


**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: Varra Resources Project 110 (Dakolios)	MINE/PROSPECTING ID#: M-1984-036	MINERAL: Sand and gravel	COUNTY: Weld
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Peter S. Hays, Patrick Lennberg	INSP. DATE: September 20, 2018	INSP. TIME: 10:00
OPERATOR: Varra Companies, Inc.	OPERATOR REPRESENTATIVE: Brad Janes, Brad Jones	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$87,200.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 24, 2018

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: Revegetation

PROBLEM: There are state-listed noxious weeds present on-site including; diffuse knapweed, Canada thistle, common mullein, tamarisk, and Russian olives. This is a problem for failure to employ weed control methods for state-listed noxious weed species within the permitted area, and to reduce the spread of weeds to nearby areas as required by Rule 3.1.10(6).

CORRECTIVE ACTIONS: The Operator must implement the approved weed control plan and provide proof of weed control measures to the Division by the corrective action date.

CORRECTIVE ACTION DUE DATE: 10/24/18

OBSERVATIONS

The Varra Resources Project 110 (formerly Dakolios Pit No. 1) was inspected by Peter Hays and Patrick Lennberg with the Colorado Division of Reclamation, Mining and Safety (Division/DRMS) in response to a technical revision (TR-05), surety reduction request (SR-02) and a pending final release request. The site was previously inspected by the Division on February 5, 2015. Mr. Brad Jones and Mr. Brad Janes with Varra Companies, Inc. were present during the inspection.

The Varra Resources Project 110 is located north of the Town of Firestone and southeast of the intersection of Weld County Road 13 and St. Vrain Creek in Weld County, Colorado. The mine permit sign was posted at the entrance gate and the permit boundaries were well-defined as required by Rule 3.1.12.

The site is divided into three main areas, Areas 1 and 2, 3 and 4. Areas 1 and 2 are located in the northwest section of the site. Area 1 contains the scale house and the main entrance. Area 2 contains a 16.5 acre reservoir created by the installation of a SEO approved clay liner. Area 3 is located in the northeast section of the site and contains the recycling operation, product stockpiles and seep ditch. The post-mining land use for this area was changed to general agriculture in 2011 under AM-02. The Operator intends to continue general agricultural activities and concrete and asphalt recycling operations in the area after the site is released from the reclamation permit. Area 4 is located in the southeast portion of the site and contains a 24.6 acre reservoir. The reservoir is sealed with a SEO approved clay liner.

Technical Revision No. 5

The Operator submitted a technical revision (TR-05) on July 19, 2018. The current decision date for the revision is October 24, 2018. The revision verifies the recycling activities at the site are approved under the USR with Weld County, revises the reclamation seed mixture, includes the northeast corner of Area 4 in the general agriculture zone and revises the location of the seep ditch buffer zone.

The proposed seep ditch buffer zone relocation would move the zone from along the southern boundary of Area 3 to an area 25 feet on either side of the ditch. The buffer zone area was disc harrowed ahead of seeding. The area will be seeded this fall by the Operator. Annual weeds have volunteered in the buffer zone, which may require the Operator to re-disc the area before seeding the area.

Asphalt and concrete recycling activities were observed in the northeast corner of Area 4 as depicted in the technical revision map submitted by the Operator.

Surety Reduction Request

The Division currently holds a financial warranty in the amount of \$87,200.00. The Operator submitted a surety reduction request (SR-02) associated with technical revision no. 5 to reduce the financial warranty to the cost to revegetate the 4.0 acre buffer zone area. The Division recalculated the required financial warranty, with the revised seed mixture, at \$17,000.00 for the cost to revegetate the buffer zone, inter-seed the perimeters of the reservoirs and the cost of mobilization for the reclamation work by an independent contractor. The recalculated financial warranty appears acceptable based on the observations from this inspection.

Vegetation and noxious weeds

The vegetation above and below the anticipated high water elevation at both reservoirs was evaluated during the inspection. The vegetation above the anticipated high water elevation consisted of native grass species with annual and noxious weeds. The Operator is mowing the areas to control the weeds along the shoreline. The mowed grasses made identification of the specific grass species difficult.

The vegetation below the anticipated high water elevation at both reservoirs consisted of annual weeds and noxious weeds including; diffuse knapweed, Canada thistle, common mullein, tamarisk, and Russian olives. As cited as a problem above, the Operator must implement the noxious weed control plan for the site to control the spread of the noxious weeds. The presence of noxious weeds below the high water elevation will provide

a seed source for the noxious weeds as the water elevation is raised in the reservoirs, therefore the noxious weeds must be controlled by the Operator. The presence of noxious weeds and the incomplete reclamation of the seep ditch buffer zone would prevent the Division to consider a final release request for the site until the items are addressed by the Operator. The Division recommends the Operator control the noxious weeds, mark the high-water elevation in both reservoirs and inter-seed the upland areas of both reservoirs or allow the existing grasses to go to seed to increase the vegetative cover and to allow for identification prior to submitting a final release request for the reservoir shorelines. The Operator may elect to request a partial release for the industrial areas, since the areas are functioning as described in the approved Reclamation Plan.

Release Request

On August 24, 2018, the Operator submitted an incomplete final release request for the site, due to miscommunication from the Division. The Division recommends the Operator withdraw the release request or resubmit the request as a partial release request for the general agriculture areas at the site only. The incompleteness response date for the release request is October 24, 2018.

Photographs taken during the inspection are attached.

Inspection Contact Address

Christopher Varra
Varra Companies, Inc.
8120 Gage Street
Frederick, CO 80516

Ec: Michael Cunningham, DRMS
Brad Janes, Varra Companies, Inc.

PHOTOGRAPHS



Varra Resources Project 110 mine sign



View of the west bank of the southeast reservoir looking south from the NW corner



View of the north bank of the southeast reservoir looking east from the NW corner



View of the south bank of the southeast reservoir looking east from the SW corner



View of the seep ditch buffer looking east along the south side of the ditch



View of the seep ditch buffer looking west along the south side of the ditch



View of the seep ditch buffer looking east along the north side of the ditch



View of the seep ditch buffer looking west along the north side of the ditch



View of the north bank of the northwest reservoir looking west from the NE corner



View of the west bank of the northwest reservoir looking west from the NE corner



View of the west bank of the northwest reservoir looking south from the NW corner



View of the south bank of the northwest reservoir looking west along the south side

GENERAL INSPECTION TOPICS

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

(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>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- PB
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <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