




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: Coyote Ridge	MINE/PROSPECTING ID#: M-2000-052	MINERAL: Sand and gravel	COUNTY: Fremont
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: February 19, 2015	INSP. TIME: 13:05
OPERATOR: Rocky Mountain Materials & Asphalt, Inc.	OPERATOR REPRESENTATIVE: Tom Smith	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$32,400.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 27, 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: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The approved mine plan requires pit highwalls be excavated at 1H:1V. The operator must: A) flatten the highwalls to 1:1 or, B) submit a Technical Revision (TR) to revise the mine plan accordingly. A TR must include rationale as to why the highwalls should be allowed to be steeper and modifications to Exhibits E (Reclamation Plan) and L (Reclamation Cost Estimate) for the additional earth work required to backfill or flatten the highwalls.

CORRECTIVE ACTIONS: The operator shall submit: A) photographic evidence of flattening the highwalls, or B) a Technical Revision, with the required \$216 revision fee, to revise the mine and reclamation plans and the reclamation cost estimate by the corrective action date.

CORRECTIVE ACTION DUE DATE: 5/01/15

OBSERVATIONS

This inspection was conducted as part of the regular monitoring program. The Operator (Rocky Mountain Materials & Asphalt, Inc.) was represented by Mr. Tom Smith who was present for the inspection.

The Coyote Ridge site access road entrance is located approximately 4 miles south of Florence, off State Hwy 67. This is a 112c sand and gravel mine. The mine was not operating at the time of the inspection.

Inspection:

Markers & Boundary – A permit sign was displayed at the site entrance (see **Photo 1**). This is a ridge top operation and mining activity is restricted by topography. The Operator has marked the permit boundary with T-posts (see **Photo 2**).

Mining Plan – Mr. Smith explained RMMA had two active pits at the time of the inspection. The two areas were in areas referred to as Phase 1 and 3 prior to the approval of Technical Revision TR-01 which eliminated the phased mining plan. The Phase 3 area was where the most recent excavation and processing occurred. Mr. Smith stated RMMA had recently finished the processing and had moved the screens and crushers elsewhere. The pit (see **Photo 3**), material stockpiles (see **Photo 4**), overburden stockpile (see **Photo 5**) and topsoil stockpile (see **Photo 6**) were observed. The pit highwall was estimated to be approximately 25 feet deep. Mr. Smith explained there were no crusher fines to handle as they were generating Class 6 roadbase, which incorporates the fines. The operation appeared to be in compliance with the approved mine plan at the time of the inspection. However, a records review subsequent to the inspection found the highwalls were not to be excavated vertically (see the Records section below).

Reclamation – No reclamation had been initiated. This inspector noted the highwalls were shallower and flatter in the previously mined Phase 1 area than in the recently active Phase 3 area. Mr. Smith stated that if any highwalls remain after mining is complete (Note the plan is to remove the ridge top), the slopes will be 3H:1V or flatter. The observed overburden and topsoil stockpiles appeared stable.

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

Records:

- **Revision:** **Technical Revision 1** (TR-01) was approved in 2013 to eliminate the phased mine plan.
- **Commitments/Stipulations:** None
- **Other Records**
 - a) The total permitted area is 193.280 acres, with a **maximum allowed disturbed area** (at one time) of **45 acres**.
 - b) A review of the approved reclamation plan (**Exhibit E, Section II, enclosed for your reference**) states **"Mine slopes will generally be excavated to a 1:1 slope."** During the inspection, it was observed that the highwalls in the Area 3 pit were nearly vertical. The Operator must adjust the mining practice to excavate at a 1H:1V slope or submit a Technical Revision to modify the mine plan. **The nearly vertical highwalls are cited as a problem on page 1 of this report.**
 - c) The previous inspection was performed on 11/17/2009. No problems were cited.
 - d) The anniversary date is September 11. Annual reports and fees are current through 2014. The reported affected area for the last two annual reports has been a consistent 8 acres.
 - e) The post-mine land use is rangeland.

Bond:

The unit costs associated with the financial warranty have not been updated since the permit was approved in 2000. The financial warranty held by the Division is for a phased bond in which no more than 45 acres are to be disturbed at one time. The Operator's annual reports indicate the current disturbance is approximately 8 acres. The Division revised the original bond calculation by updating the unit costs, and adding previously omitted mobilization costs and indirect costs. The resulting bond estimate was \$81,090 (see enclosed **Cost Summary**), or \$1,802/acre of disturbance (assuming 45 acres). Applying the currently held bond of \$32,400 to 8 acres of disturbance allows \$4,050 per acre for reclamation. As such, the currently held bond is adequate the current required reclamation. The Division can provide the Operator with the detailed reclamation cost estimate worksheets upon request.

Summary and Recommendations:

1. No problems or concerns were observed during the inspection. However, a subsequent detailed review of the approved reclamation plan for the purpose of updating the bond estimate, found that the mine slopes are to be excavated at a 1:1 slope. **The Operator must comply with the Corrective Action by the Due Date.**
2. The bond appears adequate for the current disturbance. However, the Operator should be aware that as both the disturbed area and unit reclamation costs increase, a surety increase will be required prior to reaching the maximum allowed 45-acre disturbance.

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 T-post (looking south).



Photo 3. Area 3 pit/highwall – *note near vertical highwall* (looking north).

PHOTOGRAPHS (cont.)



Photo 4. Material stockpiles in Area 3 (looking NW).



Photo 5. Area 3 overburden stockpile (looking NNE).

PHOTOGRAPHS (cont.)



Photo 6. Area 3 topsoil stockpile (looking NE).

GENERAL INSPECTION TOPICS

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

(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>Y</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</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>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>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

Tom Smith
Rocky Mountain Materials & Asphalt, Inc.
1910 Rand Ave
Colorado Springs, CO 80906

Enclosure

CC: Tom Kaldenbach, DRMS
DRMS file

COST SUMMARY WORK

Task description: Cost Summary

Site: Coyote Ridge Permit Action: 2015 Update Permit/Job#: M2000052

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 2/18/2015 County: Fremont Filename: M052-000
User: TC1

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
010	Major Disturb.: Reclaim slopes to 3H:1V	SCRAPER1	1	14.98	\$4,191.00
011	Push material up mine slopes	DOZER	1	17.63	\$2,417.00
012	Major Disturb.: Reclaim mine floor (10 acres)	SCRAPER1	1	22.66	\$6,342.00
020	Mod. Disturb.: Topsoil Plant Site (5 acres)	SCRAPER1	1	11.33	\$3,171.00
021	Plant site topsoil grading	GRADER	1	4.70	\$504.00
022	Mod. Disturb. Cleanup and Grading	GRADER	1	23.50	\$2,519.00
030	Revegetate 25-Acre Moderate Disturbance	REVEGE	1	75.00	\$39,981.00
040	Mob/Demob Equipment	MOBILIZE	1	4.40	\$3,387.00
<u>SUBTOTALS:</u>				174.2	\$62,512

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$1,262.74
Performance bond:	1.05%	Total =	\$656.38
Job superintendent:	87.10 hrs	Total =	\$6,546.44
Profit:	10.00%	Total =	\$6,251.20
		TOTAL O & P =	\$14,716.76
		CONTRACT AMOUNT (direct + O & P) =	\$77,228.76

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%		\$3,861.44

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$18,578.20

TOTAL BOND AMOUNT (direct + indirect) = \$81,090.20