




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: Penrose Ranch's	MINE/PROSPECTING ID#: M-1992-016	MINERAL: Sand and gravel	COUNTY: Fremont
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: August 6, 2014	INSP. TIME: 15:50
OPERATOR: Rocky Mountain Materials & Asphalt, Inc.	OPERATOR REPRESENTATIVE: Mike Kessler	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$281,283.09
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 15, 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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</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>NA</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

OBSERVATIONS

This inspection was requested by the Operator, Rocky Mountain Materials & Asphalt, Inc. as the result of a Surety Reduction (SR) request for the reclamation completion of 100 acres received by the Division on June 30, 2014. Rocky Mountain Materials & Asphalt, Inc. was represented during the inspection by Mike Kessler. The Penrose Ranch site is located approximately four miles east of Florence, CO off State Hwy 120.

Inspection:

Permit signs were displayed as required (see **Photos 1** and **2**).

The entire site was driven to inspect the status of each of the eight areas delineated on the maps included in the release request. The following table summarizes the observations made during the inspection. Copies of maps used to take notes during the inspection are attached and labeled as Figures I and II.

Area ID	Area (acres)	Condition of Area	Figure No. for Location
1	4.62	Area 1 reclamation is complete	Figure I
2	21.83 ~19.5	Area 2 contains an active sed pond (~2.3 acres) that must be excluded from releasable area‡	Figure I
3	3.60	Area 3 reclamation is complete	Figure I
4	27.66	Area reclamation is complete	Figure I
5	6.10	Area 5 reclamation is complete	Figure I
A	5.30 0.0	Material stockpile must be removed and area revegetated‡	Figure II
B & C	30.30 ~29.3	Area C reclamation is complete, most, but not all equipment has been removed from Area B, ~ 1.0 acre needs equipment removal and reveg‡	Figure II
D	12.40	Area D reclamation is complete	Figure II
REVISED TOTAL:	111.81 ~103.2		

‡ See detailed discussion below.

The primary focus of this inspection was to determine releasable acreage.

Area 1: Reclamation is complete. However, the Division is concerned about re-disturbing this area given its proximity to active mining operations. The Operator will need to monitor this area carefully.

Area 2: Reclamation is complete with the exception of the sediment pond area in the middle of Area 2 (see **Photo 3**). The sediment pond receives runoff from the processing area. As such, the area surrounding the sediment pond is expected to require some grading to prevent ponding, and revegetation work at final reclamation. The Division estimates ~2.3 acres surrounding the pond will need additional reclamation. The other ~19.5 acres are considered to have completed reclamation.

Areas 3 – 5: Reclamation is complete.

Area A: Reclamation is complete for this area, with the exception of the remaining stockpile. The stockpile is unstable and will continue to erode, acting as a sediment source for the surrounding area during storm events. The stockpile will need to be removed and the bare ground revegetated in order for the Division to consider reclamation completed for this

area.

Area B: Not all the equipment had been removed at the time of the inspection. The Division estimates ~ 1 acre may need additional grading/revegetation work in order to be acceptable for final reclamation.

Area C: Reclamation is complete.

Area D: Reclamation is complete.

File Review Notes:

- The total permitted area is 2,496 acres. The maximum allowed disturbed area is 200 acres (Amendment 3).
- There is a \$281,283.09 financial warranty (corporate surety) for the site. With the approval of this surety reduction request, this bond is deemed adequate under the current approved reclamation plan.
- Annual fees and reports are up to date through 2014.
- The previous inspection was on August 20, 2013. Two problems were cited and have been resolved.

Summary & Recommendations:

The Division will recommend approval of the 100-acre reclamation completed surety reduction request. These areas discussed above are still considered by the Division to be part of the Affected Area included in the 200 acres of maximum allowed affected area (approved with Amendment 3). These areas are to be considered reclaimed for the purpose of establishing the current required financial warranty, and will remain part of the affected area until such time as an acreage release is requested and approved by the Division. Should the operation require additional affected area prior to requesting an area reduction (and approval by the Division), an amendment will be required.

PHOTOGRAPHS



Photo 1. Permit sign (at south entrance).



Photo 2. Permit sign (at south entrance).

PHOTOGRAPHS (cont.)



Photo 3. Sediment pond in Area 2 (looking SW).

Inspection Contact Address

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DRMS file