


**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: Dillon Ranch Pit	MINE/PROSPECTING ID#: M-1987-064	MINERAL: Sand and gravel	COUNTY: La Plata
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: April 5, 2017	INSP. TIME: 10:40
OPERATOR: Elam Construction, Inc. dba Sandco, Inc.	OPERATOR REPRESENTATIVE: Jodie O'rand	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$31,118.07	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 31, 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>Y</u>	(RD) ROADS----- <u>Y</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>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</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>N</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>Y</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

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Dillon Ranch Pit is an Active 112(c) located in La Plata County, Five miles North of Durango, CO at approximately 6568 Feet in Elevation. The site consists of 106 Permitted Acres that is dissected into two portions by the Animas River. The two sections are connected via a low water crossing that is utilized during the winter months. This inspection was conducted on two separate days, the processing area on the west banks of the river were inspected on April 5, 2017 and the mining area on the east side was inspected on May 18, 2017. The Division currently holds \$31,118.07 in Financial Warranty for the site. A reclamation cost estimate update was performed and staff calculations found the currently held Financial Warranty is sufficient to achieve Reclamation of the site in accordance with the approved Reclamation Plan. Eight Photos accompany this report to illustrate the site conditions.

Processing Area

The site was active during the inspection, crushing and screening operations were taking place while staff was on site. The processing area not only processes materials mined from the Dillon Ranch site, but also serves as a central processing facility for materials excavated at other permitted sites in the area. The proper mine identification signage was posted at the entrance to the site as seen in Photo One, and the permit boundary was clearly marked with berms and T-posts. The processing area is to be reclaimed to support an industrial /commercial post mining land use. The site consists of a large stockpile area, concrete batch plant, shop facility, office facility and storage area. The concrete batch plant was not active during the inspection, but appeared to be in good condition. Several large stockpiles are located within the stockpile area and appear to be stable, examples of which can be seen in Photo Two. Material was actively being crushed and stockpiled during the inspection. North of the stockpile area is the shop facilities used for various activities including vehicle maintenance and storage. The facility itself was in good condition, and all items being stored around it were in a neat and orderly fashion. The facility can be seen in Photo Three. Along the western edge of the site is a storage area where various items including vehicles, a modular office trailer and other items are being stored. All items are stored in a neat and orderly fashion and are in good repair. Photo Four shows a bulk fuel storage tank located on site, the storage tank has appropriate secondary containment and is in good condition. No noxious weeds were observed in this area of the site.

Mining Area

The mining area was inspected at on a separate day, and material was actively being hauled from the site during the inspection, however no active excavation was taking place at that time. Mining activities consist of excavating and wet dredging material from the pond, and stockpiling it for removal. The material is removed in a near reclamation footprint and grade. Photo Five shows the active excavation area, and Photo Six shows the previously mined area that is now the footprint of the pond. Stockpiles of material were observed in the loading area. All stockpiles in the area are in good condition and appear to be stable. A large portion of the mining area has yet to be excavated, and can be seen in Photos Seven. Mining activities will slowly progress into these areas, however the Operator indicated that wouldn't happen for quite some time yet.

Low Water Crossing

The two sections of the site are connected by a permitted low water crossing across the Animas River. During periods of low water, the flood protection dykes are breached to allow for truck traffic to pass between the two areas. All other times of the year the dykes are restored and truck traffic is routed around to Trimble Lane. Photo Eight shows the low water crossing which was not in use during the inspection but appears to be

stable and in good condition.

The overall footprint of the site was in good condition and free from any excessive trash and debris. No noxious weeds, significant erosion nor any other problems or possible violations were noted during the inspection. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203 or by phone at (970)243-6368.

PHOTOGRAPHS





Photo Two: View southeast showing examples of the stockpiles located on site. Stockpiles range from sand, all the way to cobble sized material.

4.5.2017

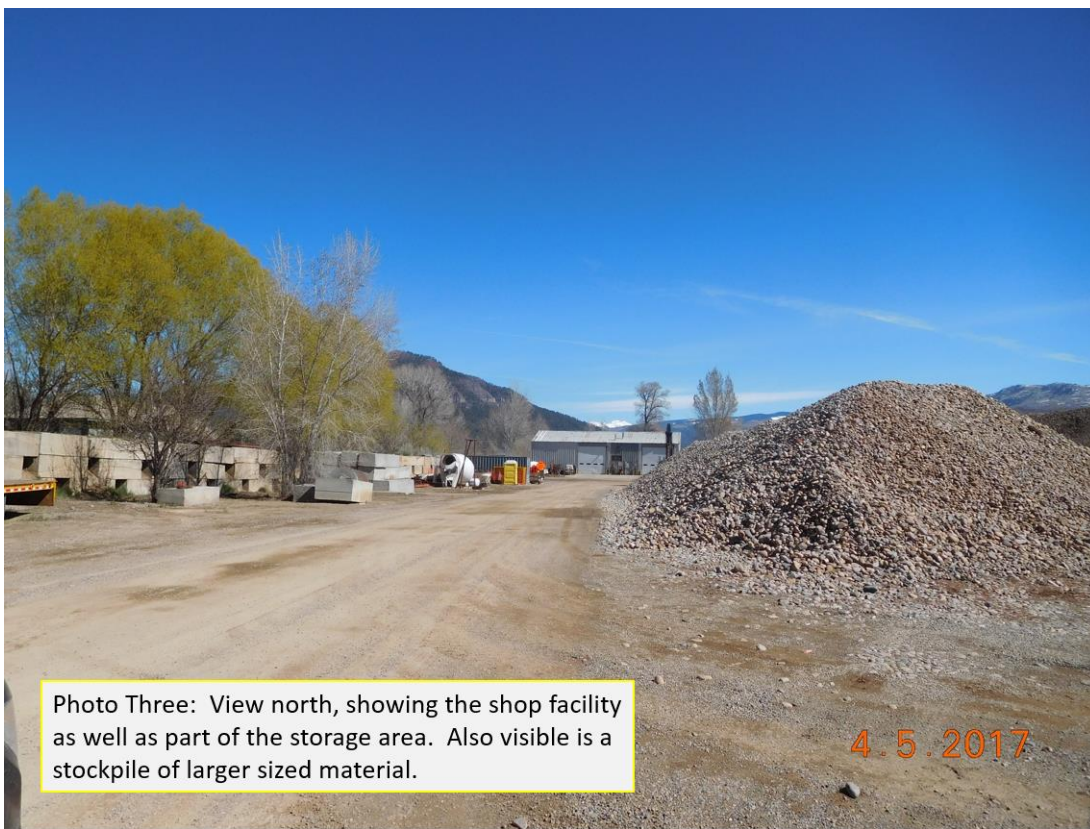


Photo Three: View north, showing the shop facility as well as part of the storage area. Also visible is a stockpile of larger sized material.

4.5.2017



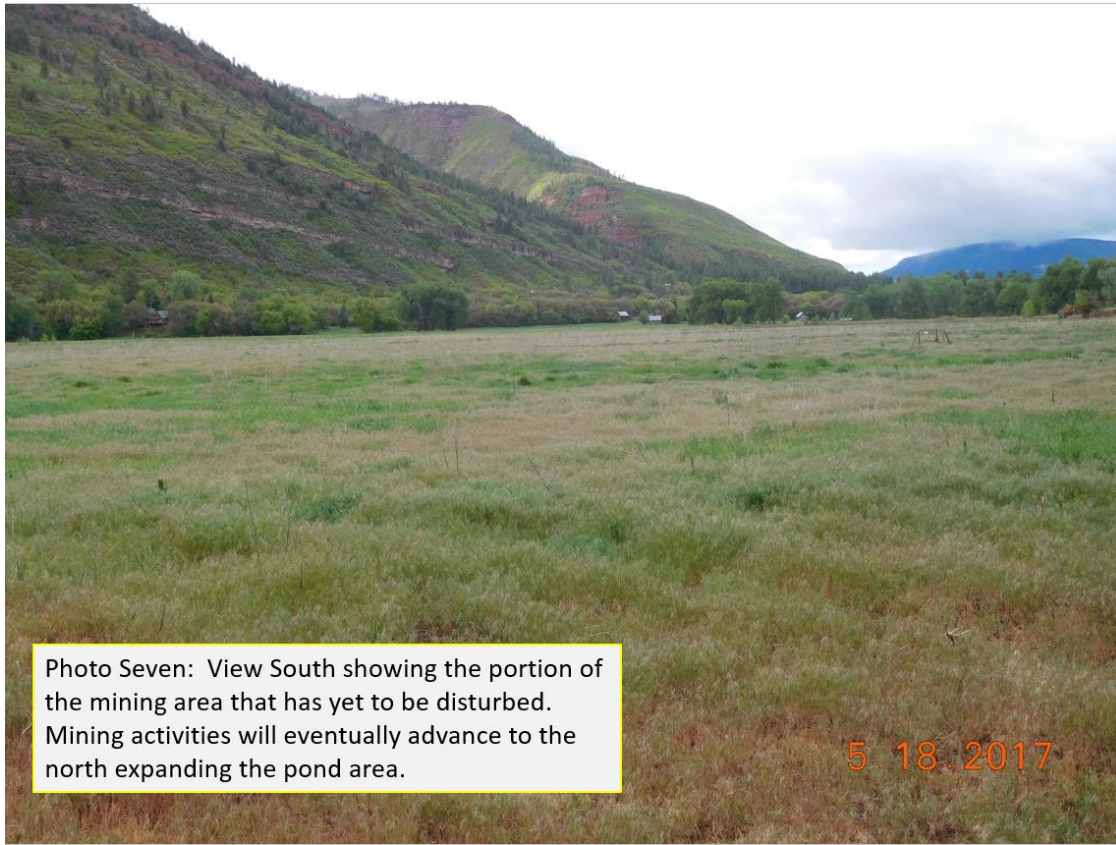
Photo Four: Showing the bulk fuel tanks located on site, the tanks have adequate secondary containment and safety features as well.

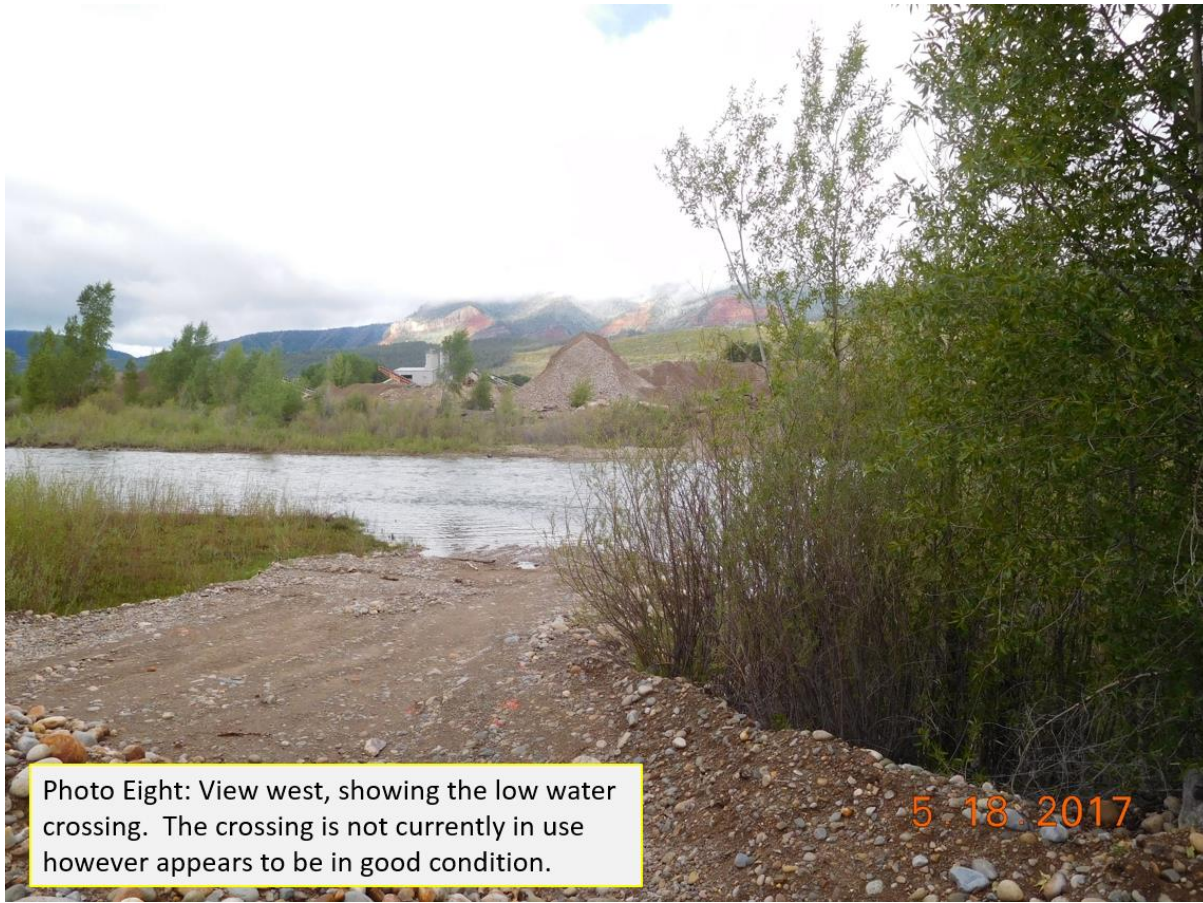
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Photo Five: View south showing the active excavation area of the mining area. The slopes are mined at a near reclamation grade.

5.18.2017





Inspection Contact Address

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Grand Junction, CO 81501

Enclosure

CC: Russ Means, Senior Environmental Protection Specialist