



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

November 30, 2016

Memorandum

To: Mined Land Reclamation Board
From: DRMS Staff

RE: Possible violation for failure to post additional financial warranty within (60) sixty days of notice. Rock Pit Mine, Permit Number: M-1985-082.

Dear Board Members,

Staff will be presenting a possible violation for failure to post additional financial warranty within (60) sixty days of notice. Please see the attached documents for your reference on the matter:

Inspection Report	05/10/2016
Notice of Surety Increase	09/07/2016
Reason to Believe Letter	11/14/2016

Sincerely,

DRMS Staff

Cc: Pioneer Sand Company, Inc.
Jeff Fugate, DRMS AGO Consultant



Inspection Report


05/10/2016





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: Rock Pit Mine	MINE/PROSPECTING ID#: M-1985-082	MINERAL: Crushed stone material	COUNTY: Moffat
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: May 10, 2016	INSP. TIME: 10:00
OPERATOR: Pioneer Sand Company, Inc.	OPERATOR REPRESENTATIVE: Wayne Brantley	TYPE OF OPERATION: 110c - Construction Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$10,800.00	
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: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: Rule 1.13.5 states, if an Operator temporarily ceases production of the mining operation for one hundred eighty (180) days or more, the Operator must file a Notice of Temporary Cessation in writing to the Office.

CORRECTIVE ACTIONS: The Division recommends the Operator file for Temporary Cessation. The start date of the initial 5 year Temporary Cessation period is retroactive to the last date the pit was active. If that date is more than 5 years ago, the operator is required ask the Board for a 5 year extension to the Temporary Cessation period (per rule 1.13.5 (3) and 1.13.8 (b) or begin reclamation.

CORRECTIVE ACTION DUE DATE: 8/18/16

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: 7/18/16

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. The Rock Pit Mine is a 110c permitted site that includes a total of 9 permitted acres. This site is located approximately three and half miles southeast of Craig, Colorado. It is accessed from Moffat County Road 394 through a private driveway. Wayne Brantley represented Pioneer Sand Company, Inc. and accompanied Amy Yeldell of the Division on the inspection.

A sign was posted however the mine name was incorrect. This has been cited as a problem in the past several times. As a result it is being cited once again as a problem. The operator shall post an updated mine sign shall be posted per rule 3.1.12. by the corrective action date.

A few t-posts were observed as boundary markers. Prior to beginning reclamation the operator may benefit from more frequent marking of the boundary to avoid accidental off-site damages.

No equipment, buildings or fuel storage were observed on site. Miscellaneous metal debris was scattered throughout the site and shall be removed upon final reclamation.

The site has been inactive since 2013 per the annual reports. As indicated by the operator the site is to be reclaimed. The operator shall notify the Division of its intent to begin final reclamation in writing or be subject to Rule 1.13 regarding activity levels.

If the operator notifies the Divisions of its intent to begin final reclamation within 90 days of this inspection and begins reclamation activities in 2016 the Division will consider the current bond amount of \$10,800 adequate. The Division will schedule a follow up inspection in fall of 2016 to reevaluate the bond after reclamation activities have commenced. If the Division does not receive notice of final reclamation then the Division will update the reclamation cost estimate, which may result in a surety increase.

Several stockpiles remain. They are stable with no erosion and appear to be sloped 2:1. An excavated highwall also remains. The topsoil stockpile was not clearly identified. Therefore the site may be topsoil deficient depending on which stockpile is topsoil verse overburden.

Vegetation has volunteered since the sites inactivity. Unfortunately most of this will need to be disturbed in order to achieve reclamation per the approved plans. Some weeds were observed. They are not a problem at this time but they should be treated as weather conditions allow. Infestations of weeds will threaten reclamation success and future timely release.

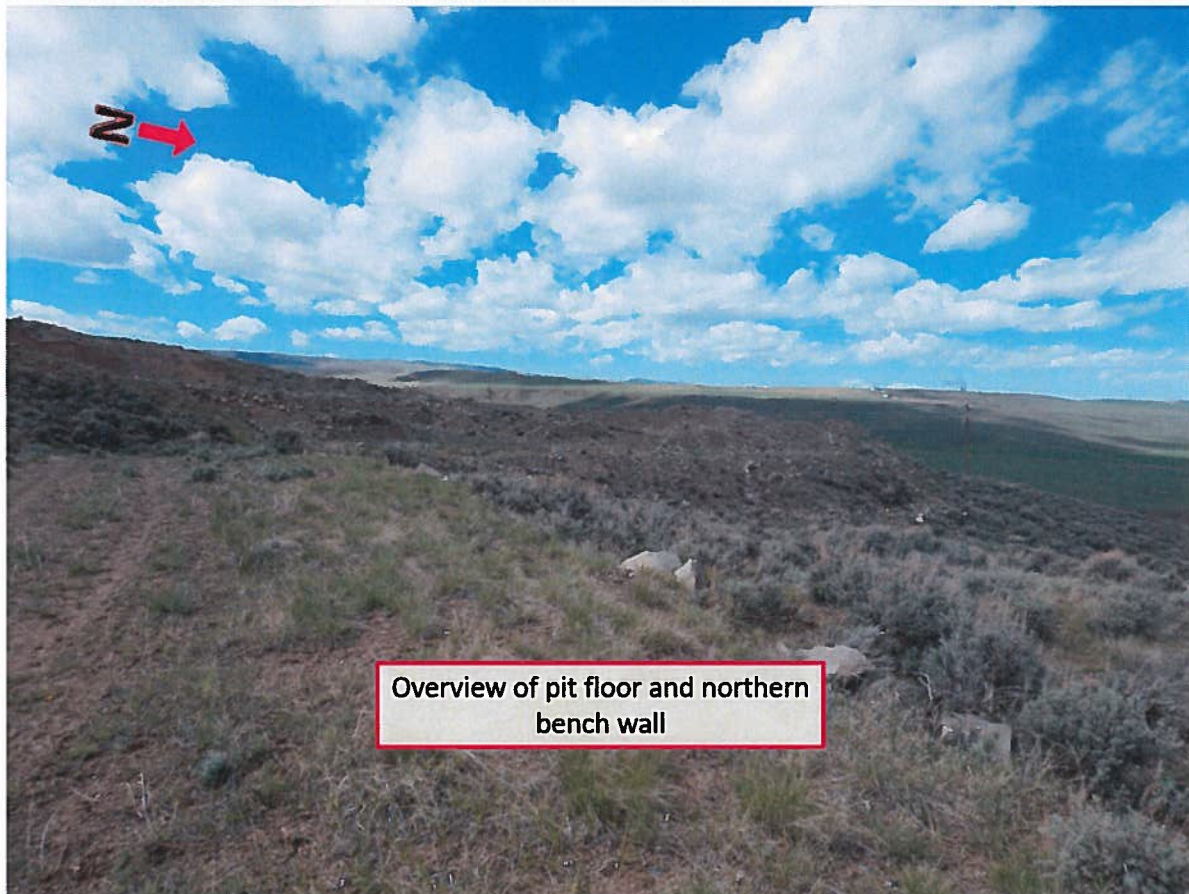
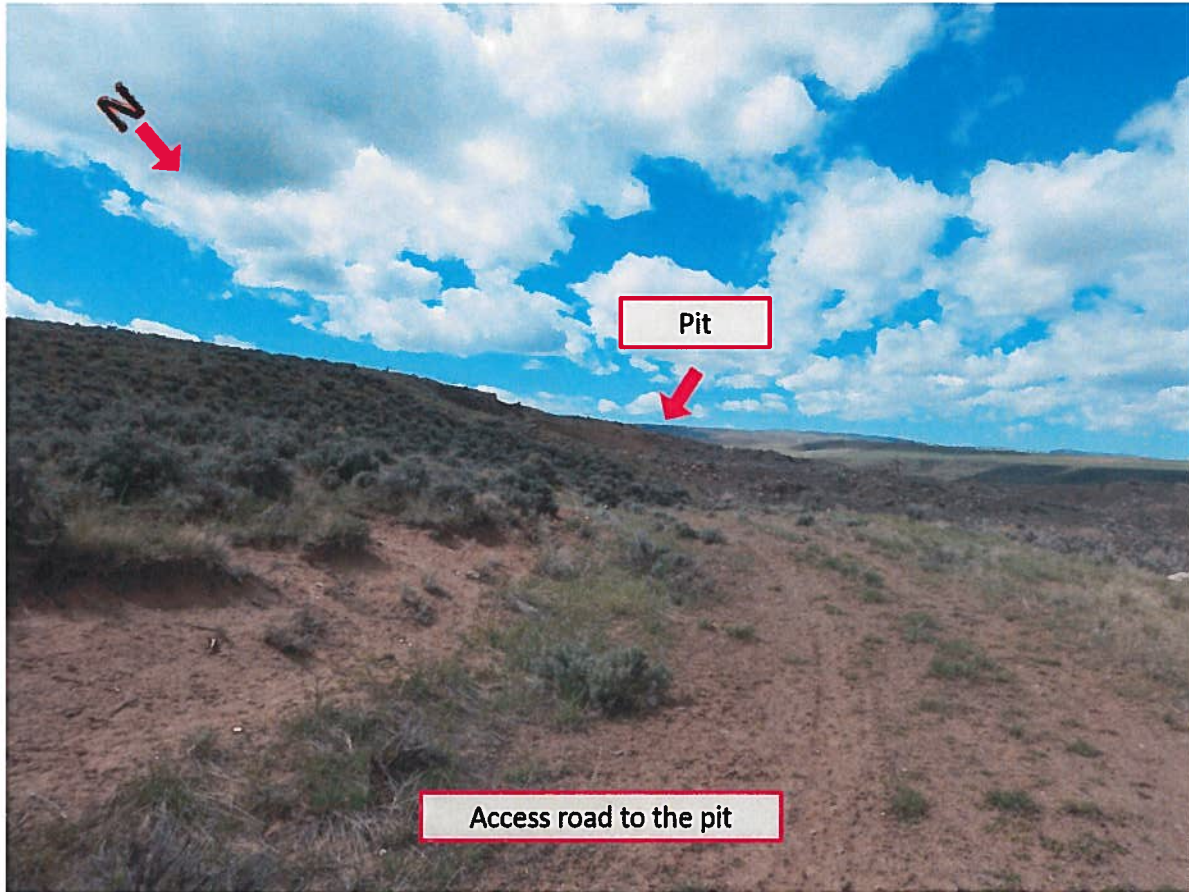
Per the approved reclamation plan benches shall be graded to 3:1 slope then seeded with native grasses. The current approved seed mix is as follows: Western Wheatgrass 3.5 PLS/AC, Bluebunch Wheatgrass 3.0 PLS/AC, Green Needlegrass 2.5 PLS/AC, Indian Ricegrass 2.0 PLS/AC and Lewis Flax 1.0 PLS/AC. Rates are for drill seeding, if broadcast seeding is used rates should be doubled. Plus 2 tons/ac or mulch crimped. Any changed to the reclamation plan shall be done in the form of a technical revision with the associated \$216 fee.

It is noted that the contact information for this site is outdated. Please submit a change of contact for at your earliest convenience.

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

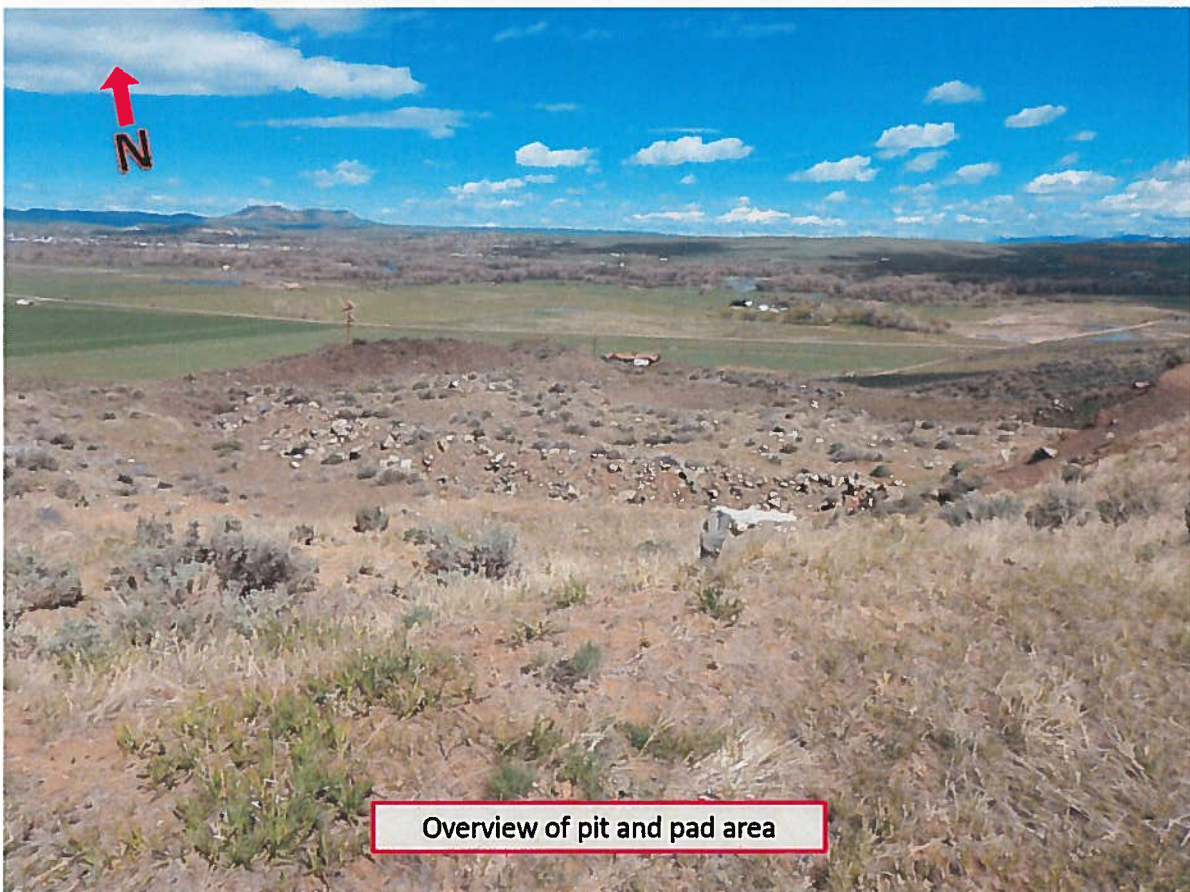
PHOTOGRAPHS

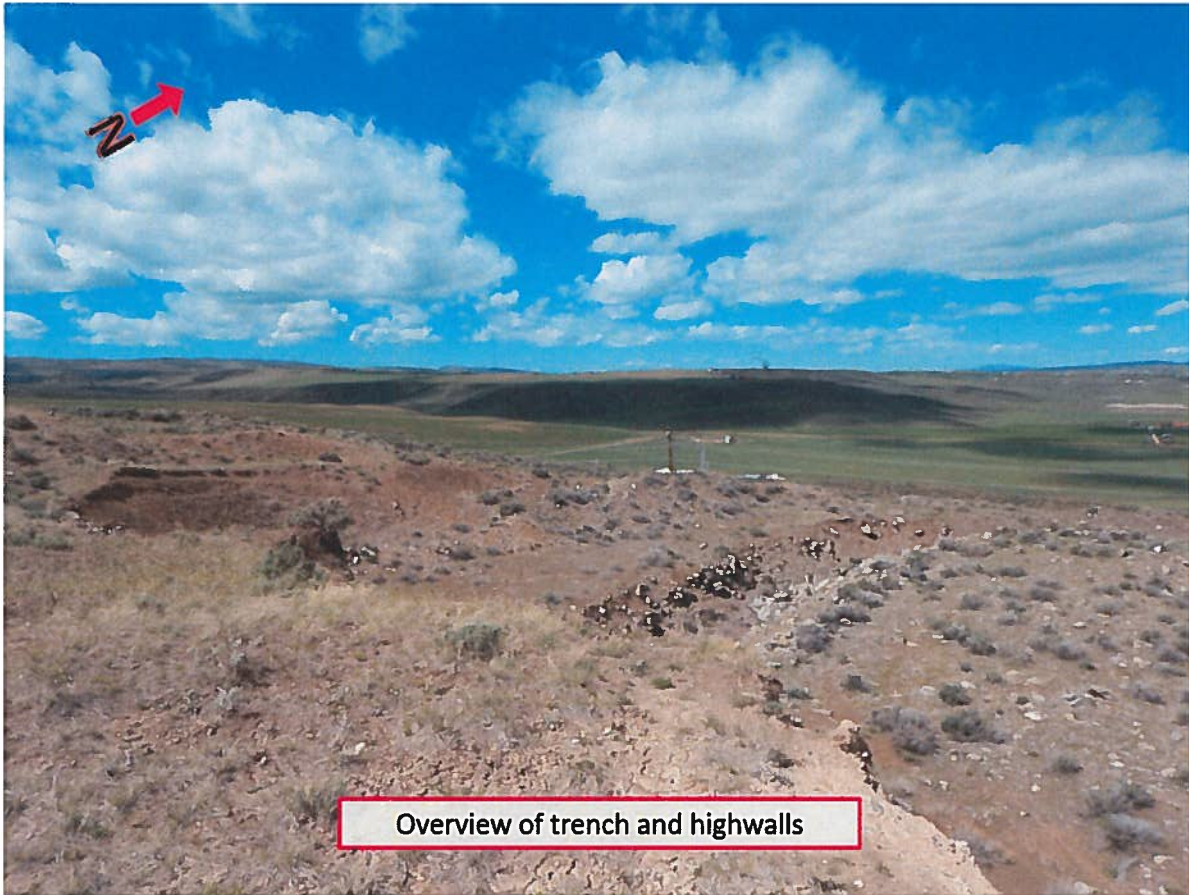












GENERAL INSPECTION TOPICS

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-----	<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>NA</u>	(TS) TOPSOIL-----	<u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE-	<u>Y</u>	(FW) FISH & WILDLIFE-----	<u>NA</u>	(RV) REVEGETATION----	<u>Y</u>
(SM) SIGNS AND MARKERS-----	<u>PB</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

Julie Sevier
Pioneer Sand Company, Inc.
P.O. Box 7650
Colorado Springs, CO 80933

Enclosure

CC:
Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS
Wayne Brantley, Pioneer Sand and Gravel

Notice of Surety Increase

09/07/2016



September 7, 2016

Julie Sevier
Wayne Brantley
Pioneer Sand Company, Inc.
P.O. Box 7650
Colorado Springs, CO 80933



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Rock Pit Mine, Permit No. M-1985-082, Reclamation Costs Update and Notice of Surety Increase (SI-2)

Dear Ms. Sevier and Mr. Brantley:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed).

Division calculations estimate the cost to reclaim the above referenced site to be \$14,438 rounded up from \$14,437.70. This is an increase of \$3,638 over the \$10,800 currently held by the Division. This estimate is based on conditions observed during the May 10, 2016 inspection. ***Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Monday, November 07, 2016**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

It is noted that in the inspection report dated May 19, 2016 the Division delayed issuing a surety increase in lieu of beginning final reclamation. The Division stated that if reclamation begun in 2016 that we would consider the bond amount of \$10,800 adequate. On August 30, 2016 the Division received a temporary cessation (TC) request. Prior to considering the TC request per the Act adequate bond must be posted. If a succession of operator (SO) request is submitted the successive operator would be required to post the required financial warranty amount. Please submit the SO request as soon as possible to allow the Division time to process the request and allow for the new operator to post the required bond amount of \$14,438 prior to the November 7, 2016 due date. If an SO is not possible, then Pioneer will need to submit the increase by the due date.

Please make arrangements with Barbara Coria at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria.

If you require additional information, or have questions or concerns, please feel free to contact me. 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



Sincerely,



Amy Yeldell

Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
Phone: (970) 254-8511

Ec: Russ Means, Senior EPS, Grand Junction DRMS
Enc: Financial Warranty Cost Estimate

COST SUMMARY WORK

Task description: May 2016 inspection

Site: Rock Pit Mine

Permit Action: 2016-05

Permit/Job#: M1985082

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/16/2016

County: Moffat

Filename: M082-000

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Highwall reduction	DOZER	1	7.14	\$1,216.00
02a	Rip bench area	RIPPER	1	2.02	\$352.00
03a	Distribute topsoil	DOZER	1	6.05	\$969.00
04a	Revegetate disturbed area	REVEGE	1	8.00	\$4,251.00
05a	Initial mobilize reclamation crew and equipment	MOBILIZE	1	2.66	\$2,582.00
06a	Secondary mobilize reclamation crew and equipment	MOBILIZE	1	2.66	\$1,595.00
<u>SUBTOTALS:</u>				28.53	\$10,965

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02
Performance bond: 1.05
Job superintendent: 11.76
Profit: 10.00

Total = \$221.49
Total = \$115.13
Total = \$875.88
Total = \$1,096.50

TOTAL O & P = \$2,309.00

CONTRACT AMOUNT (direct + O & P) = \$13,274.00

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00
Engineering work and/or contract/bid preparation: 0.00
Reclamation management and/or administration: 5.00

Total = 500.00
Total = \$0.00
Total = \$663.70

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$3,472.70

TOTAL BOND AMOUNT (direct + indirect) = \$14,437.70

Reason to Believe Letter

11/14/2016





COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

November 14, 2016

Pioneer Sand Company, Inc.
Attention: Julie Sevier
5000 Northpark Drive
Colorado Springs, CO 80918

Re: Reason to Believe a Violation Exists and Notice of Board Hearing, Rock Pit Mine, Permit No. M-1985-082;

Ms. Sevier:

On September 7, 2016, the Division of Reclamation, Mining and Safety (Division) mailed notice to Pioneer Sand Company requiring a financial warranty increase in the amount of \$3,638 for a total bond amount of \$14,438. The Notice of Surety Increase (SI-2) for Rock Pit Mine (Permit M-1985-082) was due November 7, 2016 and has not yet been received. We believe these are violations of:

- C.R.S. 34-32.5-117(4)(c)(II) a financial warrantor shall have sixty days after the date of notice of any adjustments to fulfill the new requirements.

Therefore, the Division has reason to believe that a violation exists to the Mined Land Reclamation Act, C.R.S. 34-32.5-101 et seq., and have scheduled this matter to appear before the Mined Land Reclamation Board.

A Formal Public Hearing will be held during the December Board Meeting for consideration of these possible violations. The hearing will be held in Room 318 of 1313 Sherman Street, Denver, Colorado, beginning at 9:00 a.m. on December 15th, 2016 or as soon thereafter as the matter can be considered. At that hearing you will have the opportunity to present your defense.

This is an important legal proceeding and you must appear in person for this hearing. If you fail to appear an order and financial judgment may be entered against you. In addition, failure to appear at the hearing may result in legal consequences including, but not limited to, loss of party status and your ability to seek reconsideration from the Board or seek judicial appeal in district court.

If the Board finds a violation at this hearing, it may issue a Cease and Desist Order and/or assess a Civil Penalty in the amount of \$100.00 to \$1,000.00 for each day of violation pursuant to C.R.S. 34-32.5-



124(7). Pursuant to C.R.S. 34-32-124(6) (a): Upon a determination, after hearing, that a violation of a permit provision has occurred, the Board may suspend, modify, or revoke the pertinent permit. If you have evidence indicating that the possible violations noted above do not exist or have been corrected, please provide it to the Division as soon as possible or bring it to the hearing.

If the matter is brought before the Mined Land Reclamation Board, following the hearing, all parties have an opportunity to review and comment on a draft of the Board's Order before it becomes final. If you wish to do so, you must provide the Board with a written request to review the draft Order prior to or at the time of your hearing, or you must inform the Board orally during the hearing that you request to review the draft Order. The Board's attorney must receive your comments on the draft Order within three calendar days of the date the draft Order is e-mailed, unless that deadline is extended by the Board's attorney. Submit all comments in writing, by e-mail or fax, to John J. Roberts, First Assistant Attorney General, Colorado Department of Law, (720) 508-6037 (fax), or John.Roberts@coag.gov.

Please note that the Division has requested and will be allowed to review and comment on the draft Board Order.

The Board's agenda may not be finalized until the week of the Board meeting. Therefore, we recommend you contact the Board Secretary, at (303) 866-3567 ext. 8670 on Monday, December 12, 2016 to confirm the specific date of the hearing.

If you have any questions about this letter or the hearing, please contact Amy Yeldell at (303) 866-3567, extension # 8183.

Sincerely,



Virginia Brannon
Division Director

CERTIFIED MAIL NO. 7014 2120 0001 7885 3650
Return Receipt Requested

cc: Tony Waldron, DRMS
Russ Means, DRMS
Jeff Fugate-AGO

