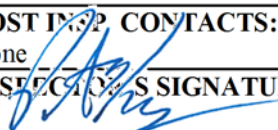




**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY**  
**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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.

<b>MINE NAME:</b> Loloff Mine	<b>MINE/PROSPECTING ID#:</b> M-1985-112	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Weld
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter S. Hays	<b>INSP. DATE:</b> March 11, 2016	<b>INSP. TIME:</b> 11:00
<b>OPERATOR:</b> Loloff Construction, Inc.	<b>OPERATOR REPRESENTATIVE:</b> Kelly Hodge	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	

<b>REASON FOR INSPECTION:</b> Citizen Complaint	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$689,552.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> March 18, 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>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</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**

The Loloff Mine was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) in response to a citizen complaint (CT-06) received on March 1, 2016 from Mrs. Diana Taylor. A copy of the complaint letter was forwarded to the Operator on March 7, 2016.

The Taylor residence, 665 Balsam Avenue, Greeley, CO 80631, is located southeast of the Loloff Mine. The complaint letter states the well on the property has been dry for at least four (4) years, a new well was drilled four (4) years ago and the impacts to the water table have affected the trees along the north side of the property. The Loloff Mine operator has been paying the water bill at the property from North Central Weld Water District to mitigate the effects to the water well. Mrs. Taylor's letter stated she recently received a bill for over seven hundred (700) dollars from the water company.

The Division inspected the Loloff Mine to discuss Mrs. Taylor's complaints. Mr. Kelly Hodge with Loloff Construction was present during the inspection. The mine site was active and dewatering. The pit depth in the southwest corner of the site was estimated at thirty (30) feet below the original surface elevation. A slurry wall is expected to be installed at the site this summer. The installation of the slurry wall should allow groundwater elevations to rise around the mine site. The Operator stated they were aware of Mrs. Taylor complaints, had paid the water bill and was willing to work with Mrs. Taylor regarding watering the trees on her property.

The Division met with Mrs. Taylor following the inspection of the Loloff Mine. The well and pump house were observed and GPS surveyed by the Division. The Office of the State Engineer (SOE) records indicate a replacement well was drilled at the Taylor property in 2008, Permit # 223885-A. The well was drilled to a total depth of forty-four (44) feet with a static water level of fifteen (15) feet below grade. Mrs. Taylor confirmed during the meeting, the water bill had been paid by Loloff Construction and her water service had not been shut off.

The Division considers the complaint (CT-06) resolved by the payment of Mrs. Taylor's water bill by Loloff Construction. The Operator will be required to continue to pay the water bill until the Taylor well is capable of producing water at the same quantity and quality as historic use.

Photographs taken during the inspection are attached.

#### **Inspection Contact Address**

Mr. Kelly Hodge  
Loloff Construction, Inc.  
801 8th Street, Suite 130  
Greeley, CO 80631

Cc: Wally Ericson, DRMS  
Diana Taylor, Landowner

**PHOTOGRAPHS**



Taylor well



Taylor well pump house





Looking NW from Taylor yard at Loloff Mine



Looking west at fence between Taylor property and Loloff Mine