




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: Salt Canyon Project	MINE/PROSPECTING ID#: M-1997-064	MINERAL: Anhydrite, gypsum	COUNTY: Fremont
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: March 11, 2014	INSP. TIME: 12:00
OPERATOR: GCC Rio Grande, Inc.	OPERATOR REPRESENTATIVE: Damian Flores, Scott Peterson	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$69,832.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: Colo. Land Board	JOINT INSP. AGENCY: Colo. Land Board	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 11, 2015	

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: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: The 2013 annual report indicated 6.71 acres had been affected. The 2014 annual report indicated only 4 acres have been affected and that only 1 acre had been backfilled, with no additional reclamation.

CORRECTIVE ACTIONS: The Operator should review the 2013 and 2014 annual reports and submit a revised 2014 annual report and a letter addressing the discrepancy by the Corrective Action Due Date.

CORRECTIVE ACTION DUE DATE: 3/16/15

OBSERVATIONS

This inspection was conducted as part of the regular monitoring program. The Operator (GCC Rio Grande, Inc.) was represented by Messrs. Damien Flores and Scott Peterson who were present for the inspection. Mr. Phil Courtney with the State Land Board was also present for the inspection as the permit occupies land administered by the State.

The Salt Canyon Mine access road entrance is located approximately 10 miles north of Penrose, off State Hwy 115. This is a 112c gypsum mine. The mine was operating at the time of the inspection.

Inspection:

A permit sign was displayed at the site entrance (see **Photo 1**). The permit boundary appeared to be fenced along the entire perimeter (see **Photo 2**). Equipment observed on site included a grizzly screen (see **Photo 3**) in the pit and a loader. The Operator representatives explained the material is screened on site and crushed at GCC's Pueblo Plant. They further explained that overburden on site is shallow and is being stockpiled for use as vegetative media for reclamation.

The Operator representatives explained that blast hole drilling is done by GCC, but the blasting operations are contracted out to Buckley. A small stockpile of stemming material was observed (see **Photo 4**).

No problems with erosion/sedimentation or noxious weeds were observed.

Records:

- The total permitted area is 559.22 acres, with a maximum allowed disturbed area (at one time) of 20 acres per the Technical Revision No. 2 (TR-02) approved in 2010.
- The permit was transferred from Western Nutrients to GCC in March of 2009. The permit area was increased to the current 559.22 acres with the approval of a conversion application in December 2009.
- The previous inspection was performed on 10/6/2009. No problems were cited.
- The anniversary date is July 9. Annual reports and fees are current through 2014.
 1. The 2013 annual report indicated 6.71 acres had been affected. The 2014 annual report (not available at the time of this inspection) indicated only 4 acres have been affected and that only 1 acre had been backfilled, with no additional reclamation (topsoiling, seeding or mulching).
The discrepancy in affected area between the 2013 and 2014 annual reports is cited as a problem on page 1 of this report.
- The post-mine land use is wildlife habitat.

Current Stipulations:

None.

Bond:

The current bond was updated in 2009 with the approval of Technical Revision No. 2 (TR-02) allowing the maximum disturbed area to double from 10 to 20 acres. The current bond held by the Division is \$69,832.00 (corporate surety). Based on the inspection and the 2013 and 2014 annual reports, the disturbed area is less than seven acres. The current bond is deemed adequate with at least \$9,976/acre (assuming 7 acres of disturbance).

Summary and Recommendations:

1. No problems or concerns were observed during the inspection.
2. The Division discovered a records problem related to the discrepancy of affected area detailed in the 2013 and 2014 annual reports. **The Operator should review the 2013 and 2014 reports and submit a revised 2014 annual report and a letter addressing the discrepancy by the Corrective Action Due Date on page 1 of this report.**

Please contact Tim Cazier (303-866-3567, ext. 8169) if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Permit identification sign.

PHOTOGRAPHS (cont.)



Photo 2. Typical permit boundary fence (looking NNW).



Photo 3. Grizzly screen and east highwall (looking SE).

PHOTOGRAPHS (cont.)



Photo 4. Blasting stem material stockpile.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- PB	(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>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>NA</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>NA</u>	(SB) COMPLETE INSP---- <u>NA</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

Inspection Contact Address

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EC: Tom Kaldenbach, DRMS
DRMS file
Phil Courtney, SLB