




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: Tepee Park Ranch Shale Borrow Pit	MINE/PROSPECTING ID#: M-2008-027	MINERAL: Shale	COUNTY: Garfield
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: September 17, 2015	INSP. TIME: 15:30
OPERATOR: CPX II Operating LLC	OPERATOR REPRESENTATIVE: Mary Griggs	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Priority	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$21,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 29, 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: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The affected area boundary markers are missing. This is a problem for failure to maintain boundary markers around the affected area as required by Section 3.1.12(2) of the rule.

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

CORRECTIVE ACTION DUE DATE: 11/23/15

OBSERVATIONS

This inspection was conducted by Colorado Division of Reclamation, Mining and Safety in response to the Succession of Operator approval on July 27, 2015. Tepee Park Ranch Shale Barrow Pit, is a 110c permitted site that includes a total of 1.5 permitted acres. It is located approximately 10 miles southwest of Rifle. Mary Griggs and Bryan Clark represented CPX II Operating LLC and accompanied Amy Yeldell of the Division on the inspection.

The mine identification sign is in place and in compliance with Rule 3.1.12. The private property has a locked gate to separate it from the Forest Service access road. The pit access road branches from this main private road and is where the permit boundary starts. No permit boundary markers were in place, this is cited as a problem. The operator shall delineate their permit boundary and provide the Division with proof that said markers are in place by the corrective action date.

This site is approved for intermittent operations. Material is pulled from the hillside on an as needed basis and used for road base to support the operator's natural gas production operations. No crushing operations are needed, the shale rock borrow material is fragile and fragments easily.

Currently one bench approximately 70 feet deep has been cut out. The highwall is approximately 30 feet tall and 200 yards long. The upper highwall is nearly vertical while the lower highwall is at a 1.5:1 slope. Final reclamation calls for the upper slope at 1.2:1 and the lower slope at 1.8:1 with a 25 foot deep bench between the two.

No fuel or other hazardous materials are stored on site. No equipment or structures of any kind are present. The site is clean, no trash or other debris.

No weeds were observed, some native vegetation has volunteered in the excavated rock area. Due to the sites well drained rocky nature there is no evidence of excessive erosion despite the lack of vegetation. Small rock check dams are placed in the ditch of the access road. These BMPs are properly installed and well maintained.

Little to no topsoil is present. The site consists of a rock outcrop that was excavated and there for no topsoil was salvaged. The rock highwall to the west has a very thin (Approx. 1.5") dirt layer above the rock but it may prove extremely difficult to salvage such a small layer. If the operator encounters salvageable material for reclamation they will store and protect the material per rule 3.1.9.

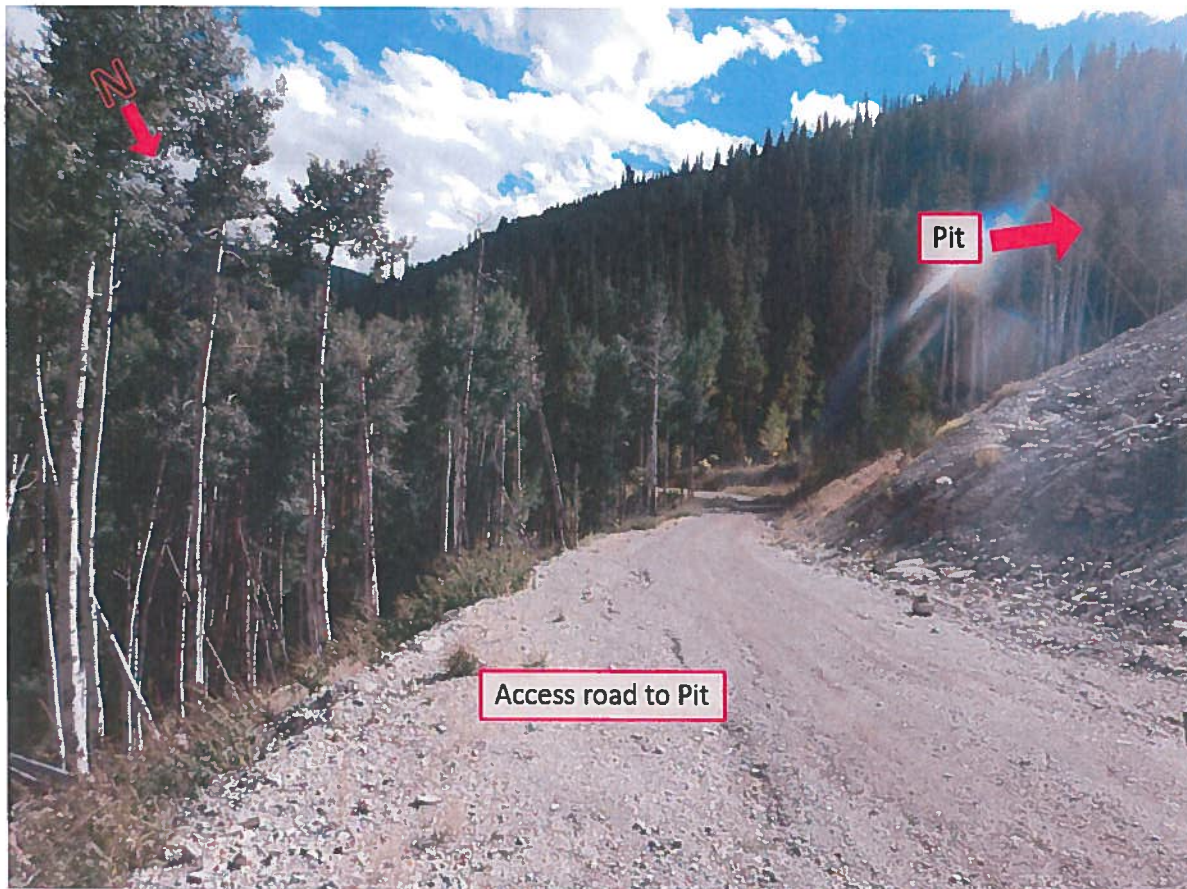
The operator has not filed their 2015 annual report which was due on August 5, 2015. The packet was mailed out to the previous operator on July 1, 2015 and the succession of operator process was completed prior to the anniversary date. The Division is aware of the extenuating circumstance and so at this time no problem has been cited. Staff provided Ms. Griggs with a copy of the form during the inspection. The operator was encouraged to resolve their delinquencies in a timely manner to avoid future enforcement actions.

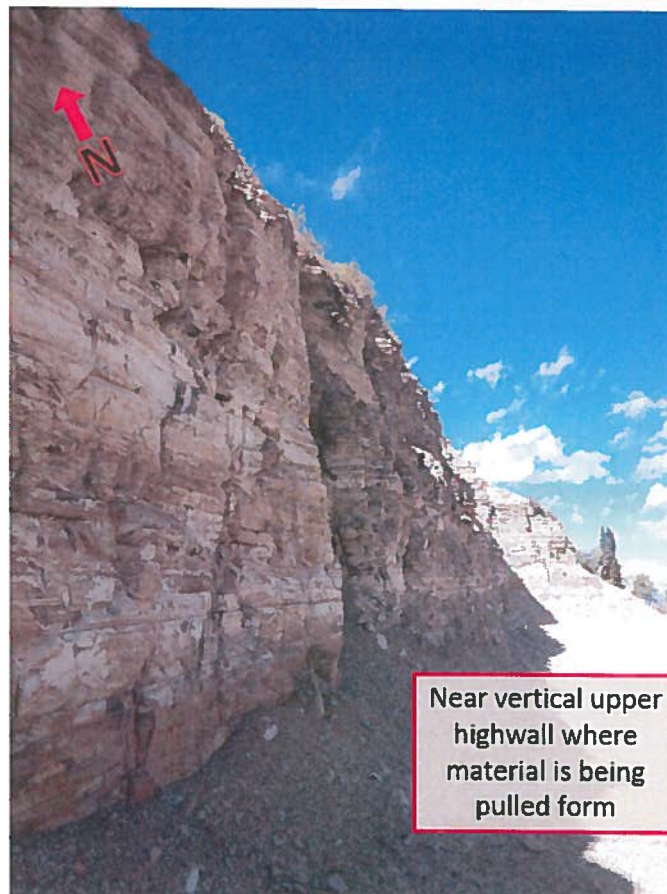
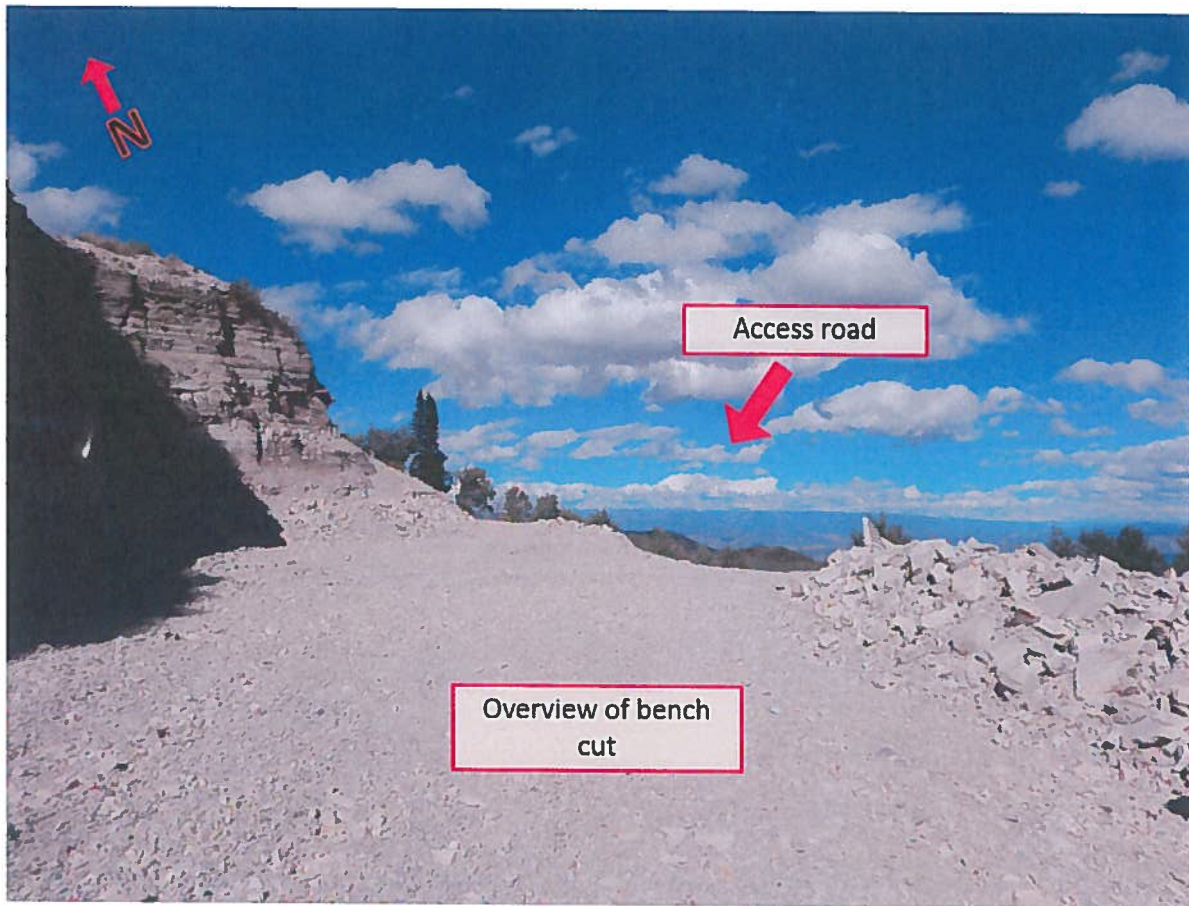
In an effort to ensure the Financial Warranty adequately, reflects the actual current cost of fulfilling the requirements of the approved reclamation plan the Division will be updating the reclamation cost estimate. The current Financial Warranty in place was last calculated in 2008 prior to project commencement and was based solely off of the reclamation plan.

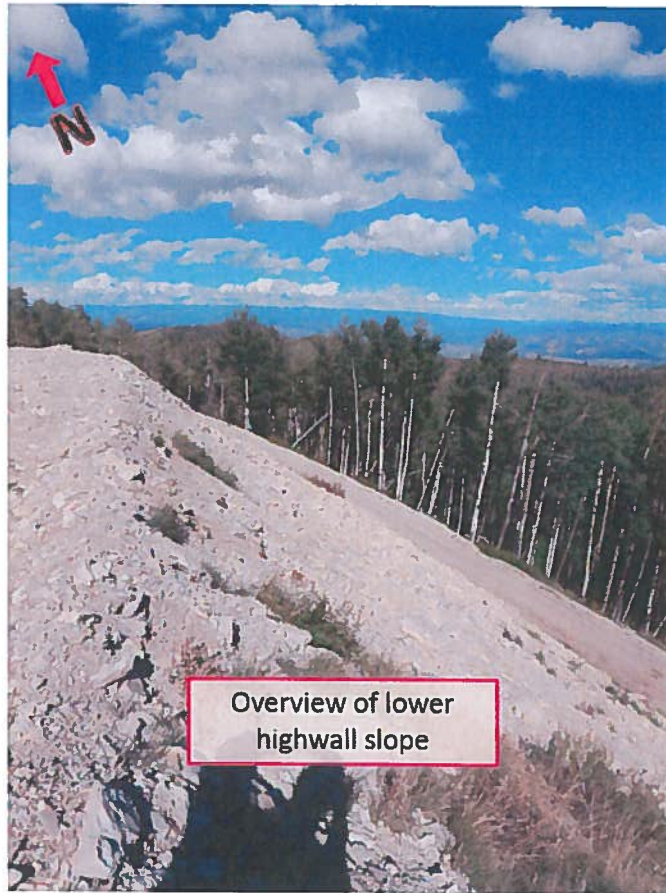
Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@ state.co.us

PHOTOGRAPHS











GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>N</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>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</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

Mary Griggs
CPX II Operating LLC
420 Oil Center Drive
Lafayette, LA 70503

Enclosure

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