

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Vermillion Creek Borrow Site	M-2015-027	Borrow	Moffat
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Illegal(Unpermitted Operation)	G. Russell Means	July 8, 2015	10:00
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Rancho Greco Limited Partnership	John Raftopoulos	ILL - Illegal	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Other Agency Request	None	To be determined	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
June 17, 2015	U.S.BLM	U.S.BLM	
WEATHER:	INSPECTØR'S SIGNATURE:	SIGNATURE DATE:	
Clear	A Amel M	July 14, 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.

POSSIBLE VIOLATION: Failure to first obtain a reclamation permit from the Mined Land Reclamation Board before engaging in a new mining operation as required by 34-32.5-109(1) C.R.S.

CORRECTIVE ACTIONS: This possible violation will require a hearing before the Mined Land Reclamation Board. The schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the operator.

CORRECTIVE ACTION DUE DATE: 8/26/15 (MLRB hearing)

OBSERVATIONS

This inspection was initiated by the Colorado Division of Reclamation, Mining, and Safety (Division) after being contacted by the Little Snake Field Office of the Bureau of Land Management (BLM). The BLM contact was in reference to a Trespass Notice for a disturbance the Division will reference as the Vermillion Creek Borrow Area, M-2015-027. BLM noted contact with Mr. John Raftopoulos, the adjacent private land owner, who BLM stated confirmed the work done in the area of question was done by himself or his employees. Mr. Raftopoulos was contacted by BLM regarding the inspection but could not participate.

Division and BLM staff visited the site on July 8, 2015. Division inspectors Russ Means and Amy Yeldell were accompanied by BLM Mining Engineer Jennifer Maiolo. The site is located approximately 0.5 miles west of the intersection of State Road 138 and Moffat County Road 34 N. The land is whole administered by the BLM for the general public and there is no private land associated with this project disturbance. Division staff used a GPS to determine the area of affected lands to be at or near 3.5 acres. This includes the pad where the excavation took place, area along the creek that was either widened or deepened, and riparian area that was directly affected by diversion of the creek from its natural course.

The excavation of material from its native state was observed to be approximately 0.8 acres of disturbance. From what appears to be a natural bluff of alluvial materials an estimated 6,800 cu/yds of earth was removed and used in the vicinity. Grouser and bucket teeth marks as well as the non-eroded highwalls are clear indications of recent excavations by machinery. No sedimentation or storm water controls were observed on site. Indications of minor sedimentation were observed that will accelerate unless addressed. The excavation has left a highwall with an average height of 17 feet and a length of approximately 250 feet. The excavation and construction of the bridge were not authorized by the BLM for which a Notice of Trespass, #COC77226 was issued on July 9, 2015.

A bridge has been constructed across Vermillion Creek at the west end of the excavation pad area. Photo documentation notes the bridge appears to be well built with concrete footers, cement engineered blocks, and hand laid stone. Pipe at the site indicates safety rails were ready to be installed. The Bridge structure is approximately 30 feet long by 15 feet wide. Excavated materials were used to construct a road and ramps to a bridge across Vermillion Creek per BLM.

The bridge was constructed to gain access to the south side of Vermillion Creek within the flood plain. An earthen dam constructed from materials very similar to that excavated was constructed at the east end of the project area at the creek. Visual evidence of shallow channeling and riling indicate the creek originally flowed across this area during flood conditions prior to the dam construction. The area is a natural wetlands based on the type of vegetation that is well established in the entire creek bed. The constructed dam has clearly cut off the natural flow of surface waters to the area. Tractor tracks and indications of bladed ground clearly show additional disturbances to the area. It is estimated that approximately 2 acres of wetlands have been directly affected.

Vermillion Creek itself has been affected. Evidence such as earthen piles, flagging, and annual weed growth indicate that the creek has been moved from its original flow path to a deepened channel as part of this project. Goggle Earth photos help support that the channel disturbances are recent and not naturally occurring. Approximately 1100 feet of affected channel with an affected path of 20 feet wide was observed for a disturbed area of 0.5 acres.

Please see attached photo-documentation of site observances noted above.

Based on the inspection the Division believes this is a violation of CRS§34-32.5 -109(1) for failure to obtain reclamation permit from the Colorado Mined Land Reclamation Board prior to engaging in a new operation. A separate "Reason to Believe a Violation" Letter is being sent certified mail to Mr. Raftopoulos with a hearing date of August 26, 2015.

Responses to this inspection report should be directed to Russ Means at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, phone no. 970-241-1117, or by e-mail: <u>russ.means@state.co.us</u>. Correspondence should be sent to the Denver Main office at 1313 Sherman, Room 215, Denver Colorado, 80203.

GENERAL INSPECTION TOPICS

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

	(AR) RECORDS <u>NA</u>	(FN) FINANCIAL WARRANTY <u>NA</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>NA</u>	(SF) PROCESSING FACILITIES <u>NA</u>	(TS) TOPSOIL <u>Y</u>
ł	(MP) GENL MINE PLAN COMPLIANCE- <u>PV</u>	(FW) FISH & WILDLIFE <u>N</u>	(RV) REVEGETATION <u>N</u>
	(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN Y	(SB) COMPLETE INSP Y
	(ES) OVERBURDEN/DEV. WASTE <u>NA</u>	(SC) EROSION/SEDIMENTATION Y	(RS) RECL PLAN/COMP <u>N</u>
	(AT) ACID OR TOXIC MATERIALS <u>NA</u>	(OD) OFF-SITE DAMAGE <u>PV</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 Contact Address

John Raftopoulos Rancho Greco Limited Partnership 893 Stout Street Craig, Colorado 81625-3045

Enclosure: Site Photos

CC: Jennifer Maiolo, Little Snake Field Office, BLM Craig



