


**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.

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| MINE NAME: North Bank Resources | MINE/PROSPECTING ID#: M-2006-018 | MINERAL: Sand and gravel | COUNTY: Garfield |
| INSPECTION TYPE: Preoperation Inspection | INSPECTOR(S): Amy C. Yeldell | INSP. DATE: September 1, 2016 | INSP. TIME: 08:00 |
| OPERATOR: Oldcastle SW Group, Inc. dba United Compai County | OPERATOR REPRESENTATIVE: Jason Burkey | TYPE OF OPERATION: 112c - Construction Regular Operation | |

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| REASON FOR INSPECTION: Priority | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$196,600.00 |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: DRMS | JOINT INSP. AGENCY: None |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: September 14, 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: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The mine identification sign was not posted at the entrance of the mine site. This is a problem for failure to post a mine identification sign as required by Section 3.1.12(1) of the rule.

CORRECTIVE ACTIONS: The operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 11/18/16

OBSERVATIONS

This inspection was conducted by the Colorado Division of Reclamation, Mining and Safety (Division) in response to the technical revision (TR-4) request submitted on August 19, 2016. TR-4 proposes to change the upland seed mix. The North Bank Pit is a 112c sand and gravel operation that consists of 237.67 acres of which 93 acres will be mined. Jason Burkey represented the operator and accompanied Amy Yeldell of the Division on the inspection. The site is located in Garfield County approximately three mile east of Rifle, Colorado and is accessed from US Highway 6.

The affected area boundary markers are in place and in compliance with Rule 3.1.12. The pit boundary is delineated by a fence. The mine sign was not present at the time of the inspection. This is cited as a problem. Please provide the Division if photo documentation that the sign has been posted at the pit entrance by the corrective action date. . It is acknowledged that a new sign was being made and it was in the process of being moving from the HWY6 entrance to the road between the North Bank Pit and the Glen Pit (M-2005-075) since that is the primary access road now.

The pit was active at the time of the inspection. Mining is currently occurring in Cell A (eastern portion). Approximately 4 acres have mined in this area and have exposed ground water. A dozer was observed hauling material. A portable processing plant was observed however it was not set up. Currently material from the North Bank Pit is being procced at the plant on the Glen Pit (M-2005-075). Processed material is then stockpiled on the North Bank Pit prior to being transported via the conveyor to the Mamm Creek Sand and Gravel Pit (M-2000-113) for sales.

Piles of recycled cement were stockpiles. This cement is either mixed with mined product or sold by itself, none will remain on site for reclamation purposes. There were several large stockpiles of material. All stockpiles were neatly organized and stable.

Cell B is mostly reclaimed. The pond's water level is being drawn down slightly. The majority of the slopes have been regraded to a 3:1 slope or less. The operator has made excellent use of tracking to help roughen slopes and prevent riling. There are a few sections where slopes have settled or eroded and will need additional grading. Also approximately 100 linear feet of highwall in the western portion of Cell B required more grading. Topsoil has been replaced throughout cell B. Mr. Burkey was unsure if they were going to seed this fall or allow the ground to settle over the winter and seed in the spring.

Recharge of the pond in cell B was evident. In several areas a water line could be seen on the hillside where soils were saturated. In a few spots underground seeps have eroded the once graded slopes and are now discharging into the lake. Prior to completing final reclamation these areas will need to be fixed. The operator may armor eroded areas where water is discharging to prevent additional erosion and sedimentation. Or in areas where additional water is unlikely grading will be necessary to restore the proper 3:1 sloping.

A fuel tank was observed in a secondary containment. Topsoil is stockpiled in one large pile north of the active mine area. The topsoil piles appears to be stable however it was hard to tell due to the Kochia infestation.

Large amounts of Kochia were observed throughout the reclaimed site. The operator is encouraged to aggressively manage all non-desirable plants in addition to state listed noxious weeds in order to prevent future reclamation issues. Additionally Tamarisk and Russian Olive trees were observed. The Division acknowledges that this site is a sink not a source. However the operator shall demonstrate that they are actively managing weeds in all disturbed areas. A weed management plan was executed through TR-1 and should be implemented as such.

The Division currently holds a financial warranty amount of \$196,600 for this site. A surety increase has not occurred since the permit issuance in 2006. 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 Division will send notice under a separate cover if the current bond is found insufficient.

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





Stockpiled material and stacked up plant



Active mining area











GENERAL INSPECTION TOPICS

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

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| (AR) RECORDS----- <u>Y</u> | (FN) FINANCIAL WARRANTY----- <u>N</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>N</u> | (SF) PROCESSING FACILITIES----- <u>Y</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>PB</u> | (SP) STORM WATER MGT PLAN---- <u>N</u> | (CI) COMPLETE INSP---- <u>Y</u> |
| (ES) OVERBURDEN/DEV. WASTE----- <u>N</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>N</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

EC: Russ Means, Senior EPS, GJFO DRMS