

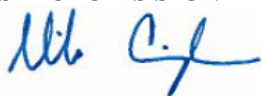
**COLORADO**Division of Reclamation,
Mining and Safety

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: Gloria Z Mine	MINE/PROSPECTING ID#: M-1984-094	MINERAL: Sand, gravel, gold	COUNTY: Park
INSPECTION TYPE: Monitoring	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: June 20, 2017	INSP. TIME: 11:45
OPERATOR: Sanborn Sand and Gravel/dba Golden Cross Aggregates, Inc.	OPERATOR REPRESENTATIVE: Mike Pfister	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$108,234.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 27, 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: Roads

PROBLEM/POSSIBLE VIOLATION: Problem: The current mine plan does not account for the newly constructed access roads. This is a problem pursuant to C.R.S. 34-32.5-112 (1)(c)(VI).

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

CORRECTIVE ACTION DUE DATE: 8/22/17

OBSERVATIONS

The inspection was conducted by Michael Cunningham and Wally Erickson of the Division of Reclamation, Mining and Safety (Division). Mike Pfister and Lance Baller were present on behalf the Permittee and Greg Lewicki and Ben Langenfeld were present on behalf of Greg Lewicki and Associates. The Gloria Z Mine is located approximately one mile northwest of Fairplay, CO on the south side of the Middle Fork of the South Platte River.

The purpose of this inspection was to follow up on the Division's previous inspection conducted on May 17, 2017. During the May 2017 inspection the Division cited a problem for a lack of boundary markers. In addition, a problem was cited for failure to maintain stormwater collection ditches.

Hydrologic Balance:

During the inspection the Division confirmed the Operator had performed the necessary maintenance on the stormwater collection ditches to ensure they are functioning properly. The problem cited during the May 17, 2017 inspection is considered to be resolved.

Gen. Compliance With Mine Plan:

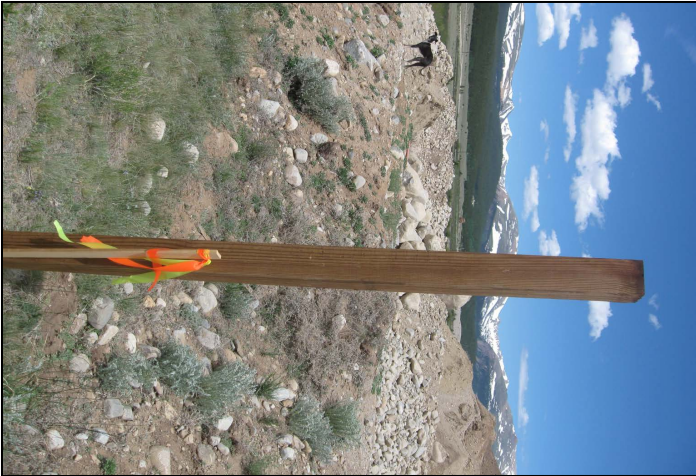
During the inspection the Division observed two new roads within the affected area which are not accounted for in the approved Mining Plan. The first road is located in the southeast corner of the site and was constructed in an area historically disturbed by sluicing operations. The road is approximately 200 ft. in length and 12 ft. in width. The Operator constructed a berm and a sediment catchment basin halfway down the road to prevent stormwater runoff from leaving the site. The Operator does not have a stormwater discharge permit and all stormwater runoff is to be contained within the permit area. The road will need to be evaluated by the Water Quality Control Division of the Colorado Department of Public Health and Environment to determine if the stormwater controls which are in place are adequate. The second road which the Division observed is located along the northern perimeter of the site and to the south of the stormwater collection ditches. The Operator informed the Division the road was constructed to provide access to the stormwater collection ditches, so that equipment would not need to traverse within the buffer between the Middle Fork of the South Platte River and the stormwater collection ditches.

The presence of these newly constructed roads has been cited as a problem and will require corrective action by the Operator; please see the first page of this report for additional details.

Signs and Markers:

During the inspection the Division confirmed the Operator had replaced the boundary markers around the affected area. The Operator has used 4 x 4 posts for several of the boundary markers and survey lath stakes were in place for the remainder of the boundary markers. The Operator stated that all of the survey lath stakes would be replaced with 4 x 4 posts. It is the Operator's responsibility to ensure the boundary of the affected land remains delineated at all times. The problem cited during the May 17, 2017 inspection is considered to be resolved.

PHOTOGRAPHS



1. Representative photo of boundary markers.



2. New access road constructed in southeast corner of mine. Photo taken facing downslope.



3. Access road constructed between mine pit and stormwater collection ditch.

GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>PB</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>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>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>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

Inspection Contact Address

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Enclosure

CC: Wally Erickson, DRMS
Kelly Jacques, WQCD