




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: Luke the Duke Gravel Pit	MINE/PROSPECTING ID#: M-2013-036	MINERAL: Gravel	COUNTY: La Plata
INSPECTION TYPE: Monitoring	INSPECTOR(S): Wallace H. Erickson	INSP. DATE: October 9, 2014	INSP. TIME: 14:00
OPERATOR: LUKE THE DUKE, LLC	OPERATOR REPRESENTATIVE: John Avery	TYPE OF OPERATION: 110c - Construction Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$14,631.48	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Raining	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 3, 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>N</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>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>Y</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>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>Y</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

OBSERVATIONS

This inspection occurred as part of the Division's routine monitoring plan for permitted operations. Luke the Duke is a reclamation only permit resulting from Violation MV-2014-023. Violation MV-2014-023 was issued August 5, 2014, for failure to obtain a reclamation permit prior to commencing a mining operation. Under the reclamation only permit the Operator is obligated to reclaim affected lands but cannot continue the previous mining operation, with the sole exception of removing previously mined, processed and stockpiled materials not needed for reclamation purposes. The 110c reclamation only permit is approved for 7.66 acres affected lands, which includes two excavation areas, two stockpiles of mined and processed materials, two topsoil stockpiles, and access road. Affected lands will be reclaimed to support rangeland post-mining land use. The Division holds \$14,631.48 financial warranty. This report is accompanied by one image from Google Earth and five photographs taken during the inspection.

Site conditions appeared consistent with descriptions provided in the application documents as well as the observations recorded in the Division's previous inspection reports. The purpose of the mining operation was to support the development of the surrounding sub-division. The Division observed approximately three miles of roads and seven structure sites which had been constructed from materials excavated and processed prior to the permit. As shown in Photo 1, substantial materials have been utilized to construct landscape berms intended to promote privacy for residential structures. The Operator reiterated all mined materials had remained within the sub-division boundaries and no mined materials had been exported to areas beyond the sub-division boundaries. As shown in Photos 2 and 3, the Operator is currently constructing Equestrian Trail with materials mined from the permit area. The current status of the affected lands is illustrated on the Google Earth image and Photos 4 and 5. Affected lands were located within the permit boundary and appeared stable; evidence of slumping, sliding or excessive erosion and sedimentation were not observed.

Response to this inspection report should be addressed to Wally Erickson at the Division's office in Durango at 691 County Road 233, Suite A-2, Durango, Colorado 81301, phone (970) 247-5469, email at wally.erickson@state.co.us.

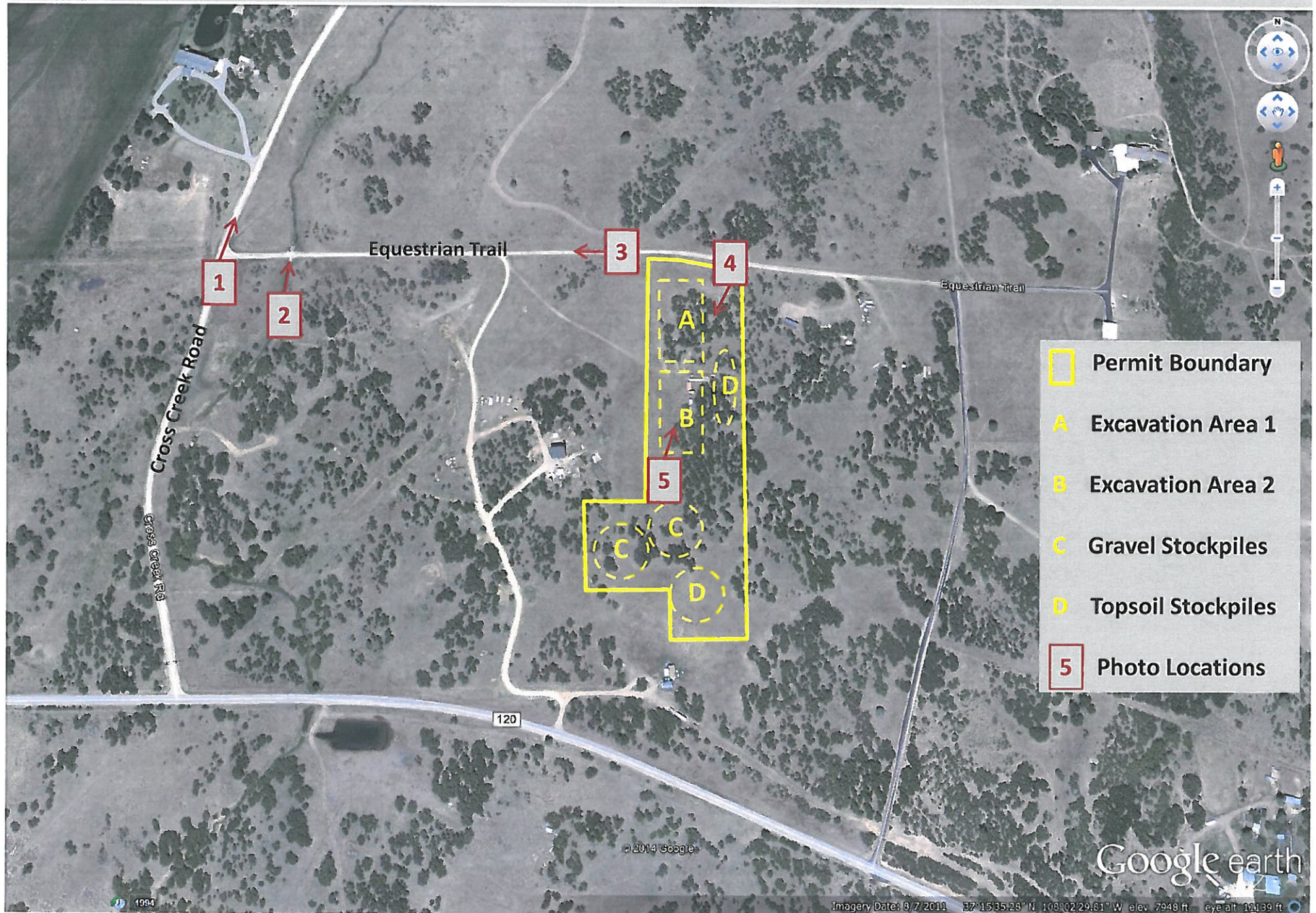
Inspection Contact Address

John Avery
LUKE THE DUKE, LLC
989 County Road 120
Hesperus, CO 81326

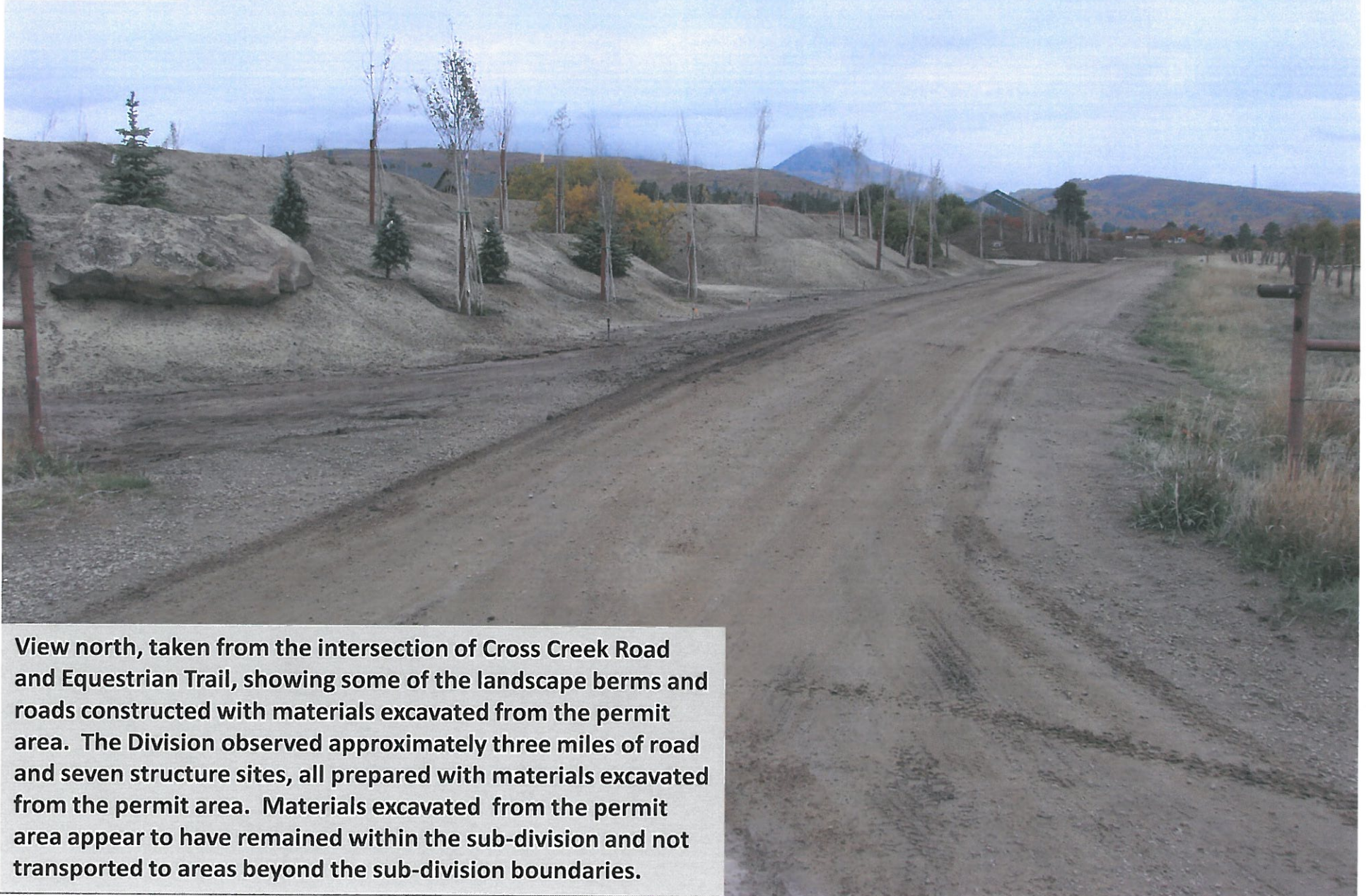
Enclosure: 1) one image from Google Earth, imagery date August 7, 2011
2) five photographs taken during the inspection

cc w/enclosure: John Avery, Luke the Duke, averyranches@frontier.net
Sandi Cunningham, Preliminary to Final, dscham@frontier.net
Russ Means, DRMS GJFO, russ.means@state.co.us

Google Earth, imagery date August 7, 2011, showing the approximate location of the 7.66 acre permit boundary, major features of the affected lands, and the locations of photographs taken during the October 9, 2014 inspection of Luke the Duke, Permit No. M-2013-036.



Luke the Duke
M-2013-036
October 9, 2014
Photo 1



View north, taken from the intersection of Cross Creek Road and Equestrian Trail, showing some of the landscape berms and roads constructed with materials excavated from the permit area. The Division observed approximately three miles of road and seven structure sites, all prepared with materials excavated from the permit area. Materials excavated from the permit area appear to have remained within the sub-division and not transported to areas beyond the sub-division boundaries.

Luke the Duke
M-2013-036
October 9, 2014
Photo 2

Culvert for Equestrian Trail exhibited more than 12 inches of compacted fill (road base) and thereby appropriate for haul truck traffic.



Luke the Duke
M-2013-036
October 9, 2014
Photo 3

View west, showing portions of Equestrian Trail located nearby the permit area and still under construction. Construction of the first 230 feet of Equestrian Trail, from the intersection of Cross Creek Road (Photo 1) to the culvert (Photo 2), appeared to be complete. However, the subsequent 1,230 feet of Equestrian Trail, from the culvert to the permit area, was established with three inch minus road base and did not yet exhibit a top coat of $\frac{3}{4}$ inch gravel. The Operator was constructing Equestrian Trail with materials excavated from the permit area.



Luke the Duke
M-2013-036
October 9, 2014
Photo 4



View south, taken from the north end of the permit area and showing portions of Excavation Area 1 in foreground and material stockpiles in the background.

Luke the Duke
M-2013-036
October 9, 2014
Photo 5



View north, showing portions of the affected lands and an adjacent topsoil stockpile available for reclamation purposes. A second topsoil stockpile was located at the south end of the permit area (see Google Earth image for location).