




**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> Kunau Site	<b>MINE/PROSPECTING ID#:</b> M-2008-025	<b>MINERAL:</b> Gravel	<b>COUNTY:</b> El Paso
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Timothy A. Cazier	<b>INSP. DATE:</b> March 4, 2014	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Tim Kunau	<b>OPERATOR REPRESENTATIVE:</b> Red Kunau	<b>TYPE OF OPERATION:</b> 110c - Construction Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$11,218.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> December 19, 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>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>NA</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</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>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</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 regular monitoring program. The Operator (Tim Kunau) was represented by Red Kunau who was present for the inspection. This is a 110c gravel mine. It was not operating at the time of the inspection.

The Kunau Site entrance is located approximately 4.5 miles north of Yoder on Yoder Rd.

### **Inspection:**

A permit sign was displayed at the site entrance (see **Photo 1**). The site is rectangular with the four corners marked with PVC posts (see **Photo 2**).

This inspector walked the perimeter of the site with Mr. Kunau. Highwalls, estimated to be approximately 10 feet high, existed on the north and south edges of the pit. The west (see **Photo 3**) and east side of the pit are at a much shallower grade (estimated to be between 7H:1V and 10H:1V). Material was stockpiled in the bottom of the pit (see **Photo 4**). A topsoil stockpile was observed on the north side of the pit as designated in the approved permit (see **Photo 5**). A wood mulch pile was observed on the south side of the pit (see **Photo 6**). Mr. Kunau indicated the mulch pile was originally intended for wood burning, but they will keep it for mulch now. It appeared that a few cubic yards of the topsoil stockpile appeared to be outside the permit boundary (see **Photo 7**). Mr. Kunau was urged to dress up the topsoil stockpile so that it is entirely within the permit boundary and check it regularly to be sure it is kept within the permit boundary. A smaller excavation (approximately 120 feet long and 30 feet wide) was observed on the northeast corner of the pit.

No noxious weeds were observed.

### **Records:**

- The total permitted area is 9.18 acres, with a maximum allowed disturbed area of 4.6 acres.
- The previous inspection was performed on 3/9/2009. No problems were cited.
- The anniversary date is February 17. Annual reports and fees are current through 2014.
- There was a hand written note on the 2014 Annual Report indicating the Operator wished to go into temporary cessation (TC) for lack of activity. This was not accepted by the Division as requests for TC must be sent separately and there is a \$144 fee to process the request. On November 14, the Division received a request to be taken out of TC. However, as TC was not approved by the Division, there was no permit status to revise.
- The post-mine land use is pastureland.

### **Current Stipulations:**

Commitment No. 1: Mr. Kunau shall request in writing to the Division of Reclamation, Mining and Safety (DRMS) that the financial warranty be increased prior to opening the southern pit. An increase of the financial warranty shall be requested, and provided with the letter to the DRMS by Mr. Kunau to his bonding/surety provider prior to opening and mining the southern pit. The increased financial warranty and updated bond forms shall also be provided to the DRMS from Mr. Kunau's bonding/surety provider.

### **Bond:**

There is a \$11,218 financial warranty (cash) for the site. The financial warranty was last calculated in 2009.

The bond is for a maximum disturbance of 4.6 acres, and was updated with 2014 unit costs (see attached cost summary sheet) to be \$12,425. Based on Google earth measurements, the current disturbance is estimated to be 2.3 acres (300 ft x 330 ft, including topsoil stockpiles). As such the current bond is adequate.

**Summary and Recommendations:**

1. The Operator needs to dress up and check the topsoil stockpile frequently to be sure it is maintained within the permit boundary.
2. Please be aware there is a \$144 fee and a form (mailed on November 24, 2014) which must be submitted to the Division and approved by the Mined Land Reclamation Board to formally enter TC.

**PHOTOGRAPHS**



Photo 1. Required posted permit sign.

**PHOTOGRAPHS (cont.)**



Photo 2. Typical PVC permit boundary corner post.



Photo 3. Shallow grade on west side of pit (looking north).





Photo 4. Stockpiled material in bottom of pit (looking NE).



Photo 5. Topsoil stockpile (looking north).



Photo 6. Wood mulch stockpile (looking south).

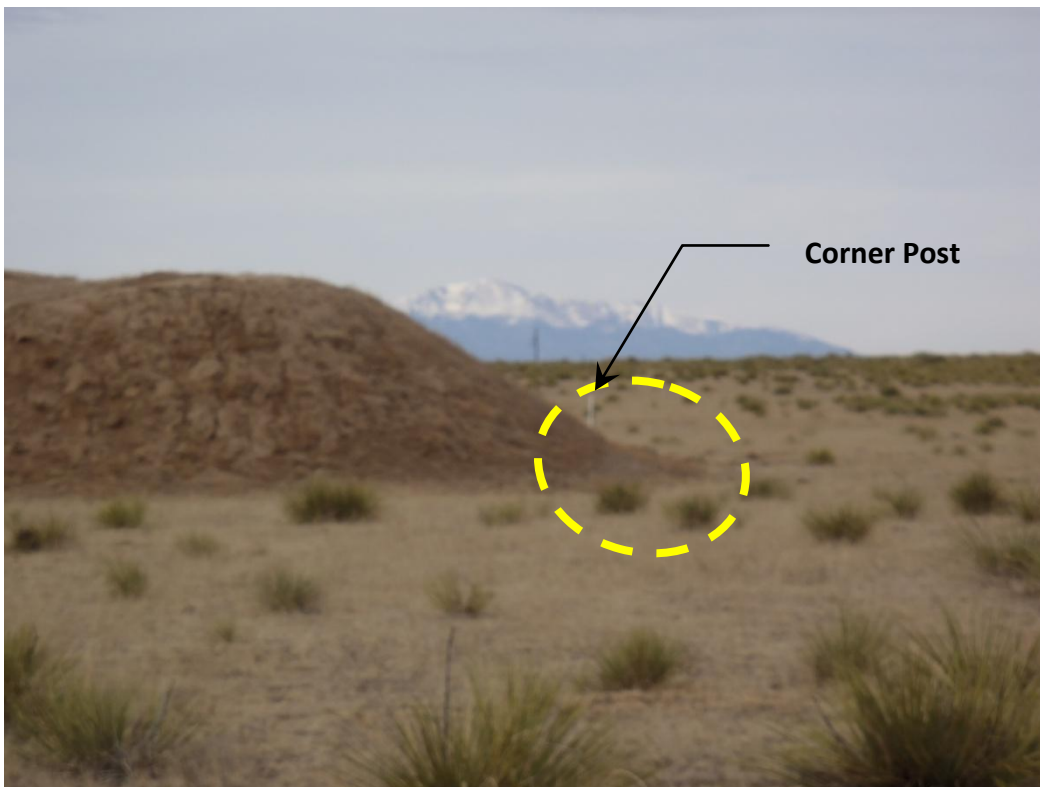


Photo 7. Topsoil stockpile outside permit boundary (looking west).

**Inspection Contact Address**

Tim Kunau  
23945 Lucky Lane  
Calhan, CO 80808

Enclosure

CC: Tom Kaldenbach, DRMS  
DRMS file

## COST SUMMARY WORK

Task description: Cost Summary

Site: Kunau Site Permit Action: 2014 Update Permit/Job#: M2008025

### PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None  
Date: 12/19/2014 County: El Paso Filename: M025-000  
User: TC1

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Replacing Topsoil	DOZER	2	4.08	\$2,795.00
002	Revegetating Disturbed Area	REVEGE	1	0.00	\$5,200.00
003	Equipment Mobilization/Demobilization	MOBILIZE	1	3.64	\$2,471.00
<b><u>SUBTOTALS:</u></b>				<b>7.72</b>	<b>\$10,466</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$211.41
Performance bond:	1.05%	Total =	\$109.89
Job superintendent:	0.00 hrs	Total =	\$0.00
Profit:	10.00%	Total =	\$1,046.60
		TOTAL O & P =	\$1,367.90
		CONTRACT AMOUNT (direct + O & P) =	\$11,833.90

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	0.00	Total =	0.00
Engineering work and/or contract/bid preparation:	0.00%	Total =	\$0.00
Reclamation management and/or administration:	5.00%		\$591.70

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$1,959.60

**TOTAL BOND AMOUNT (direct + indirect) = \$12,425.60**

Assumes a 4.6 acre disturbance, or \$2,701 per acre. Current disturbance is estimated to be ~2.3 acres. As such, the \$11,218.00 bond is adequate.