



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: Silt Pit	MINE/PROSPECTING ID#: M-1981-202-SG	MINERAL: Sand and gravel	COUNTY: Garfield
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: March 3, 2017	INSP. TIME: 12:00
OPERATOR: Flag Resources Inc	OPERATOR REPRESENTATIVE: Fred and Eric Frei	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$55,400.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 24, 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: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The current mine plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-112 (1)(c)(VI). The operator must provide sufficient information to describe or identify how the operator intends to conduct the operation.

CORRECTIVE ACTIONS: The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine plan to reflect existing and proposed activities by the corrective action date.

CORRECTIVE ACTION DUE DATE: 5/22/17

INSPECTION TOPIC: Revegetation

PROBLEM/POSSIBLE VIOLATION: Problem: The current reclamation plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-116 (1). The operator must follow approved reclamation plan or provide sufficient information to describe or identify how the operator intends to conduct reclamation. The approved reclamation plan cannot contain state listed noxious weed species (Russian Olive) nor can they be present within the

permitted area to reduce the spread of weeds to nearby areas as required by Section 3.1.10 (6) of the rule.

CORRECTIVE ACTIONS: The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved reclamation plan to reflect existing and proposed activities by the corrective action date.

CORRECTIVE ACTION DUE DATE: 5/22/17

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Silt Pit is a 112c sand and gravel pit that consists of a total of 170.70 acres with a maximum disturbance of 30 ac. It is located in Garfield County approximately a mile and a half southeast of Silt Colorado and is accessed from CR 331. Fred and Eric Frei represented the operator and accompanied Amy Yeldell of the Division on the inspection.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. The sign is located at the entrance to the permit boundary.

The site was active at the time of the inspection. There were several processing plants and pieces of heavy equipment located throughout the site. Fuel is located in a cement secondary containment structure. Several buildings are located within the permit. The mine office, shop and two pole barns are all permitted to stay post mining per TR-4.

Previous annual reports have mentioned that the cement and asphalt batch plants have been removed. A new batch plant operation was being installed at the time of inspection.

Some metal debris cited in previous inspection reports remains on site. The operator has indicated that a large majority of it has been sold and is awaiting pick up. The rest of it will be removed once steel scrap prices come up.

The western portion of the permit has been previously mined and is reclaimed. The operator mentioned that he thought the riparian areas and some of the lake had been previously released. To date there have been no acreage reductions. Potentially a specialist may have inspected grading while reclamation was ongoing. If Mr. Frei would like to release any areas that meet the requirements of the currently approved reclamation plan an acreage reduction request must be submitted. The form is attached. Please note that since the current plan calls for one large lake. Only the western half of the reclaimed lake would be releasable since the eastern portion still needs to be graded to join the two halves. Likewise there are several roads and graveled storage areas present that are not on the final reclamation plan.

Vegetation was dormant at the time of the inspection. Staff was unable to determine if weeds are present or evaluate reclaimed areas. However the eastern wetland area appears to be thriving as vegetation is well established and mature.

The current reclamation plan calls for planting 200 Russian Olive trees. Russian Olive is a list B weed in

Colorado and therefore should not be present on site nor should it be planted in conjunction with reclamation. This is cited as a problem. Please revise the reclamation plan to no longer include Russian Olive trees by the corrective action date.

Active mining is occurring in the eastern portion of the permit boundary. The surface footprint has been completely disturbed and now the operation is just working deeper. The active pit is approximately 40 acres, not including processing and building areas. In the reclamation plan only a small portion remains graveled around structures (see TR-4 reclamation map). The permit calls for a maximum disturbance of 30 acres. The northern highwall has been excavated near vertical to 1:1 for a length of approximately 1500 ft and 30 ft deep in order to get the most of the good material present. Half of the highwall has been partially backfilled. However the operator said that they will continue moving east vertically to get the remainder of good material left. The approved mine plan per TR-3 says that mining will be at a 3:1 with at most 200 lft of vertical. Additionally TR-3 states that at all times 100 ft will be maintained between the river and the pit/lake. In some areas vertical mining may be approaching that buffer. In general the operator has failed to follow the mining plan which is cited as a problem. The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine plan to reflect existing and proposed activities by the corrective action date.

Please keep in mind that several minor revisions can be made under the same technical revision request. Therefore both the mining and reclamation plans can be changed under one technical revision and with one \$216 revision fee.

It is likely that due to the mining plan divergence that the site is also under bonded. Backfilling is a costly reclamation task. Likewise dewatering the east lake in order to make one lake as is currently approved is a significant task. If you propose to keep one lake the TR shall include pumping information to calculate the cost of dewatering the lake.

No surety increases have occurred since the original permit issuance. The bond was last reduced in 1999 with the approval of TR-3. 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 begin a preliminary reclamation cost estimate. However no final calculations will be done until the technical revision is approved and inspection problems are abated. The Division currently holds a financial warranty amount of \$55,400 for this site.

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





Overview of processing plant and stockpiles within the pit floor



Overview of the western half of the east pond with remaining reclamation.







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>PB</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</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>PB</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>PB</u>
(SM) SIGNS AND MARKERS----- <u>Y</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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New Castle, CO 81641

Enclosure

EC: Russ Means, Senior EPS, GJFO DRMS