




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: Schmidt Site	MINE/PROSPECTING ID#: M-2011-014	MINERAL: Topsoil	COUNTY: Archuleta
INSPECTION TYPE: Monitoring	INSPECTOR(S): Kate A. Pickford	INSP. DATE: April 11, 2014	INSP. TIME: 10:10
OPERATOR: Dale and Ellen Schmidt	OPERATOR REPRESENTATIVE: Dale Schmidt	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$7,404.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 16, 2014

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>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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

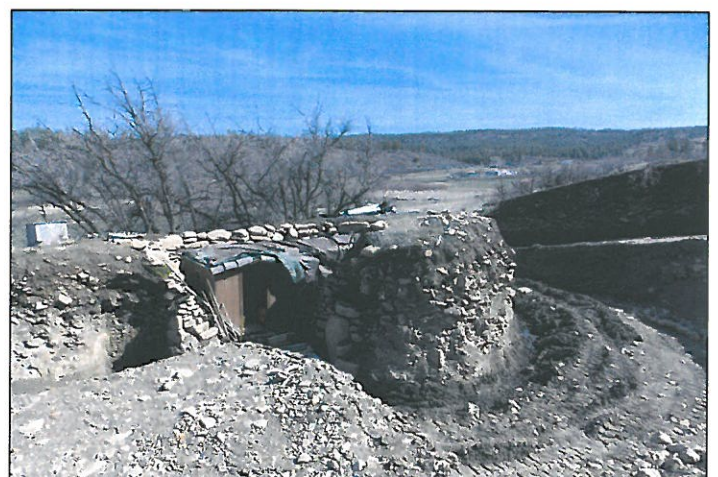
This inspection was conducted as part of the Division of Reclamation, Mining and Safety monitoring program. The site is more extensively excavated than at the time of the previous inspection. Much of the original slope has been cut out, resulting in a vertical highwall adjacent to the neighboring property to the east. The current highwall is approximately 20 feet high, but Mr. Schmidt states he wants to extract it even deeper, to the level that is about 10 feet lower. The cut extends well into the slope and vertical highwalls are the most evident feature at the site. Mr. Schmidt has placed a storage shed into a spiraled wall adjacent to the access road. He is installing rock walls to stabilize the vertical high walls around the shed. He stated that he has a lot of rock from the excavation, and he wants to armor the other vertical walls with rocks.

The rock walls do not appear stable. The reclamation plan shows engineered plans to use tire bales to stabilize the walls. The rock armoring is not a feature of the reclamation plan. The approved plan cited an alternative reclamation plan that involved grading and backfilling of the site, in order to keep reclamation costs down. The condition of the site does not allow for efficient backfilling or grading. The bulk of the extracted material has been exported off site. Therefore there is little material with which to backfill. Additionally, one vertical highwall is so close to the property line and so high that it will take a great deal of excavation around the site and moving of material to establish a stable configuration and may require the importation of fill.

Mr. Schmidt stated he wants to install flat bed trailer beds as a roof over the excavation at the rear of the site, creating an underground building in which he can store his heavy equipment. Mr. Schmidt was advised that he should attempt to obtain a building permit for the site from the county. The activity at the site is not an accurate depiction of the approved plan and the changes he is incorporating make the site difficult to manage under a construction materials permit.

A bond calculation was performed, relative to the current conditions at the site. The information related to the increased bond is included in this packet.

PHOTOGRAPHS



PERMIT #: M-2011-014
INSPECTOR'S INITIALS: KAP
INSPECTION DATE: April 11, 2014

Inspection Contact Address

Dale Schmidt
472 Meadows Dr.
Pagosa Springs, CO 81147

Enclosure: Financial Warranty Increase SI-01