




**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> South D-20 Pit	<b>MINE/PROSPECTING ID#:</b> M-1992-102	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Montrose
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Stephanie J. Mitchell	<b>INSP. DATE:</b> April 6, 2015	<b>INSP. TIME:</b> 09:00
<b>OPERATOR:</b> The Uncompahgre Valley Water Users Assoc	<b>OPERATOR REPRESENTATIVE:</b> Ed Supples	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$37,900.00
<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> June 1, 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:** Financial Warranty

**PROBLEM/POSSIBLE VIOLATION:** Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

**CORRECTIVE ACTIONS:** The operator shall submit adequate financial warranty, as determined by the Division. The Division will be sending a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.

**CORRECTIVE ACTION DUE DATE:** 7/27/15

**INSPECTION TOPIC:** Hydrologic Balance

**PROBLEM/POSSIBLE VIOLATION:** Problem: Improper storage and containment of fuels and/or other hazardous materials was present on site.

**CORRECTIVE ACTIONS:** All storage tanks, petroleum and any hazardous materials on site for any period of time shall have appropriate secondary containment. The site will also have to comply with all applicable SPCC requirements. Please supply photo documentation that any fuel or hazardous materials containers are stored properly - including applicable secondary containment structures by the corrective action date. Note that secondary containment structures shall consist of an impermeable containment which could contain all contents of the tanks and various containers (when full) plus 10% of the total capacity. The operator may also provide photo documentation that all containers have been removed from the site on or before the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 6/26/15

**INSPECTION TOPIC:** Hydrologic Balance

**PROBLEM/POSSIBLE VIOLATION:** Problem: Trash and refuse was noticed on the site. This is a problem at this time for failure to dispose of refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32.5-116(4)(e).

The site is utilizing off-site fill without prior approval by the Division per 3.1.5(9) of the Rule.

**CORRECTIVE ACTIONS:** The operator shall submit a written notice to the Division with photo documentation, that the trash has been removed from the site by the corrective action date.

The operator shall provide a notarized affidavit, stating that the fill is, in fact, inert and addressing all requirements pursuant to Rule 3.1.5(9), which describes the intended use of inert/off-site fill by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 7/31/15

**INSPECTION TOPIC:** Signs & Markers

**PROBLEM/POSSIBLE VIOLATION:** Problem: The mine identification sign was not posted at the entrance of the mine site. This is a problem for failure to post a mine identification sign as required by Section 3.1.12(1) of the rule.

**CORRECTIVE ACTIONS:** The operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 6/26/15

## OBSERVATIONS

On April 6 9th, 2015 I, Stephanie Mitchell of the Colorado Division of Reclamation Mining and Safety conducted an inspection of the South D-20 Pit; permit number M-1992-102. This site is located south of Montrose, in Montrose County, Colorado. At this time, the operator is changing from Western Gravel to Uncompaghre Valley Water Users Association; this inspection was conducted to determine if the financial warranty in place for this site is adequate. Mr. Ed Supples and Steve Fletcher from UVWUA and Judy Vincentes and Jerry Trudell of Western Gravel, Inc. accompanied me on the inspection.

This is a 61.02 acre site; the maximum allowable disturbance for this site is 61 acres. According to the 2015 Annual Report all disturbed area have been graded and re-seeded according to the reclamation plan by Western Gravel, Inc. The post-mine land use designated for this site is rangeland.

There are two mining areas and there are about 20 acres disturbed in this site, they are designated as Phase 1 and Phase 2. Currently the new Operator, UWVUA has opened up the northern portion of Phase 1 and moving into Phase 2. There is a thirty foot (30') highwall running North-South currently at the site.

All permit boundary markers were present. A Mine permit identification sign was missing and is noted as a problem at the beginning of the inspection report.

There appears to be no offsite erosion. There were several pieces of equipment present at the time of the inspection, including a dozer, a loader and crushing equipment.

The southwestern portion of Phase 1 consists of a large stockpiles of overburden that lines the permit boundary. A problem was noted in this portion of the mine area and in the pit area, there are two (2) fuel tanks that do not have secondary containment. This is noted as a problem at the beginning of the inspection report.

Throughout the site, there were several piles of concrete, asphalt and various pipe debris. These items are considered offsite material. This is also noted as a problem at the beginning of the inspection report.

The topsoil stockpiles appear to be stable. The topsoil piles should be seeded to ensure the piles are stable to prevent wind and water erosion.

The bond for this site was recalculated in 2011 by Mr. G. Russell Means of the DRMS. At this time the bond is set at \$37,900.00, this appears to be inadequate given the new disturbance and continuation of mining the UVWUA has begun. The new bond calculation for the area disturbed is \$121, 573.00. The succession of operators request has been approved, but is awaiting increased financial warranty in the amount of \$83,673.00. The most recent bond calculation is enclosed with the inspection report.

Responses to this inspection report should be directed to Stephanie Mitchell at the Division of Reclamation, Mining & Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number 970.242.5025.





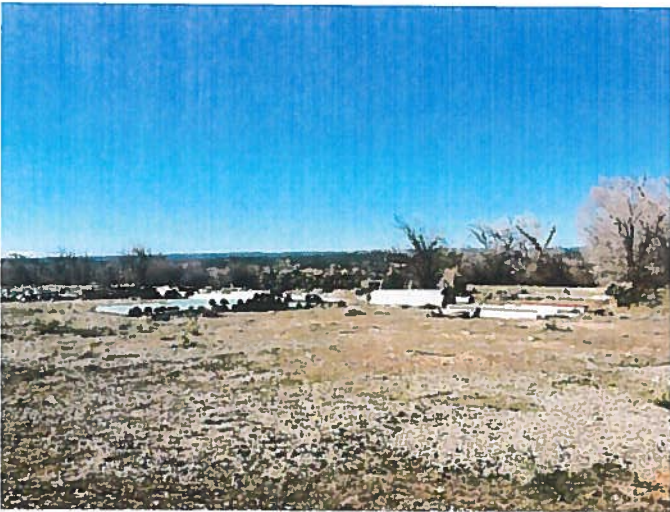
## PHOTOGRAPHS



Offsite Material piles



Looking South at Phase 2---undisturbed



Pipe Storage



Looking South into recently disturbed northern portion of  
Phase 1~ 20 acres



"Burn Pit" - unapproved offsite material



Unapproved offsite material

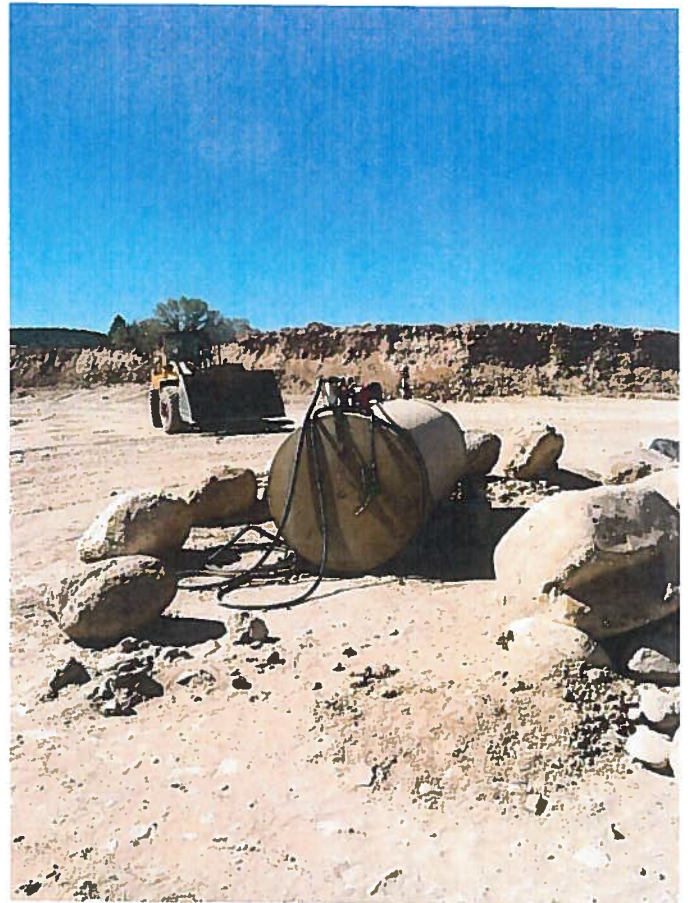




Unapproved Offsite Material



Unapproved Offsite Material

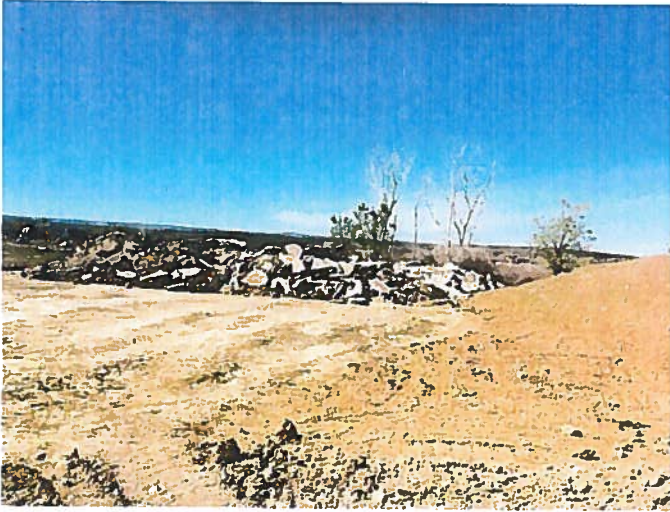


Improper Storage of Fuel



Highwall

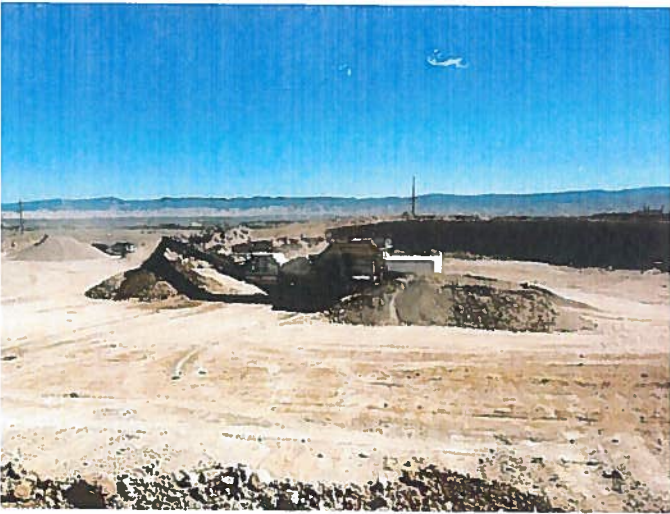




Unapproved Offsite Material



Pit area



Overall Site

## 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>PB</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>PB</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>PB</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</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

Ed Supples  
The Uncompahgre Valley Water Users Association  
601 N. Park Ave  
Montrose, CO 81401

Enclosure- SO1 Bond Calculation

CC: Russ Means