




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: Deakins Pit	MINE/PROSPECTING ID#: M-2001-060	MINERAL: Sand and gravel	COUNTY: Moffat
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: September 9, 2015	INSP. TIME: 09:00
OPERATOR: 3B Enterprises, LLC	OPERATOR REPRESENTATIVE: Steve Baker	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$47,354.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 16, 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: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: The Division believes that the operator has an inadequate well permit, substitute water supply plan, or approved water augmentation plan for the exposed groundwater necessary to complete reclamation at the site. This is a problem related to 34-32.5-116(4)(h) of the Colorado Revised Statutes and 3.1.6(1)(a) of the Construction Materials Rules and Regulations governing injury to existing water rights.

CORRECTIVE ACTIONS: Corrective actions shall be; obtain a permit for the additional ground water rights required to carry out the approved reclamation plan or provide the Division with proof that said permit already exists or the operator shall revise their reclamation plan to call for less than 22 acres of ponds total between the east and west pit. The operator shall demonstrate that the operation is in compliance with the Office of the State Engineer, or show evidence that the operator is taking measures to bring the site into compliance with the SEO, by the corrective action date specified.

CORRECTIVE ACTION DUE DATE: 11/17/15

INSPECTION TOPIC: Revegetation

PROBLEM/POSSIBLE VIOLATION: Problem: There are several state-listed noxious weeds present on site. This is a problem for failure to employ weed control methods for state listed noxious weed species within the

permitted area, and to reduce the spread of weeds to nearby areas as required by Section 3.1.10 (6) of the rule.

CORRECTIVE ACTIONS: The operator shall either implement the existing weed control plan, or develop a weed control and management plan in accordance with Section 3.1.10 (6) of the Rule. This plan should be developed in consultation with the county extension agency, or weed control district office and should include specific control measures to be applied, a schedule for when control measures will be applied and a post-treatment monitoring plan. This weed control plan shall be submitted to the Division as a Technical Revision to the approved plan with the appropriate Technical Revision fee of \$216.00 by the corrective action date.

CORRECTIVE ACTION DUE DATE: 11/17/15

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Deakins Pit is a 112c permitted site that includes a total of 57.5 permitted acres of which approximately 15 acres is currently being mined. It is located off of East 1st Street in Craig. Steve Baker represented 3B Enterprises, LLC and accompanied Amy Yeldell of the Division on the inspection.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. The sign is located at the entrance of the permit boundary fastened to the gate that secures the pit. The entire permit boundary is fenced in. It is noted that East 1st street divides the pit in two (East and West).

The site is currently operational. Mining is occurring on the portion to the east of the road only. It is anticipated that in the next year or so operations will move west of the road but the office and load scale will remain on the east side. Mining is moving centrally to the west. The north eastern and south western portion have been partially reclaimed. The majority of the slopes have been re-contoured properly. Vegetation is established however not all is desirable species or at sufficient density.

A load scale with cement footers and large office are present. Processing equipment includes a wash plant and a crusher plant, both of which run off of diesel generators. All fuel is stored properly in secondary containment.

Several stockpiles are located along the active pit floor. They are sorted according to material class. All piles are no steeper than 2:1 and stable. Some dewatering is needed periodically and is discharged to the other previously pits that are separated by berms. Overall the pooling of water in the previously mined pits is minimal and no actual ponds have been created yet.

The topsoil and overburden piles have been salvaged and are stabilized.

Weeds are present due to excessive moisture this year. This is cited as a problem. It is noted that this late in the fall it is likely too late to effectively treat many of the weeds. The operator shall implement a weed management plan to more aggressively manage the Thistle, knapweed, kochia, cheat grass, tamarisk and Russian olive. Please submit a weed management plan in the form of a technical revision by the corrective action date.

Staff discussed final reclamation pond configuration with the operator. It was noted that according the current reclamation plan the east pit calls for a 24.5 acre pond and the west pit will have a pond approximately two-thirds of the 22 acre lease. This was clarified by the operator as to be approximately 15 acres. The two ponds will call for a total surface area of 39.5 acres of ground water. The current permit 66941-F only allows for 22 surface acres. This permit is attached.

This discrepancy in water rights is cited as a problem. The operator shall obtain a permit for the additional ground water rights required to carry out the approved reclamation plan or provide the Division with proof that said permit already exists. As an alternative, the operator shall revise the reclamation plan to call for less than 22 acres of ponds total between the east and west pit by the corrective action date. Be advised that failure to correct the water rights discrepancy may result in the Division having to bond for backfilling any portions beyond the approved 22 acres which would result in a major increase to the current bond held by

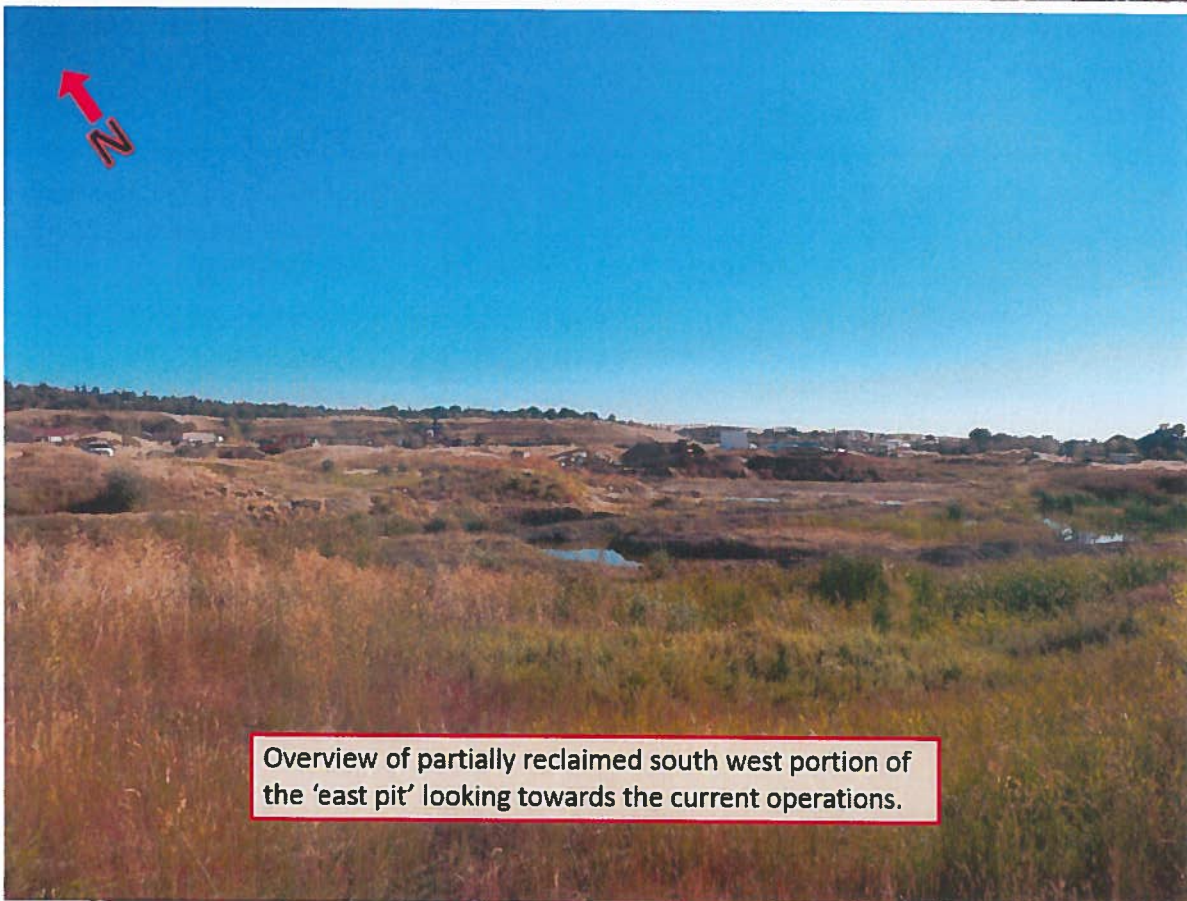
several hundred thousand dollars typically.

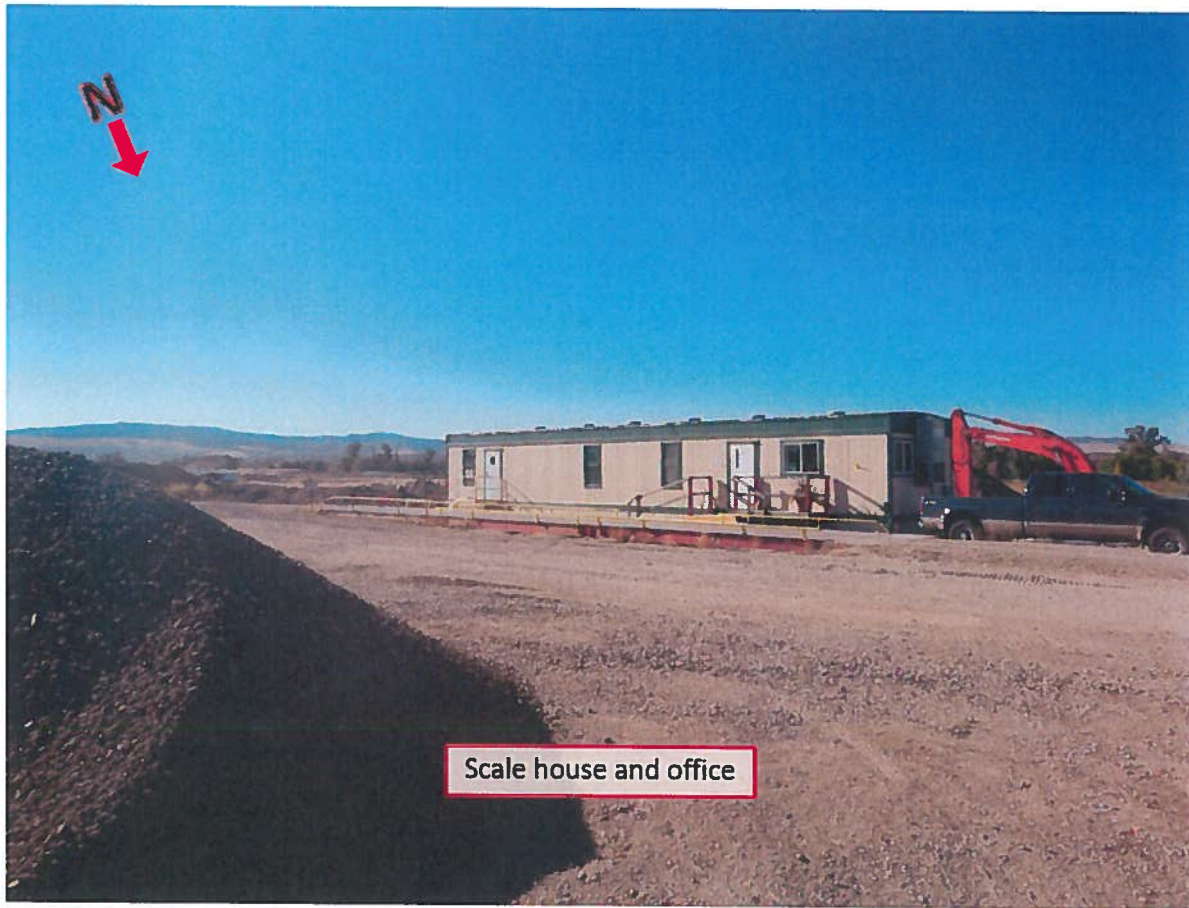
In an effort to ensure the Financial Warranty adequately, reflects the actual current cost of fulfilling the requirements of the approved reclamation plan the Division will be updating the reclamation cost estimate.

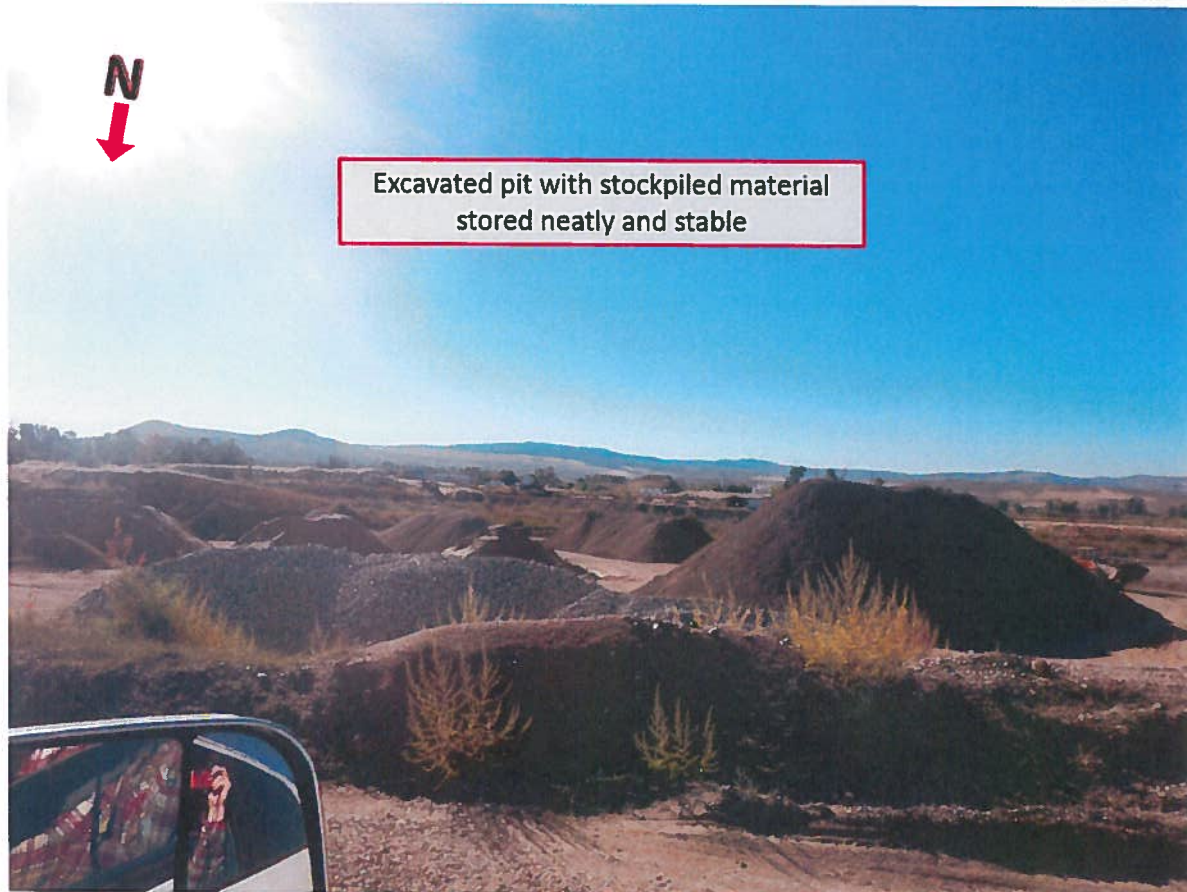
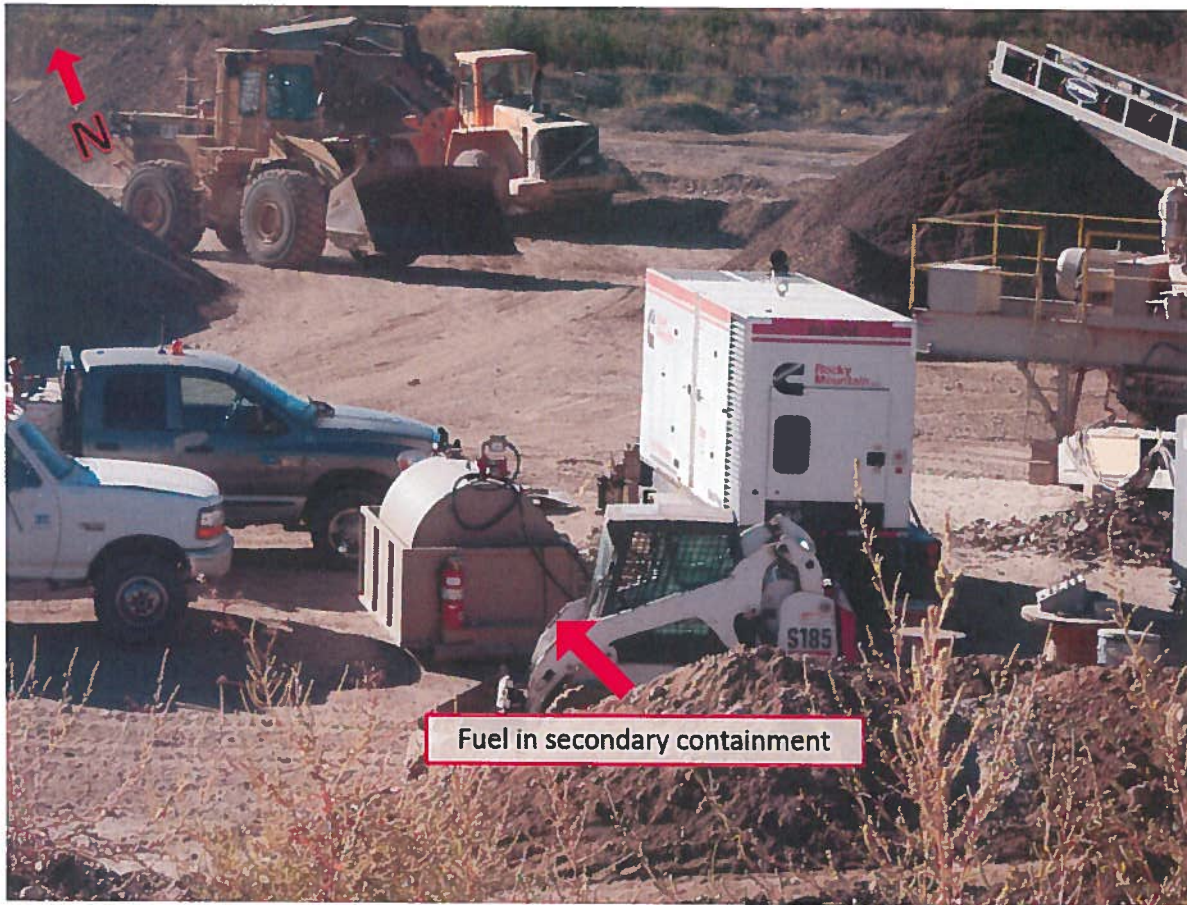
Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

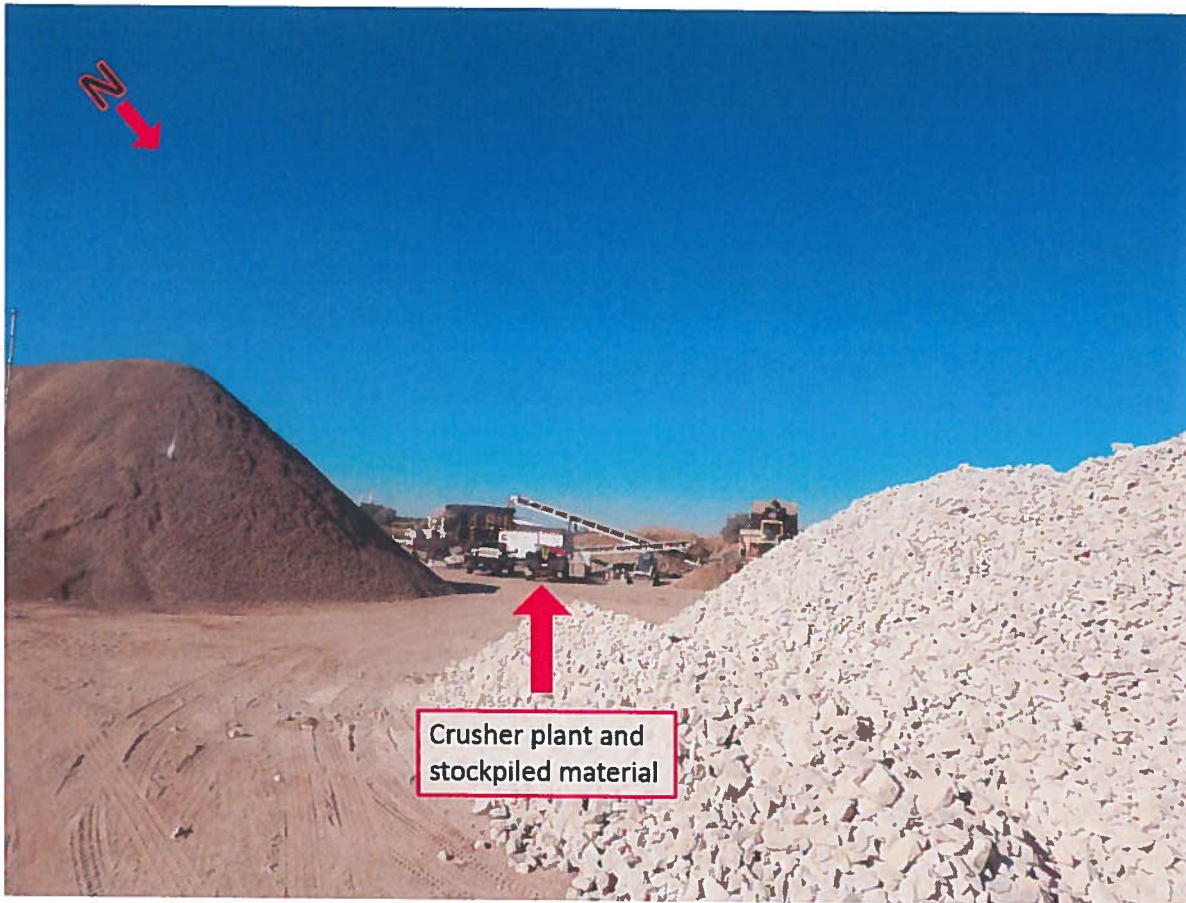
PHOTOGRAPHS











GENERAL INSPECTION TOPICS

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

(AR) RECORDS-----	<u>PB</u>	(FN) FINANCIAL WARRANTY-----	<u>Y</u>	(RD) ROADS-----	<u>Y</u>
(HB) HYDROLOGIC BALANCE-----	<u>N</u>	(BG) BACKFILL & GRADING-----	<u>Y</u>	(EX) EXPLOSIVES-----	<u>NA</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>N</u>	(FW) FISH & WILDLIFE-----	<u>Y</u>	(RV) REVEGETATION----	<u>PB</u>
(SM) SIGNS AND MARKERS-----	<u>Y</u>	(SW) STORM WATER MGT PLAN----	<u>Y</u>	(CI) COMPLETE INSP----	<u>Y</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>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

Inspection Contact Address

Steve Baker
3B Enterprises, LLC
P.O. Box 1665
Craig, CO 81626

Enclosure

Ec:
Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS

Form No.
GWS-25

OFFICE OF THE STATE ENGINEER
COLORADO DIVISION OF WATER RESOURCES
818 Centennial Bldg., 1313 Sherman St., Denver, Colorado 80203
(303) 866-3581

LIC

APPLICANT

WELL PERMIT NUMBER 66941 - F -
DIV. 6 WD 44 DES. BASIN MD

3B ENTERPRISES LLC
PO BOX 1665
CRAIG, CO 81626-

APPROVED WELL LOCATION

MOFFAT COUNTY

SE 1/4 NE 1/4 Section 6
Township 6 N Range 90 W Sixth P.M.

DISTANCES FROM SECTION LINES

Ft. from Section Line

Ft. from Section Line

(970) 326-7356

UTM COORDINATES (Meters, Zone: 13, NAD83)

CHANGE/EXPANSION OF USE OF AN EXISTING WELL

Easting:

Northing:

ISSUANCE OF THIS PERMIT DOES NOT CONFER A WATER RIGHT

CONDITIONS OF APPROVAL

- 1) This well shall be used in such a way as to cause no material injury to existing water rights. The issuance of this permit does not assure the applicant that no injury will occur to another vested water right or preclude another owner of a vested water right from seeking relief in a civil court action.
- 2) The construction of this well shall be in compliance with the Water Well Construction Rules 2 CCR 402-2, unless approval of a variance has been granted by the State Board of Examiners of Water Well Construction and Pump Installation Contractors in accordance with Rule 18.
- 3) Approved pursuant to CRS 37-90-137 (2) and (11) for the expansion and operation of an existing well (gravel pit pond), known as the Deakins Pit (Division of Reclamation, Mining and Safety permit number M-2001-060), exposing and diverting ground water tributary to Fortification Creek, a tributary to the Yampa River, at a point where water is available for appropriation.
- 4) The approval of this permit does not grant a water right. This well (gravel pit pond) is subject to administration by the Division Engineer in accordance with applicable decrees, statutes, rules and regulations.
- 5) The issuance of this permit hereby cancels permit no. 64121-F.
- 6) The average annual amount of ground water to be appropriated shall not exceed 102.64 acre-feet (excluding dewatering) with the total surface area of the proposed ground water pond limited to 22 acres.
- 7) The use of ground water, in addition to evaporation (48.27 acre-feet/year), is limited to dewatering (at 500 GPM), product moisture loss (2.06 acre-feet/year) with the total product mined limited to 70,000 tons per year, dust control and processing purposes (13.19 acre-feet/year), and irrigation of 23 acres south of pit area (39.12 acre-feet/year). No other uses of water are allowed unless a permit therefor is approved.
- 8) The owner shall mark the well (gravel pit pond) in a conspicuous place with well permit number(s) and court case number(s) as appropriate. The owner shall take necessary means and precautions to preserve these markings.
- 9) Pursuant to Rule 10.1.6 of the Water Well Construction Rules, gravel pit wells are exempt from the minimum well construction standards except for contamination considerations as stated in the Rule. The owner of the gravel pit shall take necessary means and precautions to prevent contaminants from entering the gravel pit well.
- 10) Pursuant to Rule 17.1.4 of the Water Well Construction Rules, the owner shall submit, after initiation of construction, site plan and cross section drawings on 8-1/2" x 11" paper showing the extent of intended excavation, the maximum depth of the pit, and the initial static water level. The owner shall also provide the initial date of ground water exposure in the pit.
- 11) The boundaries of the gravel pit pond shall be more than 600 feet from any existing well not owned by the applicant.
- 12) Pursuant to Policy 2000-4 of the State Board of Examiners of Water Well Construction and Pump Installation Contractors (Board), no pumping equipment shall be installed in the gravel pit well to withdraw water for any beneficial use, unless a separate written request for a variance has been approved by the Board.

NOTE: It is recommended that a water court decree be obtained to affirm the priority of the well.

NOTE: This permit will expire on the expiration date unless the information required by Condition No. 10 (above) is submitted by that date. A one-time extension of the expiration date may be available. Contact the DWR for additional information or refer to the extension request form (GWS-64) available at: <http://www.water.state.co.us/pubs/forms.asp>

3-19-2008

APPROVED
CJL

State Engineer

DATE ISSUED 03-19-2008

By

EXPIRATION DATE 03-19-2009

Receipt No. 3626745B