

COLORADO Division of Reclamation, Mining and Safety Department of Natural Resources

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: | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|--|---------------------------------|---------------------------------------|-------------|
| Hogue/River Pit | M-1992-066 | Gravel | Routt |
| INSPECTION TYPE: | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | Amy C. Yeldell | July 20, 2016 | 08:00 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Duckels Construction, Inc. dba Yampa Aggre David Epstein | | 112c - Construction Regular Operation | |

| REASON FOR INSPECTION: | BOND CALCULATION TYPE: | BOND AMOUNT: |
|------------------------|-------------------------------|---------------------|
| Normal I&E Program | Complete Bond | \$63,000.00 |
| DATE OF COMPLAINT: | POST INSP. CONTACTS: | JOINT INSP. AGENCY: |
| NA | None | None |
| WEATHER: | INSPECTOR'S SIGNATURE: | SIGNATURE DATE: |
| Clear | Amy Geldell | August 8, 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: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: 2015 annual report, map and fee are past due.

CORRECTIVE ACTIONS: Please complete and return the attached packet.

CORRECTIVE ACTION DUE DATE: 10/07/16

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Houge/River Pit is a 112c gravel operation that consists of 62.70 acres. David Epstein accompanied Russ Means and Amy Yeldell of the Division on the inspection. The site is located in Routt County approximately five miles northwest of Steamboat Springs, Colorado and is accessed from Highway 40.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. The Mind sign was located at the main entrance from Highway 40. The permit boundary is delineated by t-posts. A scale and scale house are located at the entrance to the pit.

The site was active at the time of the inspection. Material was being hauled to the processing plant. Mining has just begun in the AM-2 area. Per the land owners request mining will occur in 200' swaths to limit disturbance. The new cut is approximately 200' by 100' with near vertical walls. There are several trenches throughout this cut to help it dewater. In many areas the ground is too saturated to effectively be worked and will need to dry out before additional work can commence. The undisturbed portions of AM-2 remain as cropland. Other highwalls throughout the permit boundary have slopes ranging from near vertical to 2:1. Slopes are stable with no visible erosion.

Several piles of various stockpiled material was observed. At this site material is crushed, screened and washed for processing. Cement and asphalt is imported. These products are crushed then resold. According to Mr. Epstein only cement that is rebar free has a potential to be buried on site. There are several visual berms between the site and HWY 40, these are to remain post-reclamation. The site has ample material, so it is not needed for reclamation purposes. The operator has indicated that excess topsoil may also be sold. Other discussions included possibly selling soil amendments or other like products. If there operator wishes to expand their operation they must first get approval from DRMS. Please submit the request in the form of a technical revision with the required \$216 fee.

Material excavated from Bettger Gravel Pit (M-1976-051) is hauled to the Houge/River Pit for processing. Both sites are operated by Duckels Construction, Inc. and are located within a mile of one and another.

There are three pond on site. Upon final reclamation one pond, approximately 43.5 acres will remain. It is noted that though the operator has the Division of Water Resources approval, the Division does not have a copy of the necessary permit.

The large western pond appears to be mostly reclaimed. Only areas adjacent to the current mining operation will require additional work. The small sediment pond is also well vegetated and stable. Likewise additional reclamation efforts have been employed on the north and west pit walls adjacent to Hwy 40. Highwalls have been backfilled to a 2:1 slope in some portions as mining has progressed. Throughout the site there are several areas were interim reclamation has been implemented.

There is evidence of ongoing weed management, several killed weeds were observed. It is noted that there is some knapweed beginning to emerge. The Division recommends the operator treat all noxious weeds before the flowering stage in an effort to stay ahead of the curve.

The required 200' berm between the pit and the Yampa River remains in place and adequate.

The site overall is very neat and well organized. There was no evidence of hydraulic leaks or other spills. No fuel is stored on site. Equipment was neatly organized and appeared to be well maintained. This site practices good housekeeping.

The Division has not received your 2015 annual report, map and fee. This is cited as a problem. It is noted that to date no Notice of Violation has been issued however given that the report is more than a year over due it is imminent. Please submit the report by the corrective action date.

The Division currently holds a financial warranty amount of \$63,000 for this site. The bond was last updated with the approval of AM-2 in 2011. 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 estimate will be sent under a separate cover.

No problems or violations were noted during this inspection.

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>PB</u> | (FN) FINANCIAL WARRANTY Y | (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>Y</u> | (SF) PROCESSING FACILITIES Y | (TS) TOPSOIL <u>Y</u> |
| (MP) GENL MINE PLAN COMPLIANCE- <u>Y</u> | (FW) FISH & WILDLIFE <u>Y</u> | (RV) REVEGETATION Y |
| (SM) SIGNS AND MARKERS <u>Y</u> | (SP) STORM WATER MGT PLAN <u>N</u> | (CI) COMPLETE INSP Y |
| (ES) OVERBURDEN/DEV. WASTE <u>NA</u> | (SC) EROSION/SEDIMENTATION Y | (RS) RECL PLAN/COMP Y |
| (AT) ACID OR TOXIC MATERIALS <u>N</u> | (OD) OFF-SITE DAMAGE <u>NA</u> | (ST) STIPULATIONS Y |

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 David Epstein Duckels Construction, Inc. dba Yampa Aggregates 3500 Duckels Court Steamboat Springs, CO 80487

Enclosure

EC: Russ Means, Senior EPS, GJFO DRMS