




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: Hertzog Pit	MINE/PROSPECTING ID#: M-1981-276	MINERAL: Sand and gravel	COUNTY: Moffat
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: May 10, 2016	INSP. TIME: 15:15
OPERATOR: R N P Enterprises, Inc.	OPERATOR REPRESENTATIVE: Rusty Taylor	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$36,650.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 19, 2016

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: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The current mine plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-112 (1)(c)(VI). According to the current mine plan a maximum of 10 acres will be disturbed at one time. Currently approximately 34 acres are disturbed.

CORRECTIVE ACTIONS: Option 1: The operator shall submit a technical revision to increase the total maximum disturbance at any given time (which will need to be equal to or greater than the current disturbance). The maximum disturbance includes all land affected by mining that is unreleased (stockpiled, ditches, processing areas, etc.) The technical revision will be due July 18, 2016. Following the technical revision the Division will issue a surety increase to cover the current liability. OR Option 2: The operator has until October 15, 2016 to make reclamation progress to reduce liabilities. Come fall the Division will re-inspect the site and at that time they will update the bond based on site conditions. Please note that if more than 10 acres remain affected at the time of the inspection a technical revision will still be required to revise the maximum disturbance. Please notify the Division by the corrective action due date which option you choose.

All Technical Revisions shall be submitted with the required \$216 revision fee, and updated maps. Please note that several minor changes may be made under one technical revision.

CORRECTIVE ACTION DUE DATE: 6/20/16

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Hertzog Pit is a 112c permitted site that includes a total of 85 acres of which approximately 34 acres are currently disturbed. It is located approximately four miles southeast of Maybell, CO and is accessed from Moffat County Road 74. Rusty Taylor represented RnP Enterprises, Inc. 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. A combination of wood stakes and pins delineate the boundary. The majority of which are not visible at a distance. Cattle grazing on the leased land frequently knock down the markers. The operator is encouraged to explore other non-conventional ways to delineate the permit boundary. One recommendation maybe to place large rocks periodically along the boundary that have been painted abnormal color so they stand out. The sign is posted at access road off of CR 74.

A fuel tank in secondary containment was observed. The operator is reminded that all hydrocarbon products need to be in a secondary containment. If containers are empty they should be kept in the containment until properly disposed of according to the label.

A small hydraulic plant and a loader were the only processing equipment on site. There is a scale along the access road that is on pillars. The mobile scale house is located adjacent to it. It is unclear from the permit if the scale and scale house are to be removed upon final reclamation. The operator should clarify this in the form of a technical revision.

Several stockpiles of material, overburden and topsoil are scatter throughout the site. The majority of the pit is inactive except for sand sales in the southeast corner of the permit boundary. Overall the site is stable. There are several areas where cut slopes are near vertical. No significant erosion was observed. There is a 60' highwall in the east portion of the main pit that is approximately 550 feet long. The majority of the other slopes are 20' to 40' and are general 1.5:1 to 2:1.

A few weeds were observed however no large infestations were detected. This spring has been abnormally wet, hindering applications. The operator is encourage to treat for all noxious weeds as soon as weather conditions allow.

It was mentioned that the previous operator mixed topsoil with other materials. The operator should do their best to separate out the valuable reclamation material. Moving forward please make sure the each layer of strata is segregated separately.

According to the mining plan a maximum of 10 acres will be disturbed at one time. A floating 10 acre bond will be applied for the disturbances. Based on the records a total affected land of approximately 34 acres has been reported for the past 15 years or so. To date this discrepancy has not yet been resolved. **This is cited a problem.** There are two corrective action options. Option 1: The operator shall submit a technical revision to increase the total maximum disturbance at any given time (which will need to be equal to or greater than the current disturbance). The maximum disturbance includes all land affected by mining that is unreleased (stockpiled, ditches, processing areas, etc.) The operator has until July 18, 2016 to submit the technical

revision. Following the technical revision the Division will issue a surety increase to cover the current liability. The updated reclamation cost estimate is attached. The operator will have 60 days from the date of the notice to post the additional financial warranty. **OR Option 2: The operator has until October 15, 2016 to make reclamation progress to reduce liabilities.** Come fall the Division will re-inspect the site and at that time they will update the bond based on site conditions. Please note that if more than 10 acres remain affected at the time of the inspection a technical revision will still be required to revise the maximum disturbance. **Please notify the Division by June 20, 2016 which option you choose.**

In 2002 there discussion between the Division and the current operator about revising the approved seed mix. It was requested that only crested wheatgrass be seeded as requested by the land owner for grazing. The Division responded back that they would accept a seed mix with up to 50% by weight of crested wheatgrass, then a mixture of the other already approved species. There were no additional submittal to revise the seed mix. If you wish to revise the seed mix approved in the permit application this may be done so through a technical revision.

With regards to reseeding, come time for reclamation the operator will likely need to fence in the site to protect it from livestock. If no fencing is employed a much higher failure rate will need to be accounted for in the bond estimate. Previous bonds have estimated with only a 25 failure which is generous considering the arid climate of this site. Please clarify this in a technical revision.

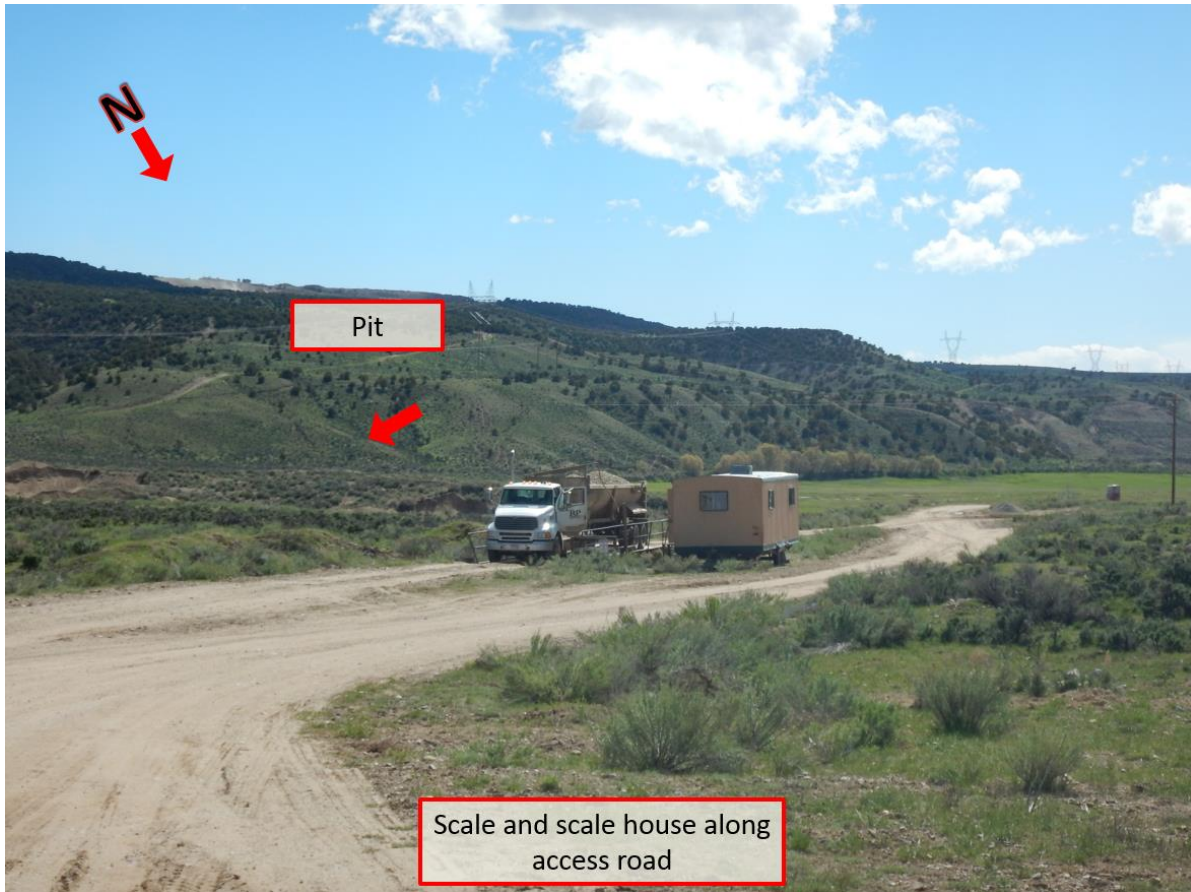
It is noted that several minor changes can be made under one technical revision (TR). A TR will require updated maps indicating within the permit boundary what has been disturbed and reclaimed to date. It is also recommended to include other key site features such as buildings, fuel storage, and topsoil salvage. All Technical Revisions shall be submitted with the required \$216 revision fee prior to review.

Currently the Division holds a bond in the amount of \$36,650 for this site. 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 has updated 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

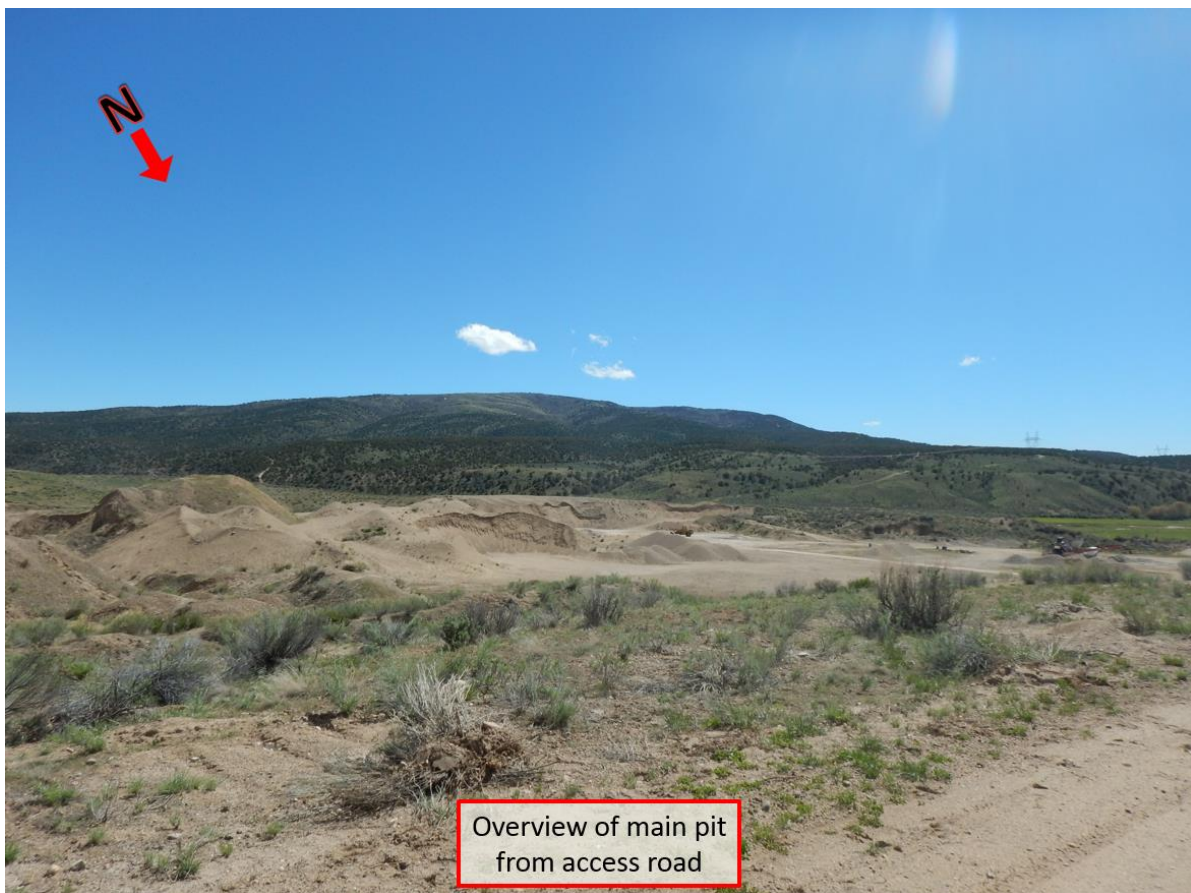
PHOTOGRAPHS













GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>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>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</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>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>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

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Enclosure

CC:
Russ Means, Senior EPS/ GJFO Supervisor, DMRS