Page 1 of this report for the required corrective action.

Mining at this site was permitted for the removal of construction materials to be used for the construction of a permanent, clay-lined water storage reservoir and for sale to the public. Construction of the water reservoir is complete (Photo 3), with a surface area of approximately 21 acres and a maximum depth of 30 feet, which is above groundwater levels in the area according to the preliminary geotechnical evaluation performed by Earth Engineering Consultants, Inc. (EEC). In accordance with the Reclamation Plan, the side slopes of the reservoir were graded to 4H:1V, with slopes other than the reservoir sidewalls graded to 3H:1V or flatter. A riprap layer approximately 30 feet in length surrounds the upper rim of the reservoir, except for the northeastern portion. The western part of the reservoir is composed of a compacted earth embankment dam approximately 16.8 feet in structural height and 3,600 feet in total length. A letter of acceptance of construction of the dam was issued to the Operator by the Office of the State Engineer on March 10, 2014.

An open drainage channel was installed in accordance with the amended Reclamation Plan in order to capture and divert water from the west side of the permitted area to the reservoir. Water is conveyed from the reservoir to the JBS Five Rivers Cattle Feeding facility on the south side of US Highway 50 via pipeline that terminates at the Amity Canal. The water pipeline is included in the affected area. A pump house is located just south of the reservoir, inside the permitted area (Photo 4).

No active mining is occurring at this site, and no mining equipment was present during the inspection. The last activity at this site is reported to have occurred in January of 2013. Product stockpiles are located to the east and northeast of the reservoir (Photos 5 and 6). As discussed with Mr. Milenski during inspection, topsoil stockpiles shall be seeded in accordance with Rule 3.1.9(1), unless the topsoil is expected to be used for reclamation very soon. This has been cited as a problem and will require corrective action by the Operator; please see Page 1 of this report for the required corrective action. The Reclamation Plan for this permit states that topsoil stockpiles will be seeded with a wheatgrass to control erosion at a rate of 9 lbs per acre.

PHOTOGRAPHS



Photo 1. Permit sign posted on existing service road off Highway 50 that leads to the site from the south entrance.



Photo 2. Permit sign posted on existing service road off Highway 287 that leads to the site from the east entrance.



Photo 3. View of water storage reservoir, looking southeast.



Photo 4. Pump house located south of reservoir which pumps water via pipeline to the JBS Five Rivers Cattle Feeding facility on the south side of US Highway 50.



Photo 5. View of product stockpiles located east of the water storage reservoir, looking north.



Photo 6. View of large product stockpile located east of the water storage reservoir, looking northwest.

GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</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>PB</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>Y</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</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>Y</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

Inspection Contact Address

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Lamar, CO 81052

CC: Thane Milenski, JBS Five Rivers Cattle Feeding LLC
Tom Kaldenbach, DRMS