




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: Dollerschell Pit	MINE/PROSPECTING ID#: M-1986-074	MINERAL: Sand and gravel	COUNTY: Logan
INSPECTION TYPE: Pre-Operation Inspection	INSPECTOR(S): Elliott R. Russell	INSP. DATE: May 14, 2015	INSP. TIME: 10:20
OPERATOR: Kym A. Schure	OPERATOR REPRESENTATIVE: Kym Schure	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Pre-Operation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: \$26,140.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 2, 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.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</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>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / **PB = Problem cited** / PV = Possible violation cited

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The proposed affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Rule 3.1.12(2).

CORRECTIVE ACTIONS: The operator shall conduct a survey and replace the boundary markers in the correct location(s). The operator shall provide coordinates and photographic proof to the Division that this has been done by the corrective action date.

CORRECTIVE ACTION DUE DATE: 8/01/15

OBSERVATIONS

The Division of Reclamation, Mining and Safety (Division/DRMS) conducted an inspection of the Dollerschell Pit (Permit File No. M-1986-074). The mine is located approximately 5.5 miles west-northwest of Sterling, Colorado. Elliott Russell, with the Division, inspected the site. Kym Schure, the Operator, accompanied the inspection. This inspection was carried out as a part of the Division's requirements to conduct a pre-operational inspection of the site.

A 110c to 112c construction materials permit conversion application was received by the Division on March 5, 2015. The application was deemed complete on March 2, 2015. The decision deadline has been set for September 23, 2015.

The conversion application will increase the permitted area from 9.9 acres to 32 acres. The purpose of this conversion is to include areas that were disturbed outside of the original 110c permit boundary as well as additional undisturbed land for future mining. The proposed post mining land use for the conversion area is dryland pastureland, the same as its current use.

At 10:20, the Division met Mr. Schure at the mine site entrance located .4 miles east of County Road 29, along the south side of County Road 32. At the time of the inspection it was warm, the weather was clear, and the ground was damp. The conversion application notice was observed and posted as required by Rule 1.6.2(b). The 110c mine site identification sign was observed at the entrance and was in compliance with Rule 3.1.12(1). All of the boundary markers for the new permit area were not installed. This has been cited as a problem requiring corrective action; please see above for further detail regarding this problem. The 110c mine site was not active at the time of the inspection and no equipment was on site.

During the inspection the Division observed the proposed expansion area located to the southeast of the 110c permit. This area consists of a generally flat rangeland field in good condition (above/on top of a bluff), natural erosional features down the slope of a bluff, and more rangeland with cottonwood trees near the base of this slope. There are also existing landowner access roads near the bottom of the bluff. The proposed expansion area located northwest of the original permit area consists of a mining slope currently in reclamation under M-1979-160. Severe erosion was observed on this slope due to the unusual amount of precipitation the area received during the spring. Mr. Schure has proposed to mine through this slope instead of leaving a ridge between the two gravel pits. The conversion application will also include the area which had previously been used to stockpile material and stage mining equipment; this laydown area is located northeast of the original permit area. The remainder of the expansion area is along the west and south sides of the of the original permit area, which is up on top of the bluff. This area is the same as the southeast region and is a generally flat rangeland field.

PHOTOGRAPHS



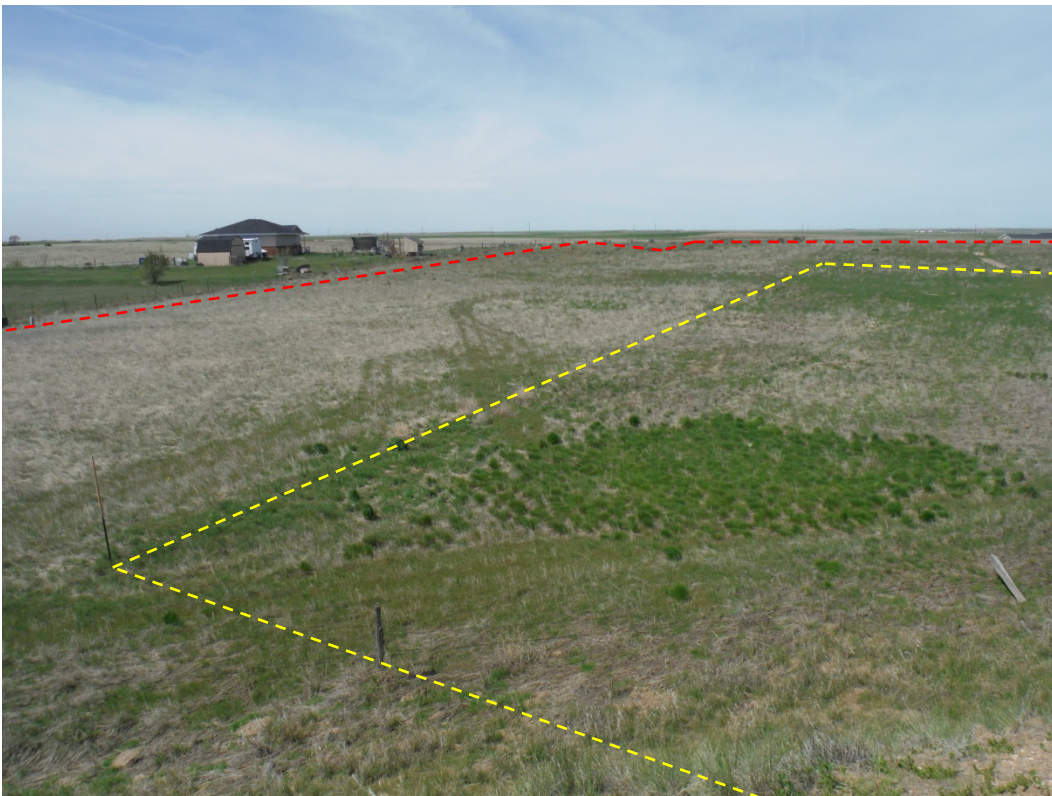
Notice and 110c permit identification sign at the mine entrance; looking south.



Proposed expansion area in the southeast; looking east.



Northwest expansion area, adjacent mine permit's slope with erosion; looking south.



Proposed permit boundary (red), original mining permit area (yellow line), both approximate; looking southwest.



Sample photograph of general rangeland conditions within the proposed conversion area; looking northeast.

Inspection Contact Address

Kym A. Schure
12826 CR 37
Sterling, CO 80751

Enclosure

CC: Wally Erickson; DRMS