




**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.

<b>MINE NAME:</b> Hanna Pit No. 1	<b>MINE/PROSPECTING ID#:</b> M-2004-045	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Rio Grande
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Bob Oswald	<b>INSP. DATE:</b> September 11, 2014	<b>INSP. TIME:</b> 11:00
<b>OPERATOR:</b> Rio Grande Ranch, LLC	<b>OPERATOR REPRESENTATIVE:</b> Dan Hicks	<b>TYPE OF OPERATION:</b> 110c - Construction Limited Impact	

<b>REASON FOR INSPECTION:</b> High Priority	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$12,000.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> September 18, 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>NA</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</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>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>NA</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

This was a priority inspection conducted by the Division to monitor the site condition and to verify the sufficiency of its bond amount, prior to the tentatively scheduled hearing at the September Mined Land Reclamation Board meeting. The party named on page one, though not representing the permitted operator, was present throughout the inspection, and represented the property owners association (POA) who wishes to keep the permit in compliance. The site was not active on the day of the inspection.

The scheduled Board hearing is due to the non-payment of the annual fee. The property ownership is in a temporary legal tangle. Though the POA is not the permitted operator, they are becoming involved to try to keep the fees and reports submitted, so that the permit remains viable. They can pay the annual fees, but are not authorized to mine or reclaim the site, or request revisions to the permit. After the legal issues are resolved, the POA hopes to be in a position to become the successor operator of the permitted gravel pit. This inspector discussed with Mr Hicks the importance of submitting this late annual fee plus any required report promptly in order to avoid holding the Board hearing.

The required permit ID sign was not observed posted anywhere at the permitted area. Permit boundary markers were observed to be installed at the boundary corners of the permit boundary. A subdivision road bisects the permit area, making the boundary a little difficult to see, but corners were marked. Mr Hicks of the POA requested a set of the permit maps in order to verify the boundary corner locations. He also wants a copy of other permit documents, including the mining and reclamation plans. The lack of a permit ID sign is not noted as a problem at this time, but this inspector requested that Mr Hicks post a sign, on behalf of the permitted operator.

The pit lies to the north of the road, and has not changed significantly since the Division's last inspection. The pit is still approx 8 feet deep, with about 3.3 acres disturbed. The side slopes are 1.5:1 average, which is steeper than the reclamation gradient, but they are stable for now. Recent rains have temporarily impounded in the pit, creating almost a half acre pond. Across the road on the south side is the topsoil stockpile area, which contains a sufficient amount of topsoil to reclaim the site. The topsoil area is about 0.25 acres in size. The pit has not operated in over a year, and the question of its current "active" status was discussed. The permit should be placed into "temporary cessation" status due to its inactivity, but the POA is not authorized to operate the pit, nor request this revision for the permit.

There is a \$12,000 bond posted for this site. The disturbance has been evaluated with updated reclamation cost figures, and it is found that the bond is adequate to reclaim the 3.6 acre disturbance.

The permitted operator's actions have potential to cause the Division to initiate enforcement actions, which could result in the revocation of the permit. The POA wishes to keep the permit compliant and in force, and eventually assume the operation of the permit; the POA will benefit from the pit and does not wish for it to be terminated. Mr Hicks stated that, since there is a landowner who is also the permittee, a bank, and the POA, that it could take until next year to sort out the ownership, and the subsequent permit transfer. Therefore, this office will not consider the factors of the site condition or inactivity to be problems at this time. The Division will allow the operator to work to resolve the issues, during the winter, and report back to this office in the spring 2015. At that time the Division will assess the amount of progress.

For questions related to this report, please contact this inspector at the Division's Durango Field Office: telephone 970-247-5193, or 303-866-3567 ext 8175.

All written correspondence should be sent directly to the Division's Denver Office:  
Division of Reclamation, Mining & Safety  
1313 Sherman Street, Room 215  
Denver, CO 80203

**Inspection Contact Address**

Dan Hicks  
Rio Grande Ranch, LLC  
P.O. Box 880  
South Fork, CO 81154

Inspection photographs are on the following page.



**PHOTOGRAPHS**

