


**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: Varra-Coulson Resource Project	MINE/PROSPECTING ID#: M-2013-064	MINERAL: Gravel and sand	COUNTY: Weld
INSPECTION TYPE: Monitoring	INSPECTOR(S): Peter S. Hays	INSP. DATE: March 2, 2017	INSP. TIME: 10:00
OPERATOR: Varra Companies, Inc.	OPERATOR REPRESENTATIVE: Brad Janes, Brad Jones	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$205,801.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 6, 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: 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 a proper sign was posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 4/05/17

OBSERVATIONS

The Varra-Coulson Resource Project was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The site was previously inspected by the Division on December 12, 2013 for the pre-operational inspection. Mr. Brad Janes and Mr. Brad Jones with Varra Companies, Inc. were present during the inspection.

The site is permitted for 100.63 total acres divided into 3 mining fields; north, middle and south fields. A total of 65.88 acres of land will be disturbed south of the Poudre River resulting in a 59.30 acre clay lined reservoir. Mining activity will commence in the northeast corner of the middle field and proceed in a counterclockwise direction toward the west. The middle and south fields will be mined concurrently. The north field is not expected to be disturbed during the life of the mine. The site consists of three to five feet of topsoil and the depth to bedrock varies from 33 to 37 feet deep with an average of 40 feet. The site will be mined as a dewatered open pit using standard mining equipment and methods. The groundwater level is approximately 5 to 10 feet below the natural ground level. The mining highwall will be excavated at a 1.25H:1V slope. The highwalls will be backfilled to a 3H:1V slope prior to the construction of the clay liner.

The site is undisturbed by mining activity and remains a rangeland field covered with vegetation. As indicated in the 2016 annual report, the south boundary along East 16th Street was fenced with a chain-link fence and an access road and gate were constructed off of Fern Street. As cited as a problem on Page 1, 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. 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 a proper sign was posted by the corrective action date.

The irrigation ditch relocation to along the west boundary of the Middle Field has not occurred to date, but will be completed by the Operator prior to initiating mining operations at the site. Photographs taken during the inspection are attached.

Inspection Contact Address

Mr. Brad Janes
Varra Companies, Inc.
8120 Gage Street
Frederick, CO 80516

Ec: Wally Erickson, DRMS

PHOTOGRAPHS



View of site from entrance gate looking north



View of site from entrance gate looking NW



View of site from entrance gate looking west



View of site from entrance gate looking southwest



View of site from entrance gate looking south



View of site from north side of Southfield looking south

GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</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>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>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>

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