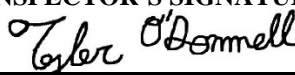




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Bedrock Mine #1	MINE/PROSPECTING ID#: M-1997-086	MINERAL: Stone and stone	COUNTY: Pueblo
INSPECTION TYPE: Monitoring	INSPECTOR(S): Tyler V. O'Donnell	INSP. DATE: November 13, 2015	INSP. TIME: 13:00
OPERATOR: Siloam Stone, Inc.	OPERATOR REPRESENTATIVE: Matt Mueller	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$88,157.00
DATE OF COMPLAINT: N/A	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 4, 2016

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>N</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>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>	(SW) STORM WATER MGT PLAN---- <u>Y</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</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>N</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

OBSERVATIONS

This routine monitoring inspection was conducted by Tyler O'Donnell and Wally Erickson of the Division of Reclamation, Mining and Safety (Division). Siloam Stone, Inc., the Operator, was represented by Matt Mueller during the inspection. The Colorado State Land Board, the Mineral rights owner, was represented by Phil Courtney during the inspection. This inspection was conducted in conjunction with two other routine monitoring inspections. The Division inspected the Pinon Mine (DRMS File No. M-1997-094) operated by Siloam Stone and the Siloam Mine (DRMS file No. M-1977-326) Operated by General Shale and Brick, Inc. These three sites all share common permit boundaries.

The Bedrock Mine No. 1 mine is located in Pueblo County approximately 20 miles southwest of Pueblo, Colorado. The Bedrock Mine No. 1 is a 329.70-acre 112c Construction Materials Reclamation Permit, with a maximum allowed disturbed area of 60 acres. The permit was issued in March of 1998. The primary commodity mined at the site is sandstone for decorative use. The approved post-mining land use for the quarry is rangeland. The mine site was surrounded by the following land uses: industrial/commercial and rangeland.

During the inspection, the sky was clear and the ground was dry. The mining operation was active during the inspection. The Operator was processing material, and packaging rock on to pallets for sale and distribution. A large portion of the site had rock stacked and displayed for sale and distribution purposes, thus creating several stone yards throughout the site. At the present time it appears that the mining operation has affected approximately 45 to 50 acres throughout the life of mine. There were two active mining areas located within the site. Active mining was progressing to the north. It appears that the Operator is conducting partial concurrent reclamation. Many portions of the affected lands have been backfilled and graded. Approximately 4.5 acres of land in the southwestern corner, just north of Siloam Road have been nearly completely reclaimed. The Operator is waiting on desired vegetative cover to establish, this area will be eligible for final release once the stockpile has been removed and the requirements for the approved permit, Rule 3.1.5(3), and Rule 3.1.10 are satisfied. No problems or possible violations were noted during the inspection.

Backfilling and Grading:

Large portions of the site have been backfilled with waste rock and partially graded. The Operator had an active highwall in the western most active pit area. The highwall was approximately 1,200 feet long and was approximately 10 to 15 feet high.

Financial Warranty:

The current amount of financial warranty the Operator has on deposit with the State is \$88,157.00. The reclamation cost estimate for this permit was updated with this inspection. It was determined that the current financial warranty amount is adequate to conduct the approved reclamation plan.

Hydrologic Balance:

The site was dry, no exposed groundwater was observed during the inspection. There appeared to be no significant impacts to the prevailing hydrologic balance. A small pond of captured stormwater was observed on or near the boundary between the Bedrock Mine No.1 and the Siloam Mine (DRMS file No. M-1977-326). When conducting final reclamation the Operator is encouraged to work with General Shale and Brick to reclaim the site to gain positive drainage.

Gen. Compliance With Mine Plan:

The operation appeared to be following the approved Mine Plan. All mining activity appeared to be within the approved boundary. The Operator is nearing the maximum allowed disturbance of 60 acres. If the Operator plans on affecting more than the maximum allowed affected area of 60 acres, the Operator will need to file a Technical Revision (TR) to the approved permit to increase the maximum allowed disturbed area.

Note: During the February 25, 1998, Mined Land Reclamation Board (Board) Hearing the Board conditionally approved the 112c Application (Board Order enclosed). Conditions 1 and 2 of the Order have not been complied with. The Operator cannot mine within the buffer zone until the conditions are complied with. At the present time the operation is not near the buffer zone.

Roads:

All haul roads were stable and appeared well maintained.

Reclamation Success:

The Operator has successfully graded approximately 4.5 acres of land located in the western portion of the site just north of Siloam Road to 3H:1V or flatter. The final graded portions of the site appear stable, no large erosion features were observed during the inspection. The 4.5 acres had topsoil spread throughout and the entire area had been seeded. Desired vegetation has begun to establish within the 4.5 acres of reclaimed area. There was a topsoil stockpile in the middle of the 4.5 acres. The area will have to be partially re-disturbed when the Operator removes the topsoil stockpile.

Revegetation:

There was plant growth on the overburden and topsoil stockpiles, and throughout the rest of the affected lands. The growth in the affected areas appeared to be volunteer vegetation, comprised primarily of annual weeds, and a few native grasses. A bull thistle was observed within the permit boundary. A few Tamarisk trees were observed within the boundary of the adjoining Siloam Mine (DRMS file No. M-1977-326). The Operator is advised to continue to monitor and treat noxious weeds if the weeds appear within the permit boundary.

The desired vegetation was sparse in a few portions of the 4.5 acres previously seeded, the Operator should consider re-seeding these areas. The Operator should also consider mowing the annual weeds prior to seed production, to prevent the spread of annual weeds.

Erosion/Sedimentation:

There was no evidence of excessive erosion (rills, gullies, or sediment fans).

Signs and Markers:

A mine I.D. sign required by Rule 3.1.12(1), was posted at the entrance to the mine site.

Topsoil:

There was adequate topsoil stockpiled on site to conduct the approved reclamation plan. There were topsoil stockpiles scattered around the site. Many of the topsoil stockpiles have adequate vegetative cover to protect the topsoil from wind and water erosion.

Inspection Contact Address

Matt Mueller
Siloam Stone, Inc.
1360 Rudd Ave
Canon City, CO 81212

Enclosure: February 25, 1998, Board Order

CC: Wally Erickson, DRMS

Phillip Courtney
State Board of Land Commissioners
1127 Sherman Street, Room 300
Denver, CO 80203

PHOTOGRAPHS



Photo 1: Active mining area, waste rock stockpiles scattered throughout.



Photo 2: Active mining area, waste rock stockpiles scattered throughout. Topsoil stockpile circled in red.



Photo 3: Final rough graded portions of the site. Topsoil stockpile circled in red.



Photo 4: Westernmost active pit. Active highwall along the right hand side of the photo.



Photo 5: Partially reclaimed 4.5 acres of land located in the western portion of the site just north of Siloam Road. Area had been graded to 3H:1V or flatter. The area had been revegetated.



Photo 6: Partially reclaimed 4.5 acres of land located in the western portion of the site just north of Siloam Road. Area had been graded to 3H:1V or flatter. The area had been revegetated. Desired vegetative cover is beginning to establish.



BEFORE THE MINED LAND RECLAMATION BOARD

STATE OF COLORADO

File No. M-97-086

IN THE MATTER OF THE SILOAM STONE, INC. BEDROCK MINE #1 APPLICATION

FINAL DECISION AND ORDER

The Formal Public Hearing on the Siloam Stone, Inc. Bedrock Mine #1 Application was held on February 25, 1998, during the regular meeting of the Mined Land Reclamation Board ("the Board"), at 1313 Sherman Street, Room 318, Denver, Colorado.

PRELIMINARY MATTERS

The Board reviewed the Proposed Pre-Hearing Conference Order and adopted it without modification.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Following disposition of the Preliminary Matters, the Board proceeded to consider the Proposed Application.

The Division of Minerals and Geology ("the Division") was represented by Assistant Attorney General Stephen M. Brown. Assistant Attorney General Jill M.M. Gallet appeared as Counsel to the Board. Applicant Ferd A. Mueller appeared pro se

Recognized objectors Kelly Park and Joseph O'Brien, on behalf of Red Creek Ranch, appeared and offered presentation and rebuttal testimony.

Having listened to the testimony of Applicant Ferd Mueller and Stevan O'Brian, of witnesses called by the Division and of objectors Kelly Park, Doug Park and Joseph O'Brien on behalf of Red Creek Ranch; having listened to the testimony of members of the public Victor E.

Voss, Joseph W. Dyjak and Lowell Lester and having further considered cross-examination and rebuttal/closing statements and having reviewed documents submitted in evidence; and having conducted public deliberation, the Board rules as follows:

FINDINGS OF FACT

1. The Applicant Ferd Mueller ("Mueller") owns the mineral rights through a mineral lease from the State Land Board to 640 acres in the area known as Section 36, Township 21 South, Range 68 West, 6th P.M. Pueblo County, CO, lying west and south of Pueblo, Colorado. Mueller has been blasting to crack and lift slabs of rock since 1959 and in 1976 was granted a permit to mine 10 acres.

2. Because of disturbances outside the permit area, a cease and desist order was issued in March 1997. The Application now before the Board encompasses an area of 329 acres, much of which is to be held in reserve for future mining operations.

3. From 1876 to 1994, the surface rights of this mining site were owned by the State Land Board. In 1994, the Land Board sold its surface rights and transferred them as a land swap to Red Creek Ranch, which is privately owned. This land was then subdivided in 1994 and sold to five separate landowners.

4. Mueller's mineral lease predates the transfer of the surface estate from the Land Board to Red Creek Ranch and travelled with the transfer.

5. The testimony and exhibits presented by Mueller and the Division are credible and persuasive on the issue of completeness and sufficiency of Mueller's mining permit Application.

6. The testimony and exhibits and legal argument presented by Mueller and the Division are credible and persuasive regarding both Mueller's intention to permit an area far beyond that which is immediately slated for mining operations and his willingness to be bound by the conditions and stipulations involving blasting, hydrology and cultural and historic resources, set forth in the Prehearing Conference Order and discussed and amended at the formal public hearing.

7. The testimony and exhibits and legal argument presented by Mueller and the Division are persuasive on the advisability of requiring Mueller to refrain from all mining operations within 200 feet of the center line of the Peck Creek tributary (the "buffer zone") until he submits a blasting plan and notifies the homeowners' association and the public and submits the results to the Division for review and to the Board for approval.

8. The testimony and exhibits and legal argument presented by the Division are persuasive on the advisability of requiring Mueller to refrain from all mining operations within the "buffer zone" until he submits a hydrologic impact analysis for the specific area identified in

the Application as Peck Creek Tributary and notifies the homeowners' association and the public and submits the results to the Division for review and to the Board for approval.

9. The testimony and exhibits and legal argument presented by Mueller and the Division are persuasive on the advisability of requiring Mueller to commit to notifying the surface owner upon discovery of cultural and historic resources and to giving the surface owner a reasonable amount of time to act with diligence to record these resources with the Colorado Historic Preservation Officer and recover them.

CONCLUSIONS OF LAW

1. The Board's authority to review an application for a permit is set forth in §§ 34-32.5-115(4) and 34-32.5-116, C.R.S. (1997).

2. The Siloam Stone Pit Application meets the requirements of §§ 34-32.5-112, 34-32.5-115(4) and 34-32.5-116, C.R.S. (1997) and all applicable Construction Materials Rules and Regulations.

3. Because Ferd Mueller's Application conforms to the requirements set forth above and further because Ferd Mueller has agreed to comply with the terms of the conditions and stipulations set forth below and incorporated into this Order as conditions upon which it is granted, the Board has no grounds upon which to deny the Application.

ORDER

The following conditions and stipulations shall be incorporated into and made part of this Order:

(1) There shall be no mining operations within the "buffer zone," including rock picking and slab mining, unless and until Mueller submits a blasting plan; notifies the surface owners and the public, by publication in a local newspaper; gets Division approval; and is given Board authorization following a formal public hearing.

(2) There shall be no mining operations, including rock picking and slab mining, within the "buffer zone" unless and until Mueller submits a hydrologic impact analysis for the area identified in the Application as Peck Creek Tributary; notifies the surface owners and the public, by publication in a local newspaper; gets Division approval; and is given Board authorization following a formal public hearing.

(3) If, during the course of mining operations *anywhere* within the permit area, archaeological or historic resources are exposed or encountered, Mueller will notify the surface owner in a timely manner and will cease mining operations to allow the surface owner, in a timely and prudent manner, to take whatever action is necessary and/or justified to record said resources with the Colorado Historic Preservation Officer and recover them.

Conditioned on strict adherence to each of the foregoing conditions and stipulations as incorporated into this Order, Ferd Mueller's Application for a 112 construction materials permit for removal of rock and stone from the area designated as the Siloam Stone, Inc. Bedrock Mine #1 is hereby GRANTED.

SO DECIDED this 25th day of February, 1998.

MINED LAND RECLAMATION BOARD

By: 

CATHERINE KRAEGER-ROVEY
Chairman

This Order Approved And Adopted By
The Board This 26th Day Of March 1998,
To Be Effective As Of February 25, 1998.

CERTIFICATE OF SERVICE

This is to certify that I have duly served the within FINAL DECISION AND ORDER upon all parties herein by depositing copies of same in the United States mail, postage prepaid, at Denver, Colorado, this 3rd day of April 1998, addressed as follows:

Ferd Mueller
Siloam Stone
1360 Rudd Avenue
Canon City, CO 81212

Stevan O'Brian
President
Environment, Inc.
7995 Vance Drive, Suite 205A
Arvada, CO 80003

Doug and Kelly Park
355 East Hahns Peak
Pueblo, CO 81007

Joseph O'Brien
Red Creek Ranch
7600 South I-25
Pueblo, CO 81004

and by Inter-office mail to:

Stephen Brown, Esq.
Assistant Attorney General
Natural Resource Section
1525 Sherman Street, 5th Floor
Denver, CO 80203

Jill M. M. Gallet, Esq.
Assistant Attorney General
Civil Litigation Section
1525 Sherman Street, 5th Floor
Denver, CO 80203


Glenda Williams

Any party who wishes to appeal this Final Decision and Order must commence an action for judicial review, pursuant to Section 24-4-106, C.R.S. (1997), **within 30 days from the date this Decision is mailed**. If no appeal is timely filed, this Decision will become Final 30 days from the date of this mailing.