



COLORADO

Division of Reclamation,
Mining and Safety


Department of Natural Resources

MINERALS PROGRAM INSPECTION REPORT

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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: Builders Aggr Pit	MINE/PROSPECTING ID#: M-1981-112	MINERAL: Sand and gravel	COUNTY: Morgan
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Jared L. Ebert	INSP. DATE: June 22, 2017	INSP. TIME: 10:50
OPERATOR: Builder's Aggregate, Inc.	OPERATOR REPRESENTATIVE: James Miner	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$11,750.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 28, 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: Hydrologic Balance

PROBLEM: The Division has no evidence that the operator has a valid well permit, substitute water supply plan, or approved water augmentation plan for exposing groundwater at the site. If dredge operations resume and groundwater is exposed prior to obtaining appropriate approvals from the State Engineer's Office Division of Water Resources, this will be a possible violation of 34-32.5-116(4)(h) of the Colorado Revised Statutes and 3.1.6(1)(a) of the Construction Materials Rules and Regulations governing injury to existing water rights.

CORRECTIVE ACTIONS: The Operator shall demonstrate that the operation is in compliance with the Office of the State Engineer prior to resuming dredge operations or any other process that will expose groundwater on-site

CORRECTIVE ACTION DUE DATE: Prior to resuming mining operations.

INSPECTION TOPIC: Gen. Compliance With Mine Plan, Records

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. The following items will need to be addressed and clarified:

1) Updated Mining and Reclamation Plans with appropriate maps will need to be submitted to DRMS for approval,

- 2) Documentation from Army Corps of Engineers that the operation is approved for the proposed mining activities, or that such approval is not needed,
- 3) Approved Army Corps of Engineers delineation of wetland and other sensitive habitats on site, if present, and plan for how these areas will be protected or mitigated as appropriate.

CORRECTIVE ACTIONS: The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mining and reclamation plans to reflect existing and proposed activities prior to resuming mining operations at the site.

CORRECTIVE ACTION DUE DATE: Prior to resuming mining operations.

OBSERVATIONS

This was an inspection of the Builders Aggr Pit, DRMS Permit No. M-1981-112 operated by Builder's Aggregate, Inc. I, Jared Ebert of the Colorado Division of Reclamation, Mining and Safety conducted the inspection. Mr. James Miner with Builder's Aggregate< inc. accompanied me during the inspection. This is an 80 acre 112c mining operation in Fort Morgan, Colorado. The approved post mine land use for the site is Industrial/Commercial.

On March 23, 2017 the Division received an acreage reduction request for the site for 37 acres. The application was deemed incomplete on April 27, 2017. On May 10, 2017 the Division received the documents required to deem the application complete. Given this, on May 10, 2017 the application was deemed complete for review. This inspection was conducted to determine if the 37 acres is eligible for release.

Backfilling and Grading:

Mining has halted at the site as the former pit area was flooded in 2013 and the pit was filled with sediment.

Financial Warranty:

The post mine land use for the site is approved to be industrial/commercial. Given that the mined area has been completely filled in with sediment from the 2013 flood, and the area is within the floodway of the South Platte River no reclamation work is currently needed. Given this, the current financial warranty is adequate. The area above the channel of the South Platte River on both the north and south side of the river is used as an industrial yard by the Operator for his concrete and construction business. As the post mine land use has already been implemented in these areas, no additional reclamation work is required.

Hydrologic Balance:

The mine area is located adjacent to the South Platte River. The former mined area consisted of a pit excavation within the alluvium that was mined using a dredge. This pit was filled in with sediment as a result of the flooding that occurred in 2013. The currently approved mine plan map depicts a lake created by the mining operation. This lake no longer exists. A small drainage enters the current permit area at the southwest corner of the site. The drainage meanders through the permit area and eventually discharges into the South Platte River. The water in this drainage stagnates within some wetland areas before it discharges into the river. The water within this drainage that flows into the permit area had an orange/red color. According to Mr. Miner, the water within this drainage comes from a culvert south of the site from the property owned by Western Sugar Cooperative.

The last inspection conducted at the site was on June 7, 2016. According to a problem cited in that inspection report, the Division has no evidence that the Operator has a valid well permit, substitute water supply plan, or an approved water augmentation plan for exposed groundwater at the site. Given this, if the dredge operation resumes and groundwater is exposed prior to obtaining appropriate approvals from the State Engineer's Office (Colorado Division of Water Resources), this would be a possible violation of C.R.S. 34-32.5-116(4)(h) of the Colorado Revised Statutes and Rule 3.1.6(1)(a) of the Construction Materials Rules and Regulations governing injury to existing water rights. At the time of this inspection, the dredge was not operating and it did not appear groundwater had been exposed at the site. The dredge is currently sitting in the drainage discussed above. According to Mr. Miner, he has retained a water lawyer to apply for the appropriate approvals with the State Engineer's Office. At this time, these approvals have not occurred.

Given this, prior to re-initiating the mining operation, the Operator must demonstrate that the operation is in compliance with the State Engineer's Office.

On May 23, 2017 the Division received a letter from the State Engineer's Office objecting to the acreage reduction. The reason for the objection was because the State Engineer's Office believed that an exposed groundwater lake existed at the site within the acreage reduction area based on the Mine Plan map submitted by the Operator. The letter indicates that a valid well permit and substitute water supply plan has not been issued for this site to augment the water lost from the lake. As indicated above, this lake has been filled in with sediment and no longer exists. This report will be forwarded to the State Engineer's Office and the Division will determine if they will withdraw their objection.

Gen. Compliance With Mine Plan:

The Operator is not currently mining. The last Division inspection conducted for the site cited a problem indicating that the current mine plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-112(1)(c)(VI). The following items will need to be addressed and clarified:

- 1) Updated Mining and Reclamation Plan with appropriate maps will need to be submitted to DRMS for approval.
- 2) Documentation from Army Corps of Engineers that the operation is approved for the proposed mining activities, or that such approval is not needed.
- 3) Approved Army Corps of Engineers delineation of wetland and other sensitive habitats on site, if present, and plan for how these areas will be protected or mitigated as appropriate.

The Division has a due date for these corrective actions of August 31, 2016. To date, this item remains outstanding. However, after a discussion with Mr. Miner, the future mining at the site depends on the amount of groundwater he will be able to expose based on the forthcoming well permit/substitute water supply plan he will be seeking from the State Engineer's Office. Given this, the Division will modify this problem cited. Instead of a specific due date for this revision, the Division will require that the Operator submit and receive approval of a Technical Revision with the information listed above prior to re-initiating the mining operation.

Reclamation Success:

The post mine land use for the site is designated as Industrial/Commercial use. The Operator indicated the land will be leveled and the property used for a concrete business, general civil construction, and a yard for construction equipment. The acreage reduction area of 37 acres encompasses three areas: the South Platte River, affected land south of the river and affected land north of the river. The South Platte River bisects the site in the middle. South of the river is a strip of affected land about 200 feet wide from the property boundary. The area north of the river is the northeast corner of the site that consists of an office, shop and an equipment storage yard.

The acreage reduction area that is located south of the river consists of a relatively level area where the Operator/landowner has several stockpiles of what appears to be recycled asphalt and concrete, stockpiles of asphalt and concrete to be recycled and a couple of small stockpiles of sand. Also, a scale and various other pieces of construction equipment are stored in this area south of what appears to be the floodway.

The affected land in the proposed acreage release area north of the South Platte River consists of a storage yard for various pieces of construction equipment, two warehouse/shop type structures, and an office for the

business. This area is level with small two track roads present throughout the site for access to the construction equipment. The area is stable.

Overall, the affected land within the acreage reduction area is being used as an industrial/commercial business in accordance with the approved reclamation plan. Given this, the Division will approve the applicants request for an acreage reduction.

The Division did receive a letter from the Colorado Division of Water Resources objecting to the release of the proposed area. For more information regarding this issue, please see they hydrologic balance section of the report.

PHOTOGRAPHS



Figure 1. Southern portion of the acreage reduction area from the east end looking west.



Figure 2. Southern portion of acreage reduction area from the center of the area looking east.



Figure 3. Drainage from the southwest corner of the site entering the South Platte River.



Figure 4. Dredge sitting in the drainage discussed within the body of this report.



Figure 5. Southern acreage reduction area from the west end of the site looking east.



Figure 6. Concrete stored at the site.



Figure 7. Water within the drainage that enters the site from the southwest corner of the property and flows to the South Platte River.



Figure 8. From the southwest corner of the site looking south up the drainage.



Figure 9. North acreage reduction area. From the west end of the site looking southeast.



Figure 10. North acreage reduction area. From the west end of the site looking east.



Figure 11. North acreage reduction area. From the west end of the site looking northeast.

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>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>PB</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(CI) COMPLETE INSP---- <u>NA</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>Y</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

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Enclosure

EC: Sarah Brucker, State Engineer's Office, Via e-mail.