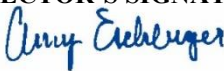




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> Rough Cut Pit	<b>MINE/PROSPECTING ID#:</b> M-2001-033	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Otero
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Amy Eschberger	<b>INSP. DATE:</b> July 13, 2016	<b>INSP. TIME:</b> 10:15
<b>OPERATOR:</b> Rough Cut, L.L.C.	<b>OPERATOR REPRESENTATIVE:</b> Keith Tucker	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$193,000.00	
<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> July 15, 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>Y</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>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>Y</u>	(SP) 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>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

## **OBSERVATIONS**

This was a follow-up inspection of the Rough Cut Pit (Permit No. M-2001-033) conducted by Amy Eschberger of the Division of Reclamation, Mining and Safety (Division) to evaluate corrective actions completed by the operator since the January 13, 2016 inspection. A problem was cited in the last inspection report for disturbing more than the approved maximum allowed disturbance of 45 acres. The required corrective action was to submit a Technical Revision to increase the maximum allowed disturbance to at least the current 53 acres. The operator complied with the corrective action by submitting a Technical Revision (Revision No. TR-03) on April 25, 2016 to increase the maximum allowed disturbance to 55 acres. The decision date for TR-03 has been extended to July 24, 2016 to allow sufficient time for the operator to decrease liability at the site so that a bond increase is not required for TR-03 approval. Keith Tucker and his son Jake represented the operator during the inspection.

The site is located approximately 3 miles southwest of Manzanola, Colorado in Otero County. Access to the site is off of CO Rd GG 75, which enters the site from the east. The affected land is owned by Matthew Thomas Proctor and Peggy Proctor Frantz. The approved post-mining land use is rangeland.

At the time of the inspection, the weather was clear and hot, and the ground was dry. The Division first observed the Phase I pit in the western portion of the permit area. In this phase, the operator had graded all highwalls to slope gradients of 3H:1V or flatter (**Photos 1-4**). In the January 13, 2016 inspection report, the Division had estimated the highwall in this phase to be approximately 1,647 feet in length. Because this highwall has been graded to the approved slope gradient, the Division will no longer require reclamation costs in the bond estimate for grading this highwall. Additional work in this phase included reseeded the southern 15 acres (**Photo 5**). Because grasses have not yet established in this area, the Division must still hold reclamation costs for seeding this area. However, the estimated failure rate for revegetation of this area has been reduced in the Division's bond estimate. During the last inspection, the northeastern portion of this phase was being used for storage of equipment and excess parts/junk. Since then, the operator has removed some of the equipment and graded the cement rock stockpile located in this area to 3H:1V slopes (**Photos 6 and 7**). Mr. Tucker indicated that the operation will move the equipment storage area to a location south of the current storage area. If all goes according to planned, this northeastern area will be backfilled, retopsoiled, and seeded this fall. Portions of this area have already been graded. Because this portion of the permit area has not yet been retopsoiled or seeded, the Division must still hold reclamation costs for these tasks. However, the Division was able to reduce costs for grading in the bond estimate.

The Division next observed the Phase 2 pit in the central portion of the permit area. The operator had also graded the highwalls in this phase to 3H:1V or flatter (**Photos 8**). In the January 13, 2016 inspection report, the Division had estimated the highwall in this phase to be approximately 1,974 feet in length. Because this highwall has been graded to the approved slope gradient, the Division will no longer require reclamation costs in the bond estimate for grading this highwall. In the northeastern portion of this phase, the operator had completed grading work, including removing the berm around the edge of the ridge (**Photo 9**). The overburden/topsoil stockpile that was located at the eastern edge of this area had been knocked down and spread out over the adjacent disturbed land (**Photo 10**). Mr. Tucker indicated this area would be seeded this fall. The eastern 8.25 acres that was retopsoiled in 2013 will also be seeded this fall. Because grasses have not yet established in these areas, the Division must still hold reclamation costs for the eastern and northeastern portions of this phase. However, the grading and retopsoiling costs for this phase can be reduced to account for work completed. At the southern edge of this phase where the small batch plant operated years ago, a very small asphalt stockpile remains. Mr. Tucker indicated that this stockpile would be removed in the next day or so, and the area would be retopsoiled, and seeded this fall.

The Division did not observe the small Phase 3 pit during the inspection. However, Mr. Tucker later emailed photos showing reclamation work completed in this phase. Total disturbance in this phase consists of only 1.5 acres. In the January 13, 2016 inspection report, the Division estimated the highwall in this phase to be approximately 520 feet in length. Since then, it appears that the operator has graded this highwall to the required 3H:1V slope gradient (**Photos 11 and 12**). Therefore, the Division will no longer require reclamation costs in the bond estimate for grading this highwall. However, the bond estimate must still include costs for ripping the 0.5 acre stockpile area, and retopsoiling and revegetating the 1.5 acres disturbed in this phase.

After conducting this inspection, the Division recalculated the required financial warranty to account for reclamation work completed since the last inspection. The Division has found the current financial warranty amount of \$193,000.00 to be adequate to reclaim the site in accordance with the approved reclamation plan. Therefore, the Division will approve Technical Revision No. 3 without requiring a surety increase.

**PHOTOGRAPHS**



**Photo 1.** View looking north in Phase 1 pit, showing highwall has been graded to 3H:1V.



**Photo 2.** View looking north in Phase 1 pit (from western edge), showing highwalls (in background) have been graded to 3H:1V.





**Photo 3.** View looking north across western highwall in Phase 1 pit (behind stockpiles), showing this highwall has been graded to 3H:1V.



**Photo 4.** View looking south across western highwall in Phase 1 pit (behind stockpiles), showing this highwall has been graded to 3H:1V.





**Photo 5.** View looking southwest across southern portion of Phase 1 pit which has been graded, retopsoiled, and recently reseeded.



**Photo 6.** View looking north across northeastern portion of Phase 1 pit that was used for stockpiling equipment. Some of equipment has been removed and cement rock stockpile (at right; indicated) has been graded to 3H:1V.



**Photo 7.** View looking south across northeastern portion of Phase 1 pit that was used for stockpiling equipment. Some of equipment has been removed. This area will be reclaimed in the near future.



**Photo 8.** View looking north in Phase 2 pit, showing highwalls have been graded to 3H:1V.





**Photo 9.** View looking northeast in Phase 2 pit, showing northeastern portion has been graded out to near flat (including berms that had lined the ridge edge).



**Photo 10.** View looking east in Phase 2 pit, showing eastern portion where overburden/topsoil stockpile has been knocked over and spread across adjacent land for reclamation.





**Photo 11.** View looking west in Phase 3 pit, showing western highwall graded to 3H:1V.  
Photo was provided by Keith Tucker via email on July 15, 2016.



**Photo 12.** View looking south in Phase 3 pit, showing eastern highwall graded to 3H:1V.  
Photo was provided by Keith Tucker via email on July 15, 2016.

**Inspection Contact Address**

Alan Frantz  
Rough Cut, L.L.C.  
15645 Co Rd GG  
Rocky Ford, CO 81067

CC: Keith Tucker (via email)  
Wally Erickson, DRMS