




**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> Uncompahgre Pit	<b>MINE/PROSPECTING ID#:</b> M-2013-007	<b>MINERAL:</b> Gravel and sand	<b>COUNTY:</b> Montrose
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Wallace H. Erickson	<b>INSP. DATE:</b> February 6, 2015	<b>INSP. TIME:</b> 13:00
<b>OPERATOR:</b> Lazy K-Bar Land & Cattle Company, LLLP	<b>OPERATOR REPRESENTATIVE:</b> Zane Luttrell, Daris Jutten	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$99,409.04	
<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> April 26, 2015	

**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-----Y	(FN) FINANCIAL WARRANTY-----Y	(RD) ROADS-----Y
(HB) HYDROLOGIC BALANCE-----Y	(BG) BACKFILL & GRADING-----Y	(EX) EXPLOSIVES-----NA
(PW) PROCESSING WASTE/TAILING-----Y	(SF) PROCESSING FACILITIES-----Y	(TS) TOPSOIL-----Y
(MP) GENL MINE PLAN COMPLIANCE-----Y	(FW) FISH & WILDLIFE-----Y	(RV) REVEGETATION-----Y
(SM) SIGNS AND MARKERS-----Y	(SP) STORM WATER MGT PLAN-----NA	(SB) COMPLETE INSP-----Y
(ES) OVERBURDEN/DEV. WASTE-----Y	(SC) EROSION/SEDIMENTATION-----Y	(RS) RECL PLAN/COMP-----Y
(AT) ACID OR TOXIC MATERIALS-----Y	(OD) OFF-SITE DAMAGE-----Y	(ST) STIPULATIONS-----Y

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 Division's review process of a request for acreage reduction (AR-02) and technical revision (TR-02). AR-02 addresses the release of approximately 8.98 acres of un-affected lands from the existing permit area. TR-02 addresses a realignment of the access road and leaving a visual berm as a permanent feature on the crest of the mesa.

The Uncompahgre Pit is approved for 253.23 acres for the extraction and processing of construction materials. The operation is approved for conventional excavation of a glacial deposit of sand and gravels located on portions of Moonlight Mesa. The operation will conduct contemporaneous reclamation and thereby limit the extent of affected lands to approximately 20 acres at any time during the life of mine. Affected lands will be reclaimed to support a combination of rangeland and wildlife habitat. The Division holds \$99,409.04 financial warranty. This report is accompanied by five photographs taken by the Division during the inspection.

As illustrated in the enclosed photographs, mining activities had not commenced and the approved mining operation had not created any affected lands. The Act and Rules require reclamation for all affected lands but do not obligate the Operator to conduct reclamation for lands not affected by the approved operation. Therefore, it is appropriate for the Division to approve AR-02. On April 20, 2015, the Division approved AR-02, reducing the permit area to approximately 244.25 acres. Under AR-02 the Operator did not request a reduction in the amount of bond held by the Division. Therefore, there is no adjustment to the \$99,409.04 financial warranty associated with the Division's approval of AR-02.

Under TR-02 the Operator revised the alignment of the access road and altered the mining and reclamation plans to leave the crest of the mesa intact, to provide a permanent visual screen for the extraction and processing areas. Under the previously approved plan the Operator would have removed the crest of the mesa during the final mining phase and thereby alter the skyline of the mesa. However, under TR-02 the native ground at the crest of the mesa will not be removed and the skyline of the mesa will not be altered significantly. All portions of the realigned access road are located within the previously approved boundary of affected lands. There will be a new bridge installed for crossing the Montrose West Canal, which the Operator is obligated to submit plans to Montrose County and the Division for review and approval prior to construction. Regulated noxious weeds, including Russian knapweed, were established along the Montrose West Canal. The weed infestation was previously noted and pre-dates the application and commencement of the mining operation. On April 24, 2015, the Division approved TR-02. There is no adjustment to the \$99,409.04 financial warranty associated with the Division's approval of TR-02.

### **Inspection Contact Address**

Jay Jutten  
Lazy K-Bar Land & Cattle Company, LLLP  
70455 Buckhorn Road  
Montrose, CO 81403

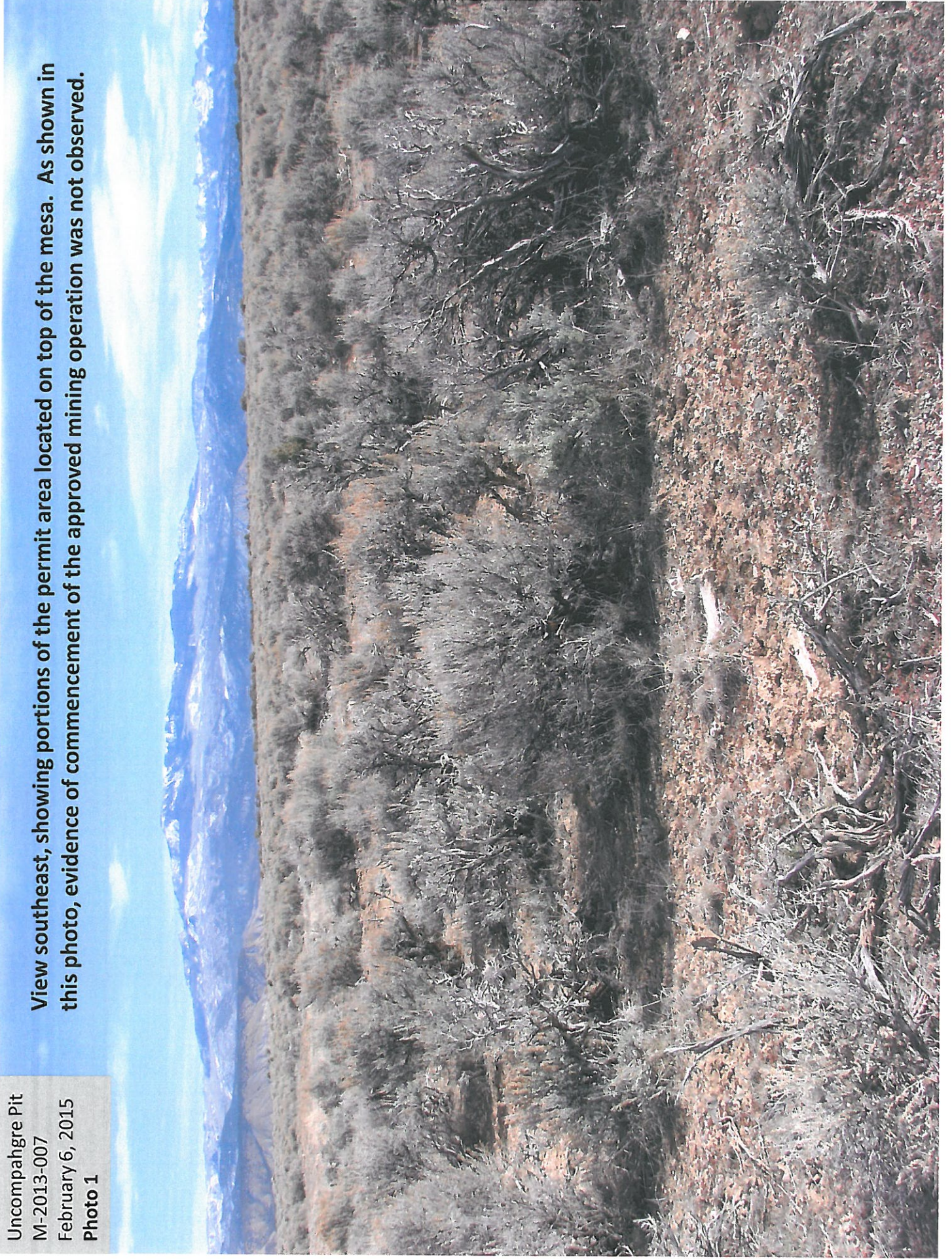
Enclosure: Five photographs taken by the Division during the inspection

Ec w/enclosure: Lazy K-Bar Land & Cattle Company, [lazyk@montrose.net](mailto:lazyk@montrose.net)  
Russ Means, DRMS GJFO, [russ.means@state.co.us](mailto:russ.means@state.co.us)



Uncompahgre Pit  
M-2013-007  
February 6, 2015  
Photo 1

View southeast, showing portions of the permit area located on top of the mesa. As shown in this photo, evidence of commencement of the approved mining operation was not observed.





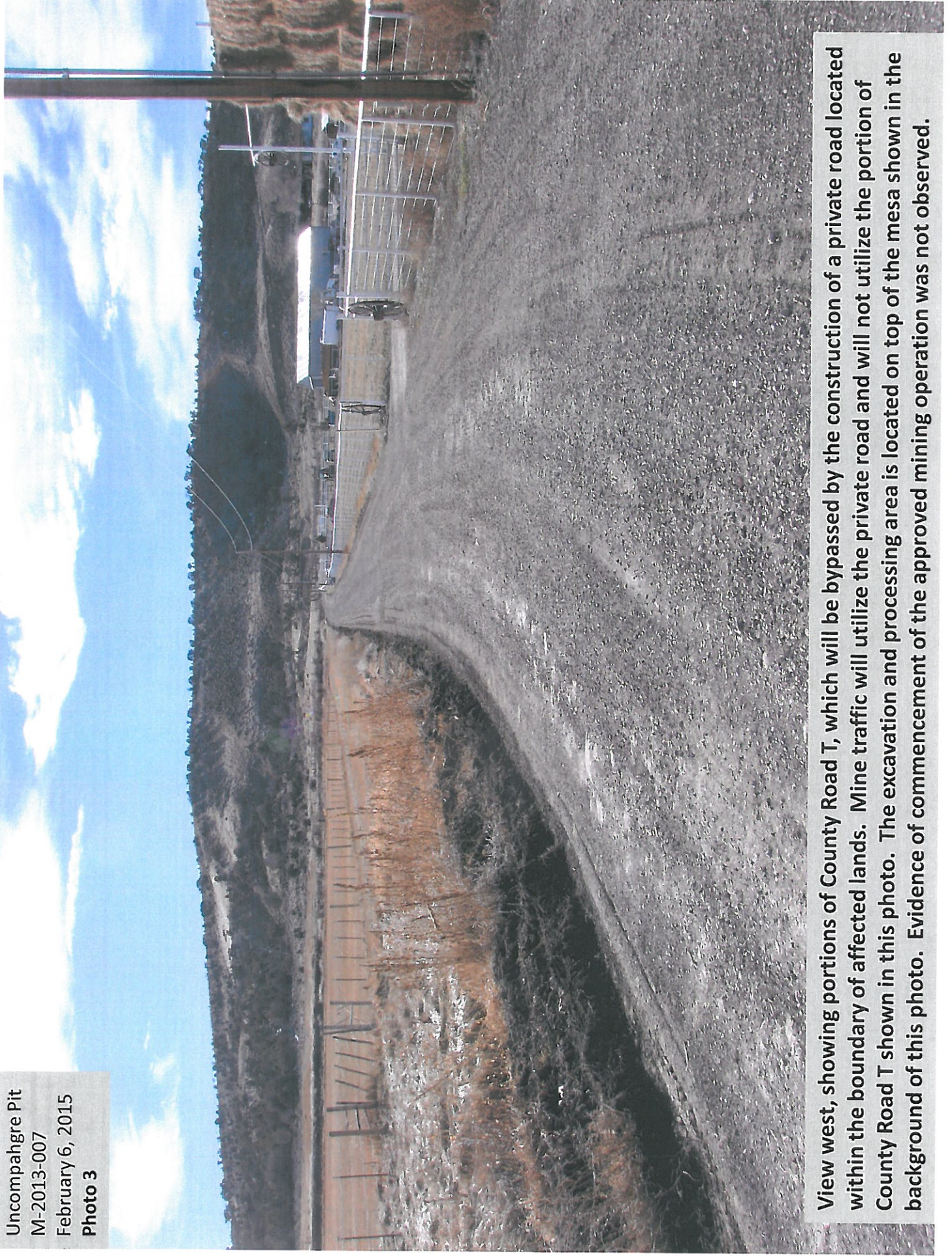
Uncompahgre Pit  
M-2013-007  
February 6, 2015  
Photo 2

View southeast, showing a reach of the Montrose West Canal located immediately upstream of the existing bridge for County Road T. According to the approved Mine Plan the Operator will install a new bridge at this approximate location and haul trucks will not utilize the existing bridge for the canal. As stipulated in the approved permit, the Operator will submit plans for the bridge to Montrose County and to the Division for review and approval prior to construction. Regulated noxious weeds, including Russian knapweed, were well established along Montrose West Canal. The knapweed infestation pre-dates the commencement of the mining operation.





Uncompahgre Pit  
M-2013-007  
February 6, 2015  
**Photo 3**

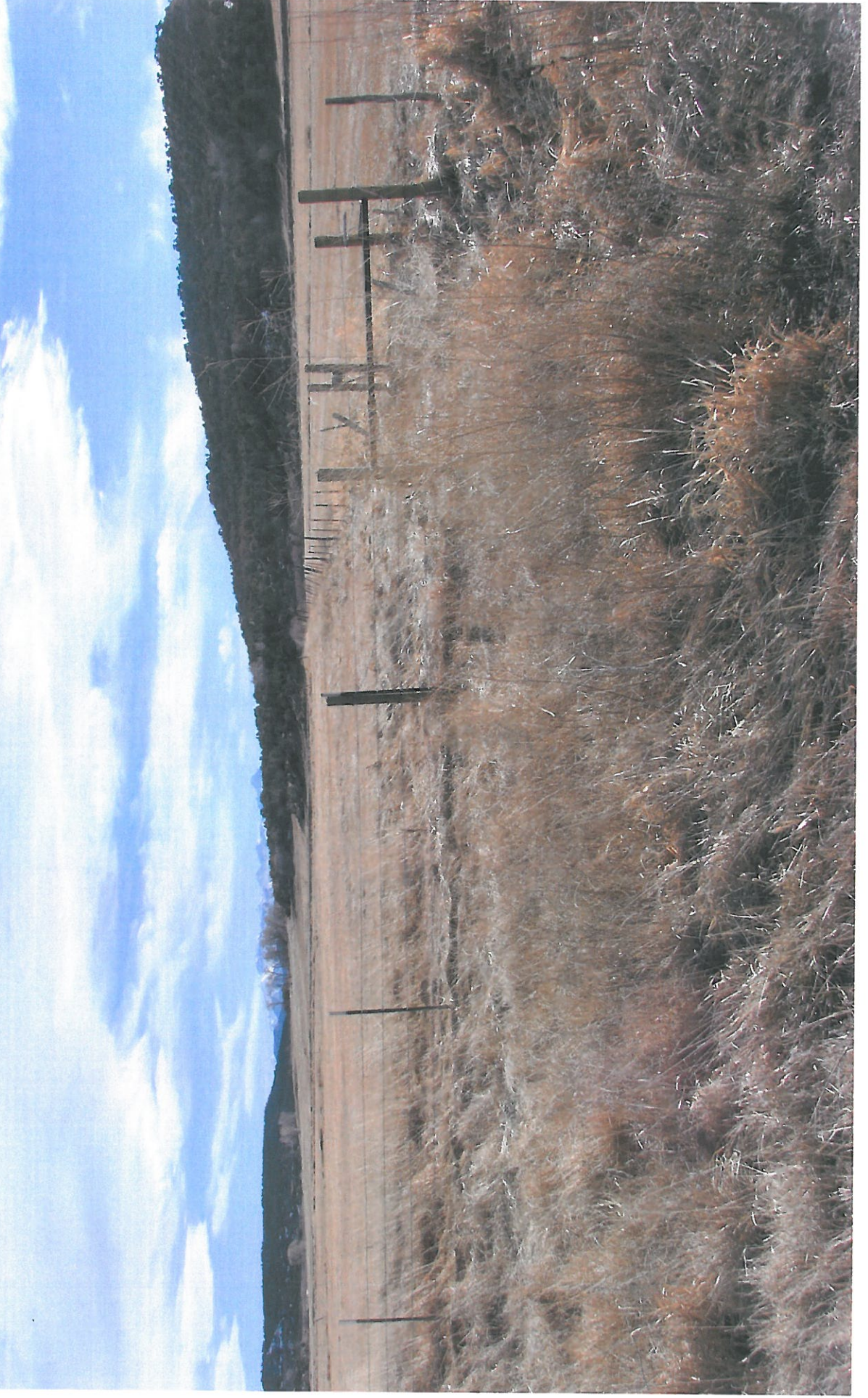


View west, showing portions of County Road T, which will be bypassed by the construction of a private road located within the boundary of affected lands. Mine traffic will utilize the private road and will not utilize the portion of County Road T shown in this photo. The excavation and processing area is located on top of the mesa shown in the background of this photo. Evidence of commencement of the approved mining operation was not observed.



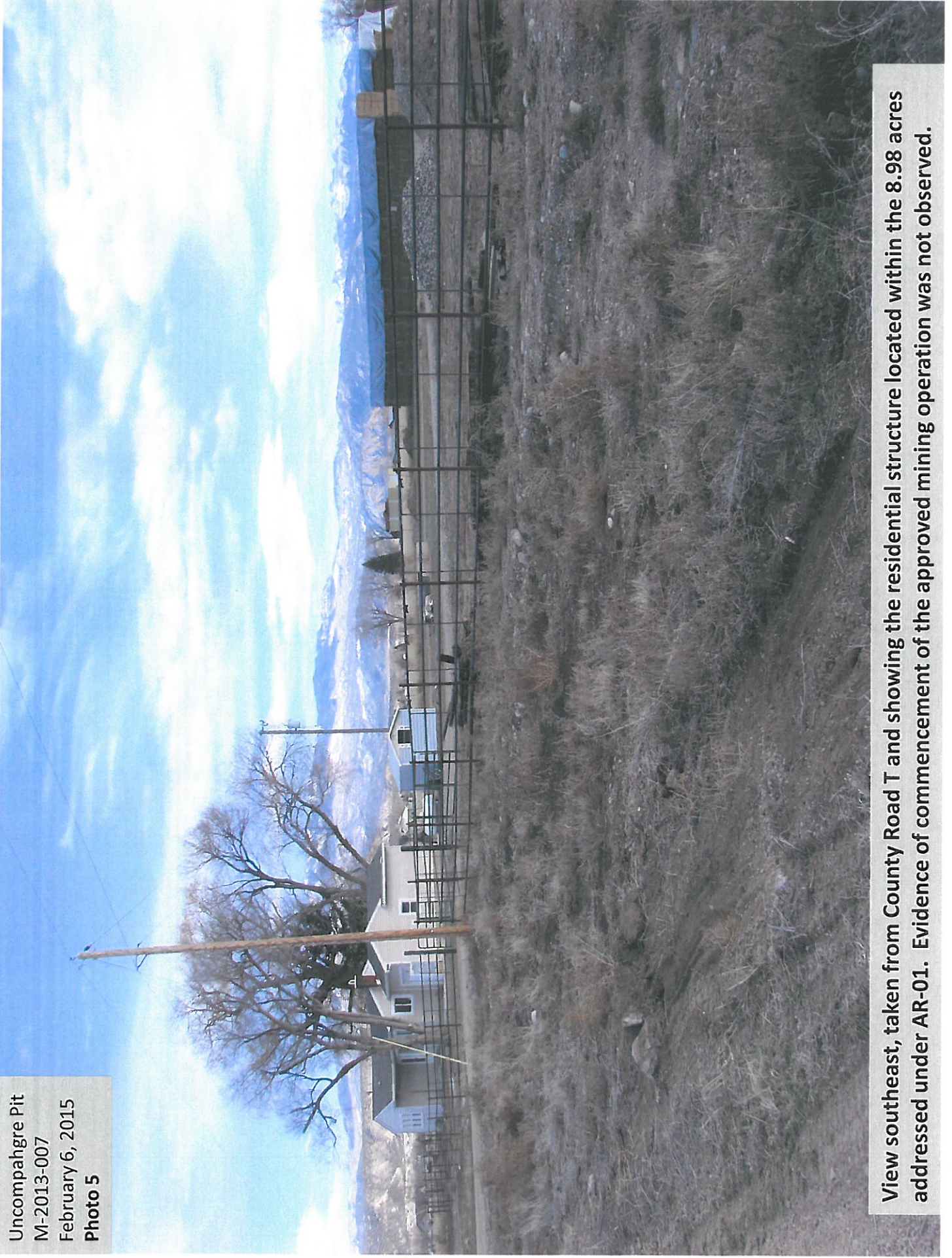
Uncompahgre Pit  
M-2013-007  
February 6, 2015  
Photo 4

View south, taken from County Road T and showing portions of the 8.98 acres to be released through AR-01. As shown in this photo, none of the lands addressed under AR-01 had been affected by the approved mining operation.





Uncompahgre Pit  
M-2013-007  
February 6, 2015  
**Photo 5**



View southeast, taken from County Road T and showing the residential structure located within the 8.98 acres addressed under AR-01. Evidence of commencement of the approved mining operation was not observed.