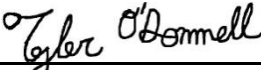




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Speer Mining Resource	MINE/PROSPECTING ID#: M-1983-176	MINERAL: Gravel	COUNTY: Adams
INSPECTION TYPE: Monitoring	INSPECTOR(S): Tyler V. O'Donnell	INSP. DATE: June 2, 2014	INSP. TIME: 13:30
OPERATOR: Asphalt Specialties Co., Inc.	OPERATOR REPRESENTATIVE: Rob Laird and Mark Rodabaugh	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Citizen Complaint	BOND CALCULATION TYPE: None	BOND AMOUNT: \$678,169.00	
DATE OF COMPLAINT: May 2014	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 1, 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: Revegetation

PROBLEM/POSSIBLE VIOLATION: Problem: There are state-listed noxious weeds present on site. This is a problem for failure to employ weed control methods for state listed noxious weed species within the permitted area, and to reduce the spread of weeds to nearby areas as required by Section 3.1.10 (6) of the rule.

CORRECTIVE ACTIONS: Implement approved weed control plan and provide proof to the Division that this has been done. If a weed control plan is not already in place, the Operator shall develop a weed control and management plan in accordance with Section 3.1.10 (6) of the Rule. This plan should be developed in consultation with the county extension agency, or weed control district office and should include specific control measures to be applied, a schedule for when control measures will be applied and a post-treatment monitoring plan. This weed control plan shall be submitted to the Division as a Technical Revision to the approved plan with the appropriate Technical Revision fee of \$216.00 by the corrective action date.

CORRECTIVE ACTION DUE DATE: 9/01/14

OBSERVATIONS

This inspection was conducted by Tyler O'Donnell and Tom Kaldenbach of the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was conducted as a follow-up to a citizen complaint about flooding in the adjacent landowner's basement, owned by Levi Kirby. The Division received the written complaint from Mr. Kirby on November 7, 2013. The complaint explained that the Kirby's property has been flooded since backfilling started at the Speer Mining Resource pit around 2008. The complaint describes ongoing flooding of the basement which the homeowner believes it is caused by mounding of alluvial groundwater on the upgradient side of the Speer Mining Resources site where the home is located. The Division received a more recent complaint from Mr. Kirby by phone during May 2014 explaining the basement was still flooding. Asphalt Specialties Co., the Operator, was represented by Rob Laird during the inspection.

The Speer Mining Resource pit is located in Adams County approximately 0.5 mile south of Henderson Colorado, just north of 120th Ave., and east of the South Platte River. The Speer Mining Resource pit is a 75.50-acre 112 Construction Materials Reclamation Permit. The approved post-mining land use is general agriculture. At the time of the inspection it was sunny. The majority of the mine was dry, with the exception of the exposed groundwater pond. Mining was completed at the site in 2006, according to the mine's annual reports. The site is currently being used as a recycling plant for construction materials. The materials that aren't usable after the recycling process are used for backfilling the exposed groundwater pond.

The Division cited a problem in the April 9, 2009 inspection report for failure to minimize disturbance to the prevailing hydrologic balance pursuant to C.R.S. 34-32.5-116(4)(h). In 2009 the Mined Land Reclamation Board (Board/MLRB) found the Operator in Violation of C.R.S. 34-32.5-116(4)(h). The Board required the Operator to submit a temporary and permanent solution to resolve the groundwater mounding problem. A french drain was added to the approved reclamation plan in AM-04. The purpose of the french drain is to convey alluvial groundwater away from the upgradient (South and east) side of the backfilled pit so that mounding does not occur. To date the french drain has not been constructed. The mounded groundwater is currently being mitigated by a trench that extends from the upgradient side of the lake to the South Platte River. The upgradient side of the trench should be excavated down to an elevation of to approximately 5012 feet, based on the 2009 Deere and Ault memorandum.

During the inspection, water movement was barely detectable through the length of the trench on the upgradient side of the pit. The trench flows to the exposed groundwater pond, which flows to a ditch that flows to the nearby South Platte River. The Operator's representative explained that ditch that connects the river had been blocked by a beaver dam, until the Operator removed the dam just before this inspection. During the inspection, water was flowing at near the capacity of the culvert that connects the exposed groundwater pond to the ditch which flows to the South Platte River. The Operator's representative stated that by the end of the day the water level in the lake would drop almost to the invert elevation of the culvert.

Availability Of Records:

The Operator committed to bi-monthly groundwater level monitoring in the two wells east of the proposed location of the french drain, and reporting monitoring results to the Division annually in the annual report. The Operator made these commitments in AM-04 and previous amendments. The Operator also commit to bi-monthly groundwater level monitoring 2-years after completion of the french drain; this commitment was made in AM-04. The Operator has not been providing the results of the groundwater monitoring to the Division, after the inspection the Operator emailed the Division information they have on groundwater monitoring data. However, the Operator will need to continue bi-monthly groundwater monitoring wells. The Operator will need to report the results of the bi-monthly groundwater monitoring annually to the Division in the Annual report.

Backfilling and Grading:

The Operator is in the process of backfilling the exposed groundwater pond. The Operator has backfilled approximately 12 acres of exposed groundwater. The Operator has to backfill roughly 13 acres of exposed groundwater in order to complete the approved reclamation plan as approved in AM-04.

Hydrologic Balance:

The pit is located just east of the South Platte River. The pit was excavated into the alluvial groundwater. The surface area of the exposed groundwater pond is approximately 20 acres.

Gen. Compliance With Mine Plan:

All activity appeared to be within the approved permit boundary. The Operator is conducting backfilling operations as approved in AM-04.

Revegetation:

There were state-listed noxious weeds present on-site during the inspection. The Division observed the following weed species during the inspection: various thistles, cheatgrass, whitetop, tamarisk and various annual weeds. This is cited as a problem for failure to employ weed control methods for state listed noxious weed species within the permitted area, as required by Section 3.1.10 (6) of the Rules.

Signs and Markers:

A mine I.D. sign was located at the entrance to the mine site.

CONCLUSION

The Division is currently collecting and reviewing additional hydrologic information. The Division may follow-up with the Operator and possibly conduct an additional inspection, if needed. The Operator is encouraged to work with the homeowner to prevent flooding impacts at the home.

Inspection Contact Address

Rob Laird
Asphalt Specialties Co., Inc.
10100 Dallas St.
Henderson, CO 80640

Enclosure:

CC: Levi Kirby
10221 E. 120th Ave.
Henderson, CO 80640

PHOTOGRAPHS



Photo 1: Upgradient side of the temporary trench.



Photo 2: Downgradient side of the temporary trench that drains to the South Platte River.



Photo 3: Water flowing from the downgradient side of the temporary trench that drains to the South Platte River. The Beaver dam was located between the culvert and the South Platte River.



Photo 4: Whitetop growing along the riparian zone.

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>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>PB</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>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>N</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