




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: Miller Gravel Pit	MINE/PROSPECTING ID#: M-1982-112	MINERAL: Sand and gravel	COUNTY: Elbert
INSPECTION TYPE: Monitoring	INSPECTOR(S): Peter S. Hays	INSP. DATE: April 28, 2017	INSP. TIME: 10:00
OPERATOR: Estate of Rick L Hunt	OPERATOR REPRESENTATIVE: Mark Heifner, O.J. Pratt	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$44,146.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 5, 2017	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</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>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

OBSERVATIONS

The Miller Gravel Pit was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) to evaluate technical revision no. 4 and to observe the current status of the site. The site was last inspected by Amy Eschberger with the Division on February 18, 2016. In the 2016 inspection report, three (3) problems requiring corrective action were cited for; hydrologic balance, general compliance with the mine plan and inadequate financial warranty.

The permittee for the Miller Gravel Pit is the Estate of Rick L Hunt, following the death of Mr. Hunt. MidFirst Bank is handling Mr. Hunt's estate and is preparing to auction off Mr. Hunt's properties, including the land in this 112 construction materials permit. The Division was contacted by Mr. O.J. Pratt with Auction Boulevard to accompany the Division during the inspection to obtain an understanding of the required reclamation at the site prior to the auction. Mr. Pratt and Mr. Mark Heifner representing Schmidt Construction, the operator of the site, were present during the inspection.

Technical revision no. 4 (TR-04) was submitted to the Division on March 30, 2017 in response the problem requiring the mine plan to be updated to increase the maximum allowable disturbance area from 30 acres to at least the current amount of disturbed land at the site. The revision describes and identifies a 70.85 acre bonding area, which includes the current affected area of 66.14 acres and a future mining area of approximately 4 acres. The site disturbance description and map included in the technical revision were found to be accurate in depicting the status of the site, based on the observations from this inspection. The technical revision was approved by the Division on May 1, 2017. The 2016 problem related to the updated mine plan is considered resolved by the Division.

On May 1, 2017, the Division received a letter from Holland & Hart, a representative of MidFirst Bank, in response to the hydrologic balance problem cited in the 2016 inspection report. The letter included a valid well permit for the site, an augmentation decree and a water lease agreement with the Town of Elizabeth. The letter concluded and the Division's agrees the Miller Gravel Pit is currently in compliance will all requirements under Colorado law regarding well permitting and long-term groundwater augmentation. This problem is considered resolved by the Division.

The problem cited in the 2016 inspection report for inadequate financial warranty to complete the reclamation of the currently affected lands is outstanding and overdue. The Division issued a separate financial warranty increase letter on February 1, 2017. The due date for submitting the increased financial warranty in the amount of \$102,500 for a total warranty amount of \$146,646.00 was May 2, 2017. The financial warranty has not been received to date, however the Division has been in contact with Mrs. Sherman with MidFirst Bank and believes the increased financial warranty will be submitted soon.

Evidence of noxious weeds including; diffuse knapweed, common mullen and musk thistle were observed during the inspection. The Operator must continue to monitor and control the noxious weeds at the site. Failure to control the noxious weeds could prevent successful revegetation of the site during reclmation and delay or prevent the release of the reclamation permit.

As observed during the inspection and as indicated on the TR-04 map, mining excavation along the western boundary is very close to the permit boundary in several areas. The Division recommends these areas are backfilled to prevent the possibility of off site damage, which could result in a possible violation from the Division.

The required mine sign was observed on the entrance gate and the site boundaries were delineated as required by Rule 3.1.12. Photographs taken during the inspection are attached.

Inspection Contact Address

Mr. Robert Lembke
8301 E. Prentice Ave., #100
Greenwood Village, CO 80111

Enclosure – Inspection Map

Ec: Wally Erickson, DRMS
Jennifer Sherman, MidFirst Bank

PHOTOGRAPHS



Miller Gravel Pit mine sign



View of site from north topsoil stockpile looking south



View of construction storage yard from the south boundary looking NE



View of construction storage yard from the south boundary looking north



View of construction storage yard from the south boundary looking NW



View of site from middle of pit floor looking north



View of site from middle of pit floor looking southwest



View of site from middle of pit floor looking south



View of site from middle of pit floor looking northeast