




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: Mule Creek Pit	MINE/PROSPECTING ID#: M-2000-077	MINERAL: Gravel	COUNTY: Teller
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: July 7, 2015	INSP. TIME: 10:35
OPERATOR: PK Enterprises, Inc.	OPERATOR REPRESENTATIVE: Greg Loop	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$72,184.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.Forest Service	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 29, 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----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</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>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</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

OBSERVATIONS

This inspection was conducted as part of the regular monitoring program. The Operator (PK Enterprises, Inc.) was represented by Mr. Greg Loop who was present for the inspection. Tim Cazier represented the Division.

The Mule Creek Pit access road entrance is located approximately 4 miles south of Divide, CO, off State Hwy 67. This is a 112c sand and gravel mine. The mine was operating at the time of the inspection.

Inspection:

Markers & Boundary – A permit sign was displayed at the site entrance (see **Photo 1**). Due to recent heavy rains the upper portion of the pit could not be accessed safely. Mr. Loop described the boundary markers and pointed out the visible portion of the north boundary fence (see **Photo 2**).

Mining Plan – The mine operation appeared to be following the approved mine plan. A large mass of unrippable rock has been exposed in the middle of the pit (see **Photo 3**), and may pose a minor challenge to the approved reclamation plan. Mr. Loop stated he was coordinating reclamation options with respect to the bedrock outcrop with Jeff Hovermale with the US Forest Service (Colorado Springs office).

Reclamation – No reclamation had been initiated. As noted above, some modification to the approved reclamation plan may be necessary. Mr. Loop was told a formal revision (likely a technical revision and probably not an amendment) may be required by the Division.

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

Records:

- Revisions: None to date.
- Commitments/Stipulations: None
- Other Records
 - a) The total permitted area is 18 acres, with a maximum allowed disturbed area (at one time) of **18 acres**.
 - b) The previous inspection was performed on 6/6/2011. No problems were cited.
 - c) The anniversary date is October 12. Annual reports and fees are current through 2014. The reported affected area for 2014 was 13.77 acres. This is consistent with that measured using Google Earth Pro, based on 9/27/2013 imagery.
 - d) The post-mine land use is rangeland.

Bond:

The currently held bond is \$72,184. Given the maximum allowed disturbance of 18 acres, the Division considers \$4,010 per acre adequate at this time.

Summary and Recommendations:

1. No problems or concerns were observed during the inspection.
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 18-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.



Photo 2. Typical permit boundary fence (looking north).

PHOTOGRAPHS (cont.)



Photo 3. Pit highwall – *note rock outcrop in center* (looking east).

Inspection Contact Address

Greg Loop
PK Enterprises, Inc.
11115 W. Hwy. 24, Unit 2A
Divide, CO 80814

EC: Wally Erickson, DRMS
Jeff Hovermale, US Forest Service
DRMS file