


**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: Freund Pit	MINE/PROSPECTING ID#: M-1985-003	MINERAL: Sand and gravel	COUNTY: Elbert
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Eschberger	INSP. DATE: February 18, 2016	INSP. TIME: 11:00
OPERATOR: Running Creek Ranch	OPERATOR REPRESENTATIVE: Joseph Freund, Jr.	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$11,902.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 10, 2017

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: Construction Materials Rule 1.13.5(1) 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. The last three annual reports submitted by the Operator indicate the date of last mining activity was March 15, 2014.

CORRECTIVE ACTIONS: The Division recommends the Operator file a Notice of Temporary Cessation in writing to the Office by the corrective action due date. The start date of the initial 5 year Temporary Cessation period is retroactive to the last date the pit was active. In this case, the initial 5 year period would begin on March 15, 2014, and end on March 15, 2019.

If, on the other hand, the Operator intends to either resume mining activities (e.g., extraction, processing and/or hauling off from stockpiled material) or begin final reclamation of the site, a Notice of Temporary Cessation is not necessary. In this case, the Operator shall submit written documentation to the Office explaining which of these options will be pursued, and provide a schedule for implementation.

CORRECTIVE ACTION DUE DATE: February 09, 2017

INSPECTION TOPIC: Signs & Markers

PROBLEM: The affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Construction Materials Rule 3.1.12(2).

CORRECTIVE ACTIONS: The operator shall conduct a survey and replace the boundary markers in the correct locations. The operator shall provide proof to the Division that this has been done by the corrective action date. Proof shall be submitted as photographs of boundary markers along with a site map showing the approved permit boundary that indicates the locations where corresponding photographs were taken.

CORRECTIVE ACTION DUE DATE: March 11, 2017

OBSERVATIONS

This was a normal monitoring inspection of the Freund Pit (Permit No. M-1985-003) conducted by Amy Eschberger of the Division of Reclamation, Mining and Safety (Division). Mr. Joseph Freund, Jr represented the operator, Running Creek Ranch during the inspection. The site is located approximately 13 miles east of Parker, Colorado in Elbert County. The site can be accessed from the north via Running Creek Ranch Road, a private road that intersects Co Rd 29 to the east of the property. The affected land is owned by Running Creek Ranch. The approved post-mining land use for the site is rangeland with an unlined pond to remain.

This is a 112c operation approved for 30 acres to mine sand and gravel to a maximum depth of 15 feet. The operation is approved for intermittent status, which allows it to operate for less than 180 days per year. The permitted area is situated on the west bank of Box Elder Creek. A pond approximately 7 acres in size was excavated on the site prior to 1980, and thus, the Division of Water Resources does not require its evaporative losses to be covered under a plan for augmentation. The operator obtained approval from the Division 1 Water Court (Court) in Case No. 11CW107 for an augmentation plan that covers up to 20 acres of post-1980 groundwater exposure at the site. A copy of the Court's final decree was provided to the Division on January 9, 2013. According to the approved mining plan, the operation will expand the pond westward and northward. The operation is to store any salvaged topsoil in a stockpiling/storage area located west of the excavated pond. Material will not be processed on site. No permanent structures will be constructed on site to support the operation.

The approved reclamation plan calls for grading all disturbed land to 2H:1V or flatter, except for the pond banks, which will be graded to 3H:1V or flatter at least 5 feet above and 10 feet below the static water line. The final pond will have somewhat irregular shorelines, and a few small islands may be created for wildlife habitat. Approximately 6-8 inches of topsoil will be replaced on pond shorelines and on any additional disturbed land around the pond. If a sufficient amount of topsoil is not available to replace the required amount, the operator will use an alternate plant growth medium which may include sand mixed with composted manure. All disturbed land will be revegetated with the following grass/legume seed mixture: Smooth Brome grass, Crested Wheatgrass, Pubescent Wheatgrass, and Cicer Milkvetch. The operator should be advised that Crested Wheatgrass is not considered to be compatible with native grass species. Before seeding the site, the Division recommends the operator submit a Technical Revision to revise the approved seed mixture, replacing Crested Wheatgrass with a more compatible grass species. Because the seed mixture was approved 30 years ago, the Division recommends the operator contact the local Natural Resources Conservation Service for a more up-to-date seed mixture recommended for rangeland use in the area.

At the time of the inspection, it was sunny and cool, with some snow cover remaining on the ground. A permit sign was posted at the gated entrance to the site off of Co Rd 29. The private access road is not indicated to be part of the approved permit area, but a "pre-existing ranch road not significantly improved for the mining operation". The 112c permit area approved in the 1988 Conversion application is curved in shape, and appears to include the existing 7 acre pond, forms a somewhat rectangular shaped area just west of the pond, and includes a larger area to the north of the pond but south of the access road. During the inspection, the Division could not locate any markers that properly delineate the approved permit boundary. Mr. Freund indicated the permit boundary is delineated by fencelines and ranch roads in the area. There is a ranch road that circles the perimeter of the pond and property fencelines present to the west and south of the permit area. However, in reviewing aerial images of the site available in Google Earth, the fencelines and ranch roads do not delineate the approved permit boundary. The enclosed Google Earth image of the site shows the approximate location of the approved permit boundary as shown on the permit maps submitted with the 1988 Conversion application (see enclosed permit map showing 112c permit boundary). It appears the most recent excavation area located west of

the pond is very close to the western permit boundary, meaning the operation could very likely cause offsite damage if the boundary is not properly delineated on the ground, as required. Pursuant to Rule 3.1.12(2), the boundaries of the affected area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries. A problem is cited in this report (see page 1) for failure to maintain boundary markers around the affected area. The operator will need to conduct a survey and replace the boundary markers in the correct locations. The operator shall submit to the Division by the corrective action due date photographs of the markers once they are placed, and a site map showing the approved permit boundary which indicates the locations where photographs were taken.

The Division estimates the current pond to be approximately 10.25 acres in size (10.5 acres total minus 0.25 acre for islands present in the pond). This means the operation has expanded the pre-existing 7 acre pond by approximately 3.25 acres. The total amount of exposed groundwater is compliant with the maximum exposure of 27 acres allowed by the approved augmentation plan for the site (mentioned above). The eastern and southern pond banks appear to be steeper than the approved 3H:1V slope gradient. Some portions appear to have slopes at or near 1H:1V (**Photo 1**). As the Division has noted in previous inspection reports, all pond shorelines will need to be graded to the approved slope gradient of 3H:1V or flatter for final reclamation. The Division understands the eastern pond shoreline was created prior to the site being permitted (and prior to 1980). However, the shoreline is included in the approved permit area, and therefore, must be reclaimed in accordance with the approved reclamation plan. All but the more recently created western pond shoreline have a good establishment of native grasses and trees (mainly willows and cottonwoods) that appear to have volunteered into these areas (**Photos 2-9**). This vegetative cover appears to be effectively controlling erosion of the pond slopes at this time. The western shoreline has slope gradients ranging from 3H:1V to nearly flat, with some native grasses and willows volunteering across this side of the pond (**Photo 10**).

The most recent excavation area located west of the pond (**Photos 11 and 12**) is approximately 5 acres in size, and includes a stripped area, a topsoil stockpile, and a milled asphalt stockpile. Mr. Freund said the operation had mined down to a clay layer in this area and stopped. Therefore, the operation may not continue to expand the pond in this area, but mine the sand and gravel on top of the clay layer, then reclaim the disturbed land. The salvaged topsoil is stored along the western edge of the excavation area, and appears to be stable with good grass cover (**Photo 13**). The stockpile of milled asphalt is stored at the northwestern corner of the area, north of the haul road (**Photo 14**). A problem was cited for this stockpile in the Division's April 4, 2007 inspection report, requiring the operator to give more details about the stockpile and its intended use. The Division was concerned the stockpile would be used for backfill in the pond. The operator submitted a letter on October 31, 2007 which explained that the stockpile is used strictly for road maintenance on the ranch and would not be buried on site or used as backfill for the pond. At the time, the operator estimated the stockpile to be approximately 3,000 CY in volume. According to historic aerial images of the site available in Google Earth, the current stockpile is slightly smaller than it was in 2007, but appears to fluctuate in size throughout the years as it is added to and used.

The site was not active during the inspection, and it appears to have not been mined in some time. No material stockpiles were observed on site and the excavation area west of the pond appeared to have been stripped several years ago, as native grasses are volunteering into the area. The southern portion of the excavation area had been recently graded (**Photo 15**), and a small dozer was stored on site. However, Mr. Freund explained the grading was done to repair some stormwater damage that had recently occurred along the slope as runoff made its way toward the pond. According to the last three annual reports submitted by the operator (2014, 2015, 2016), mining activities last occurred at the site on March 15, 2014. This implies the site is not active every year as required by its intermittent status. In talking with Mr. Freund, the permit was originally obtained for a potential airport construction project, which never played out. Mr. Freund stated that all material mined from the site is used on the ranch and is not sold. For these reasons, in the inspection report for March 28, 2012, the

Division recommended the operator consider requesting a Declaratory Order from the Mined Land Reclamation Board to terminate the permit. Since that time, the operator has not obtained a Declaratory Order. Therefore, the operation must comply with the Act and Rules and the approved mining and reclamation plans for the permit. Rule 1.13.5(1) states, if an operator temporarily ceases production of the mining operation for 180 days or more, the operator must file a Notice of Temporary Cessation in writing to the Office. According to the operator, production at the site has ceased for almost three years. This is cited as a problem in this report (see page 1). The initial period shall be the first 5 years of Temporary Cessation beginning with the 180 day period of production cessation. In this case, the 5 year period would begin on March 15, 2014, and end on March 15, 2019. A Temporary Cessation Notice form is enclosed with this report.

On the other hand, if the operator intends to resume mining activities at the site (e.g., extraction, processing, and/or hauling off from stockpiled material), or begin final reclamation, then a Notice of Temporary Cessation is not required. However, the operator must submit to the Division by the corrective action due date written documentation explaining which option will be pursued (resume mining or begin final reclamation), and providing a schedule for implementation.

This concluded the inspection.

PHOTOGRAPHS



Photo 1. View looking northeast at portion of eastern shoreline, showing slope gradients of at or near 1H:1V.



Photo 2. View looking northwest, showing vegetative cover present along eastern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows).



Photo 3. View looking west, showing vegetative cover present along eastern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows). Looking toward extraction area located on other side of pond.



Photo 4. View looking south, showing vegetative cover present along eastern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows).



Photo 5. View looking northwest, showing vegetative cover present along eastern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows). Note small island present in pond (shown at center, right).



Photo 6. View looking west, showing vegetative cover present along eastern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows).



Photo 7. View looking northeast, showing vegetative cover present along southern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows).



Photo 8. View looking east, showing vegetative cover present along southern pond shoreline (foreground and background), including native grasses and some trees (mainly cottonwoods and willows).



Photo 9. View looking northeast, showing vegetative cover present along southern pond shoreline (foreground), including native grasses and some trees (mainly cottonwoods and willows). Note small island present in pond (shown at center, right).



Photo 10. View looking south at portion of western shoreline, showing slope gradients of near flat.



Photo 11. View looking northwest at southern portion of most recent excavation area located just west of pond. Note shoreline slope gradients at 3H:1V to near flat.



Photo 12. View looking southwest at northern portion of most recent excavation area located just west of pond. Note shoreline slope gradients at 3H:1V to near flat.



Photo 13. View of topsoil stockpile stored at western edge of most recent excavation area located just west of pond. Note stockpile appears to be stable with good grass cover.



Photo 14. View of milled asphalt stockpile stored at northwestern corner of most recent excavation area located just west of pond.



Photo 15. View looking west across southern portion of most recent excavation area located west of pond, showing recent grading to repair stormwater damage along slope.

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>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>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>N</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>PB</u>	(SP) 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>N</u>	(ST) STIPULATIONS----- <u>NA</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

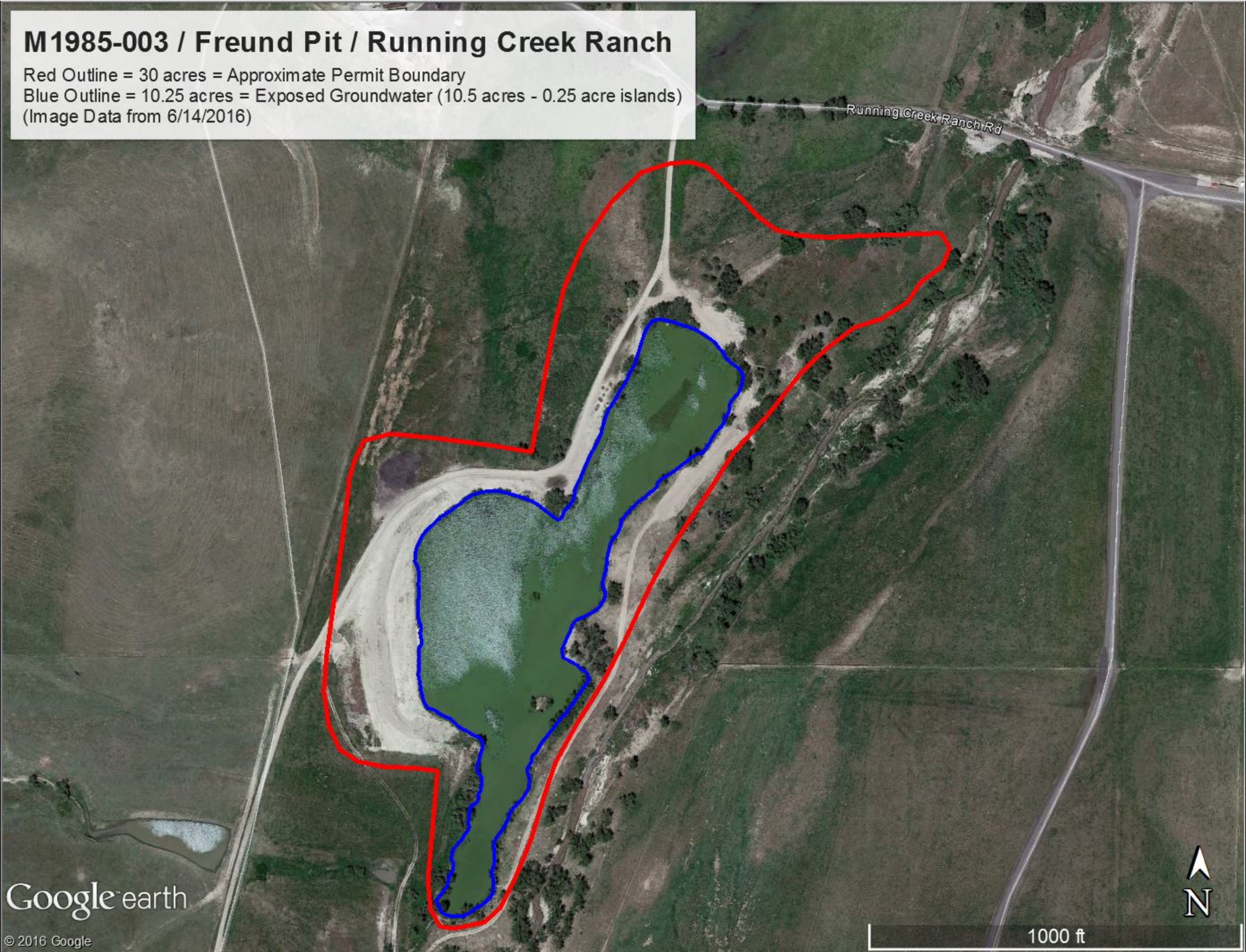
Joseph Freund, Jr.
Running Creek Ranch
15460 E Batavia Dr
Aurora, CO 80011

Enclosure(s): Google Earth image of site
Approved permit map showing 112c permit boundary
Temporary Cessation Notice form

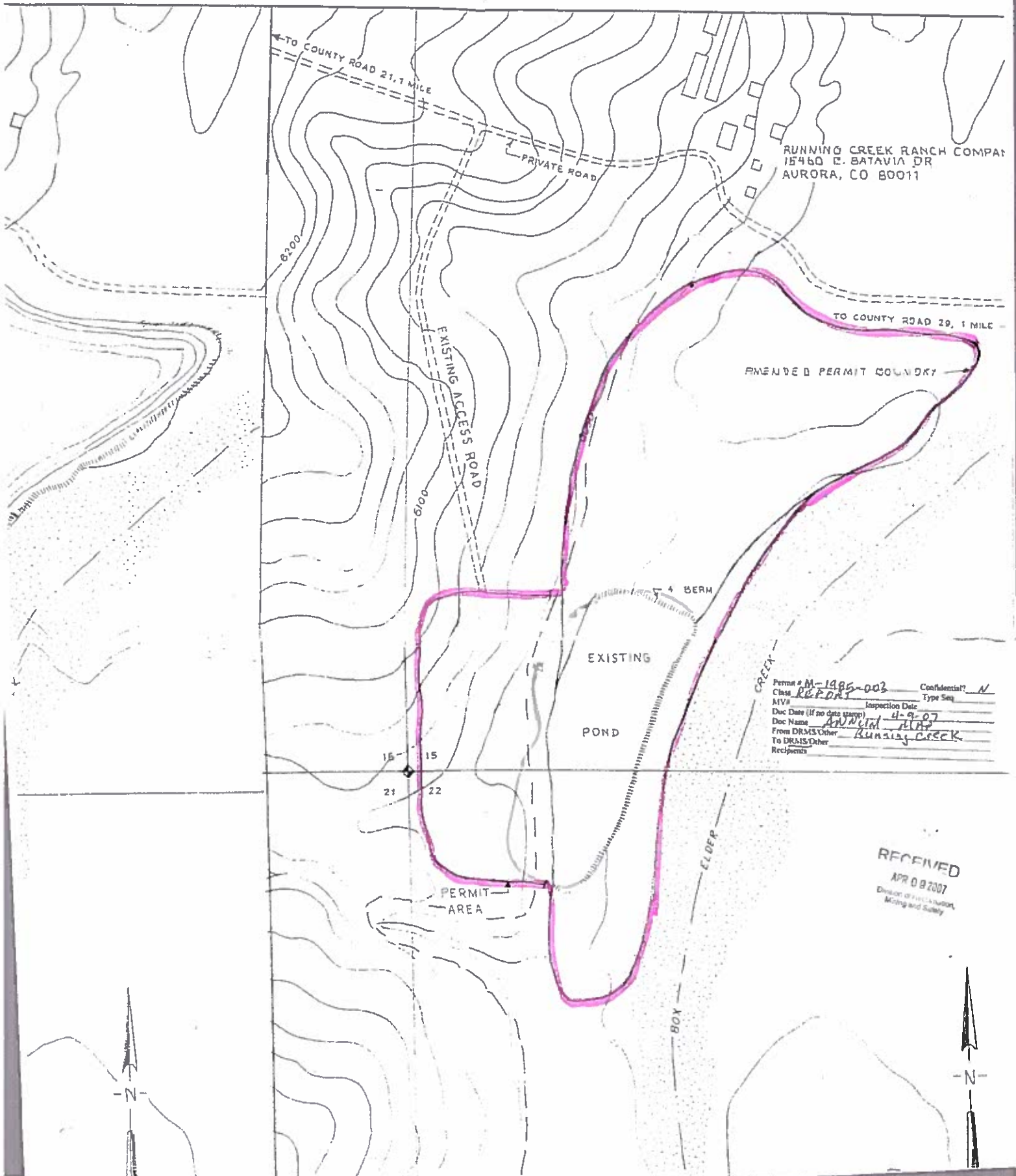
CC: Wally Erickson, DRMS
Peter Hays, DRMS

M1985-003 / Freund Pit / Running Creek Ranch

Red Outline = 30 acres = Approximate Permit Boundary
Blue Outline = 10.25 acres = Exposed Groundwater (10.5 acres - 0.25 acre islands)
(Image Data from 6/14/2016)



M1985-003 / Freund Pit
Pink Outline = 112c Permit Boundary





COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY

1313 Sherman Street, Room 215, Denver, Colorado 80203 Phone (303) 866-3567

TEMPORARY CESSATION NOTICE

(mining activities temporarily cease for more than a one-year period)

Today's date: _____

Permit number: M- _____ Site name: _____

County: _____ TC number: _____ (DRMS use only)

Permittee making request: _____

Operator (if other than permittee): _____

Date the initial five-year period of Temporary Cessation begins: _____

Reason mining activities (materials extraction, processing, hauling) have ceased:

Description of plan to resume operations:

Description of plan to meet performance standards of Rule 3.1 during temporary cessation (reclamation, weed control, monitoring, signs, markers, etc.):

Number of affected acres: _____

Amount of financial warranty (bond) on deposit with the state: \$ _____

Required fees for Temporary Cessation by permit type (please mark the correct fee and submit it with this request for Temporary Cessation):

<u>Permit type</u>	<u>Required TR fee</u>	<u>Submitted</u> (mark only one)
Construction Materials	\$144	<input type="checkbox"/>
Hard Rock/ Metal Mining	\$115	<input type="checkbox"/>

The above-referenced permit has entered Temporary Cessation. This site has reserves remaining to be mined.

Operator's signature: _____

Please note:

1. While in Temporary Cessation, the operator must continue to comply with the Rules and Act, including maintaining the site, and must continue to file an annual report and annual fee.