




**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.

<b>MINE NAME:</b> West Fork Pit	<b>MINE/PROSPECTING ID#:</b> M-2005-069	<b>MINERAL:</b> Gravel	<b>COUNTY:</b> Garfield
<b>INSPECTION TYPE:</b> Surety-Related Inspection	<b>INSPECTOR(S):</b> Amy C. Yeldell	<b>INSP. DATE:</b> December 14, 2017	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Caerus Piceance LLC	<b>OPERATOR REPRESENTATIVE:</b> Jason Eckman	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	
<b>REASON FOR INSPECTION:</b> Priority	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$39,078.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Snowing	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> December 22, 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>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <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

## **OBSERVATIONS**

This inspection was conducted by the Colorado Division of Reclamation, Mining and Safety (Division) in response to the Succession of Operator (SO-1) request approved on November 30, 2017. SO-1 transferred the permit from Encana Oil & Gas (USA) to Caerus Piceance LLC (Caerus).

The West Fork Pit is a 112c permitted site that includes a total of 18.40 acres with a maximum disturbance of 12 acres. To date approximately 4 acres have been disturbed. It is located approximately 15 miles northwest of Parachute, CO and is accessed County Road 215. Jason Eckman with Caerus 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 of the permit boundary. The mine sign has been updated to reflect Caerus' ownership. The permit boundary is delineated by t-posts.

The pit consists of a large depression atop a ridge. The excavated area is approximately an acre and 10-15 feet deep. All slopes located within the pit are less than a 2:1. Topsoil is located in berms around the perimeter of the pit. No true stockpiles were present, just a few small (4-6 cy) piles on the pit floor.

Adjacent to the excavation is a flat laydown yard area that is approximately 2 acres. There is a cement foundation that's 50 feet by 20 feet. Some cement blocks were being stored on site but were in the process of being hauled off at the time of the inspection. A dozer was parked on site but no mining active was observed. There are no structures, fuel or other equipment on site.

This site is not approved for intermittent operation. If the operator wishes to use this site annually but less than 180 days a year they should submit a technical revision with the \$216 revision fee to request intermittent status.

Mr. Eckman also proposed the question of using the flay laydown yard portion of the pit to stage equipment for the gas pad adjacent to the mine. He stated that if they didn't have to create another pad that would be preferred and that the operation would be covered under a COGCC permit. In order to do this one of two things needs to happen. Option 1: Submit a technical revision with the required \$216 revision fee and request to change the post mining land use of a small area of the pit to commercial industrial. The operator could then release this area from DRMS jurisdiction without having to complete any reclamation work. Moving forward the operator would just need to comply with COGCC however they can no longer use this area for mining in the future. Option 2: Submit a technical revision and the required \$216 revision fee to change the mining plan to allow for joint use of the laydown yard area. The operator would need to submit a map and identify which areas will be jointly used. The Division will also need proof that the area is covered under COGCC for reclamation liabilities.

Much of the inspection was reviewing DRMS procedures with Caerus. Such as explaining revision types, reporting requirements, and inspection items. The Division would also like to remind that operator that several changes can be made under one technical revision request and fee.

The Division currently holds a financial warranty amount of \$39,078 for this site. The bond has not been

increased since the permit issuance in 2006. 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 has updated the reclamation cost estimate. Based on the worst case scenario of 12 acres disturbed the Division estimates the cost to be \$50,022, which would be a surety increase of \$10,944. Given that the actual disturbance is significantly less than the worst case scenario the Division feels the site is adequately bonded. In the future you may wish to revise your mine plan to decrease your maximum disturbance which would limit your potential liability.

The site appears to be well maintained and clean. No problems or violations were noted during this inspection.

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**











Topsoil stored adjacent to the pit in berms



Overview of pit





**Inspection Contact Address**

Jason Eckman  
Caerus Piceance LLC  
1001 17th Street, Suite 1600  
Denver, CO 80202

Enclosure

CC  
Russ Means, Senior EPS, Grand Junction DRMS