



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: Chivington Grazing	MINE/PROSPECTING ID#: M-1983-119	MINERAL: Sand and gravel	COUNTY: Kiowa
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Eschberger	INSP. DATE: October 10, 2018	INSP. TIME: 13:45
OPERATOR: Kiowa County	OPERATOR REPRESENTATIVE: Jack Howard	TYPE OF OPERATION: 110c - Construction Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$0.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 15, 2018	

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>N</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---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</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

OBSERVATIONS

This was a normal monitoring inspection of the Chivington Grazing site (Permit No. M-1983-119) conducted by Amy Eschberger of the Division of Reclamation, Mining and Safety (Division). Mr. Jack Howard represented the operator during the inspection. The site is located approximately 7.5 miles northwest of Chivington, Colorado in Kiowa County. Access to the site is from the west off Co Rd 49. **Photos 1-10** taken during the inspection are included with this report.

This is a 110c operation permitted for 9.7 acres to mine sand and gravel for use in county road construction and maintenance (see enclosed mining plan maps). No material processing occurs on site. Mined material is directly hauled off site for use or temporarily stored on the pit floor until needed. Pre-law mining disturbance exists just south and west of the permitted site. Portions of these areas are included in the approved permit area. The operator is not responsible for reclaiming pre-law disturbance located outside the approved permit area. The permit area includes the main access road, and forms a half circular shape north of the road.

The approved post-mining land use for the site is rangeland. Reclamation of the site will include grading all disturbed slopes to 3H:1V or flatter, replacing approximately 6 inches of topsoil on disturbed land, and seeding the land with a native grass seed mixture. The Division approved Technical Revision No. 1 (TR-1) in 2000, which allows the operator to import topsoil for reclamation if needed.

A permit sign was posted at the main entrance to the site. The permit boundary was delineated with large rocks and an earthen ditch. The site was not active during the inspection, and appeared to have not been active for some time given the amount of volunteer vegetation covering the site. Mr. Howard informed the Division the material at the site is hard to use as a road base given the number of large rocks present in the material. Therefore, the operator is considering closing operations at this site and beginning final reclamation. Reclamation of the site should be fairly minimal, given that portions of the pit walls already have 3H:1V or flatter slopes, and much of the site has good vegetative cover consisting of native grasses, forbs, and shrubs.

The permit file indicates that approximately 2,000 cubic yards of topsoil was salvaged and stored on site for reclamation. The Division observed a few stockpiles on the pit floor that may be topsoil (difficult to determine due to vegetative cover). The material stockpiles present on the pit floor would need to be used for reclamation or removed from the site. The pit highwalls generally range from 10-20 feet in height. Northern and southeastern portions of the highwall have near vertical slopes and would require grading to 3H:1V.

As discussed with Mr. Howard during the inspection, Rule 3.1.3 requires that all reclamation be carried to completion with all reasonable diligence, and each phase of reclamation be completed within five (5) years from the date the operator informs the Division that such phase has commenced. According to recent annual reports submitted by the operator, the site was last active in 2015. Therefore, unless mining activities recommence at the site, the operator should work to complete final reclamation by 2020.

On the other hand, if the operation intends to recommence with mining activities at a later date, and therefore does not wish to begin final reclamation at this time, the operator may file a Notice of Temporary Cessation in accordance with Rule 1.13 (see enclosed). This would allow the operation to temporarily cease production of the mining operation for up to five years without being required to complete final reclamation.

The operation appears to be following the approved mining plan. No problems were observed. This concludes the report.

PHOTOGRAPHS



Photo 1. View looking south from eastern edge of pit across pre-law disturbed area south of main access road, a portion of which is included in the permit area.



Photo 2. View looking southwest from eastern edge of pit across pre-law disturbed area south of main access road (visible in foreground), a portion of which is included in the permit area.



Photo 3. View looking south across pre-law disturbed area located outside of approved permit area.



Photo 4. View looking southeast across pre-law disturbed area south of main access road, a portion of which is included in the permit area. Note small stockpiles present near the trees which may be topsoil.



Photo 5. View looking north across eastern edge of pit located north of main access road. This portion of the highwall would require grading to 3H:1V for reclamation.



Photo 6. View looking east across eastern portion of pit located north of main access road. Material stockpiles (in background) should be used for reclamation or removed from site for final reclamation.



Photo 7. View looking northeast across northern portion of pit located north of main access road. Material stockpiles (in background) should be used for reclamation or removed from site for final reclamation.



Photo 8. View looking west across western portion of pit located north of main access road.



Photo 9. View looking north across northern edge of pit. This portion of the highwall would require grading to 3H:1V for reclamation.



Photo 10. View looking northwest from western edge of pit across pre-law disturbed area west of main access road, a portion of which is included in the permit area. Note some ponded water in pit during inspection due to recent storm event.

Inspection Contact Address

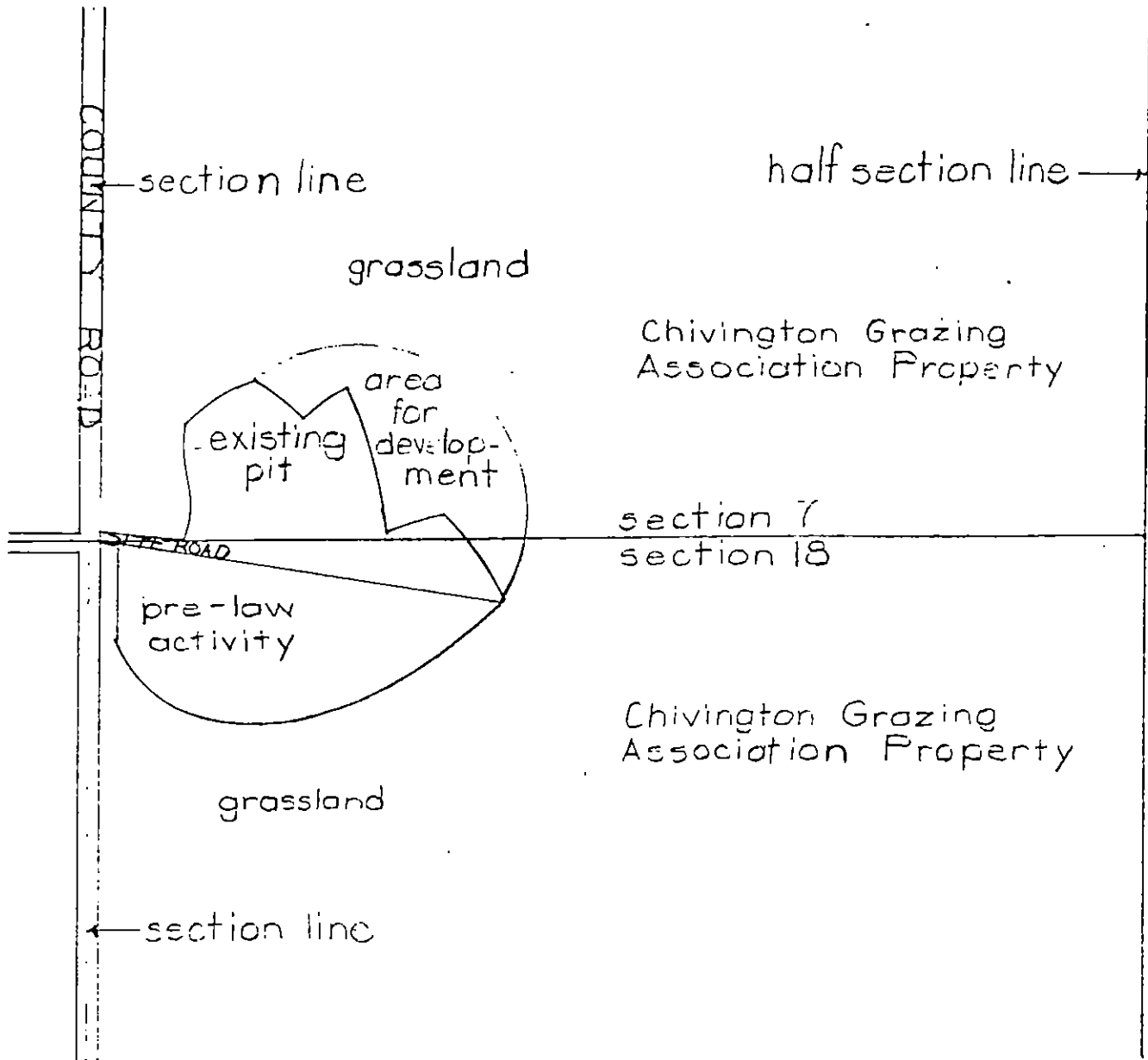
Jack Howard
Kiowa County
P.O. Box 591
Eads, CO 81036

Enclosures: Approved Mining Plan Maps
Rule 1.13 – Temporary Cessation

CC: Michael Cunningham, DRMS

Southwest corner of section 7 and
Northwest corner of section 18 of
Township 18 S Range 46 W

Scale 1 in = 448 ft

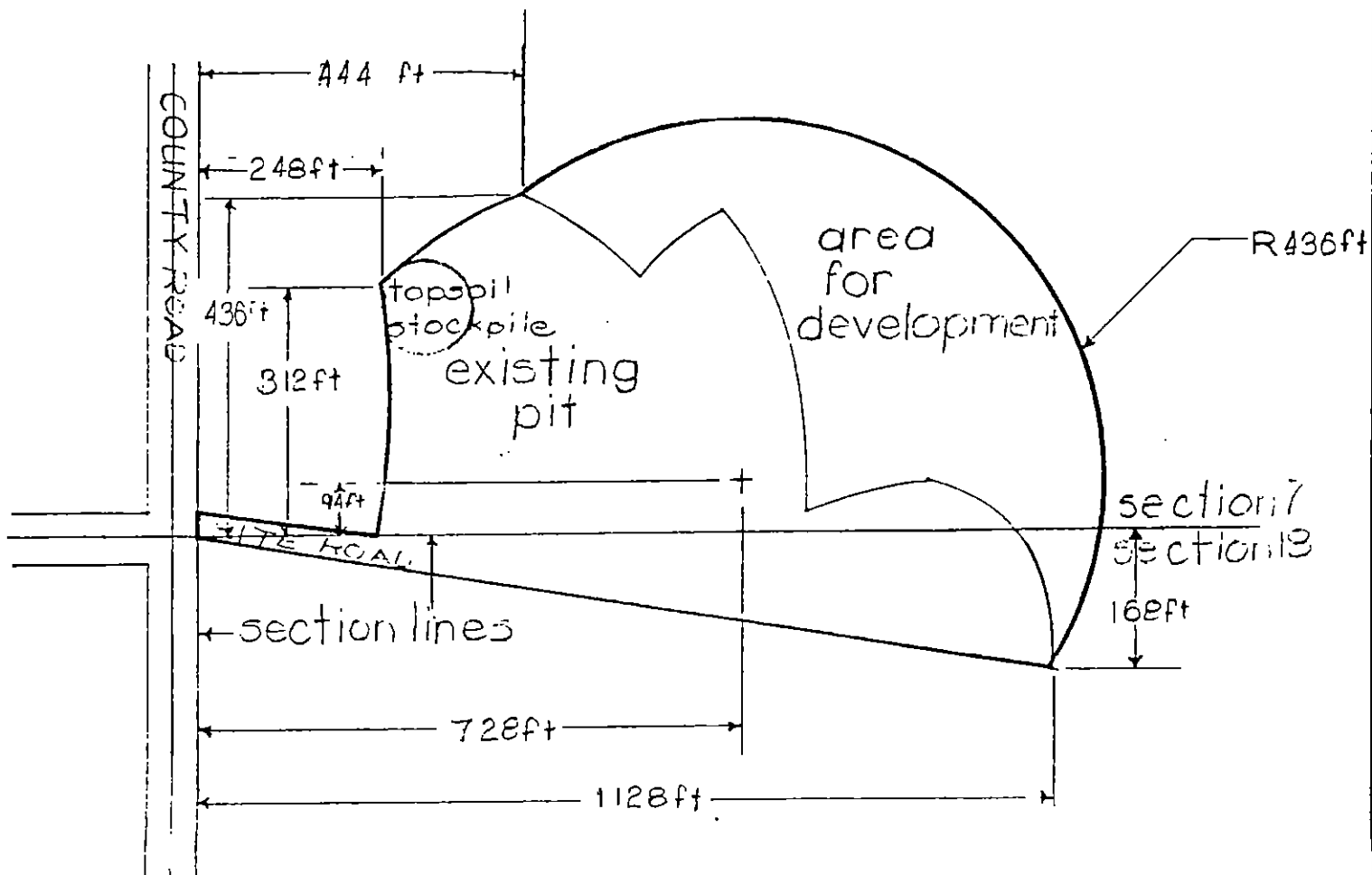


Site Map

EXHIBIT C - PART 3
first replacement

located in the Southwest corner of
section 7 and the Northwest corner
of section 18 Township 18S Range 46W

1 in = 224 ft



- (2) Requests for permit transfers and succession of Operators must be submitted on "Request for Transfer of Construction Material Permit and Succession of Operators" forms provided by the Board. Each request must include an executed Performance Warranty and applicable replacement Financial Warranty.
 - (a) The Office shall act on a Succession of Operator application within thirty (30) days.
 - (b) Succession of Operator requests will be considered automatically approved after thirty (30) days of the date the Succession of Operator request is filed with the Office unless the Operator is notified by the Office that the request is denied. Succession of Operator requests must be submitted on forms approved by the Board, and include the fee specified in Section 34-32.5-125(1) C.R.S., and the properly executed financial and performance warranties, when required.
- (3) Approval of a permit transfer and succession of Operator request shall be given by the Office if it finds that the successor Operator is capable of assuming all responsibility for the conditions included under the original permit. Notice of Permit Transfer will be acknowledged in the monthly activity report attached to the monthly Board agenda.

114, 115

1.12.2 Denial and Appeal Process

- (1) In the event that the Office decides to deny a succession of Operator application, the Office will notify the Applicant in writing within ten (10) days of the decision deadline.
- (2) The Applicant may appeal the Office's decision to the Board for a final determination according to the provisions of Paragraph 1.4.11.

103(11)

1.13 TEMPORARY CESSATION

1.13.1 General Provisions

- (1) A permit granted pursuant to these Rules shall continue in effect as long as:
 - (a) an Operator continues to engage in the extraction of construction material and/or the mining operation and complies with the provisions of the Act; and
 - (b) construction material reserves are shown by the Operator to remain in the mining operation.
- (2) The Board will consider all relevant testimony and facts related to a mining operation in its determination as to whether or not temporary cessation has occurred. The Board recognizes that no one factor is necessarily determinative, but that each determination will be based on site-specific conditions. Factors to be included in the determination if a mine will be considered for temporary cessation, include, but are not limited to the following:

1.13.2 Indications of Temporary Cessation

- (1) there are no personnel working at the site for one hundred eighty (180) consecutive days;
- (2) there are only security personnel at the site;
- (3) there are personnel other than security people at the site, but they are engaged in activities which can be described as maintenance or housekeeping, or related activity;
- (4) there are personnel at the site, but they are engaged in activities which are not significantly moving the site towards completion of the mining operation. The Board will judge these activities in relation to the size of the operation, the nature of the deposit and other facts;
- (5) there is no sale or processing of material or movement of stockpiled material;

- (6) there is only minimal or token excavation of construction material or other material; or
- (7) mine development has ceased and mining has not recommenced.

1.13.3 Indications Against Temporary Cessation

103(11)

- (1) Extraction of construction materials has been completed and only final reclamation and related activities occurring at the site are part of the "life of the mine" (see Definition or see Section 34-32.5-103(11), C.R.S.); or
- (2) a permit has been issued, but the mining operation has not commenced.

1.13.4 Temporary Cessation for a Portion of a Mining Operation

There may be Temporary Cessation for part of the mining operation when one or more operations of several separable types within a permit has been discontinued. Movement of portable equipment between permitted sites shall not be construed to be Temporary Cessation.

1.13.5 Notice by Operator

- (1) If the Operator plans to, or does, temporarily cease production of the mining operation for one hundred eighty (180) days or more, the Operator must file a Notice of Temporary Cessation in writing, to the Office.
 - (a) Initial period shall be the first five years of Temporary Cessation beginning with the 180 day period of production cessation.
 - (b) The second five year period of Temporary Cessation shall begin at the end of the initial period of Temporary Cessation.

- (2) The Notice of Temporary Cessation for the initial period shall include the following:
 - (a) the date of cessation;
 - (b) the reasons for non-production or cessation of the mining operation;
 - (c) a plan for resumption of mining;
 - (d) the measures to be taken to comply with reclamation requirements and/or other activities related to the performance standards of Section 3.1 while the mine is in Temporary Cessation; and
 - (e) demonstration that the existing Financial Warranty is adequate to cover the reclamation liability.
- (3) The Notice for the second period shall include the following:
 - (a) demonstration that the existing Financial Warranty is adequate to cover the reclamation liability;
 - (b) explanation as to why the Operator has not recommenced operations or begun reclamation;
 - (c) demonstration of continued commitment to conduct mining operations at the site by the end of the second five year period.
- (4) Prior to the Board Hearing to consider the request for the second five year period of Temporary Cessation, the Office shall:
 - (a) conduct an inspection of the site to verify compliance with the Act and Construction Material Rules and Regulations;
 - (b) review the permit file for complaints against the operation and the status of resolution of those complaints;

- (c) report to the Board at the Hearing comments by any owner of affected land or local government comments.
- (5) The Notice shall be separate from any other correspondence or reports submitted to the Office.
- (6) The requirement of a Notice of Temporary Cessation shall not apply to Operators who resume the mining operation within one (1) year and have included in the permit applications a statement that the affected lands are to be used for less than one hundred eighty (180) days per year.

1.13.6 Board/Office Procedure

103(11)(b)

- (1) Upon receipt of the above submission as outlined in Subsection 1.13.5(2), the Office will place the Notice of Temporary Cessation on the agenda of the next regular Board meeting and give notice to the Operator, the county and any municipalities within two miles of the proposed operation, by mail.
- (2) The Board, at said meeting and in consultation with the Operator and other interested parties, may take whatever action(s) it deems necessary and are authorized by law, including but not necessarily limited to:
 - (a) acceptance of the Notice of Temporary Cessation as submitted;
 - (b) acceptance of the Notice of Temporary Cessation with modifications and other necessary activities as established by the Board;
 - (c) determination that the mining operation is not in a state of temporary cessation; or
 - (d) continuance of the matter for another month or more to allow the Operator to revise the Notice of Temporary

Cessation and/or to allow the Office staff to conduct a site inspection or otherwise review the matter as necessary.

- (3) When no reclamation or performance standard issues or problems are indicated in the Notice of Temporary Cessation or by field or file inspection, and no concerns are expressed by interested persons, the Notice shall not be placed on the agenda or heard by the Board. In such cases, the county and appropriate municipality will be notified and the fact of the receipt of the Notice by the Office will be acknowledged in the monthly activity report attached to the monthly agenda.

1.13.7 Application Requirements - Substitute for Notice of Temporary Cessation

103(11)(b)

Where certain mining operations have periods of inactivity exceeding one hundred eighty (180) days, the Operator may include in the permit application, amendment or technical revision, the information otherwise required when filing a Notice of Temporary Cessation. (Please see Rules 6.3.3(1)(a) or 6.4.4(e).) If approved by the Board or Office, such Notice in the permit shall serve as a substitute for the Notice of Temporary Cessation with the following conditions:

- (a) The Operator must report to the Board through the Annual Report:
 - (i) the condition of the operation at the time of cessation;
 - (ii) what specific measures have been and will be implemented to comply with reclamation and performance standards; and
 - (iii) plans for resumption of mining.

103(11)(c)

1.13.8 Five Year Term of Temporary Cessation

- (1) A permit granted pursuant to these Rules shall continue in effect as long as:

- (a) the mining operation is resumed within five (5) years of the beginning of Temporary Cessation; or
 - (b) the Operator files a request for an extension of the period of Temporary Cessation with the Board meeting the requirements of Subparagraph 1.13.5(3) and secures Board approval of that request.
- (2) The Board shall, when necessary, establish the commencement of temporary Cessation to determine the start of the five (5) year period described in Subsection 1.13.8.

1.13.9 Ten Year Limitation for Temporary Cessation

In no case shall Temporary Cessation be continued for more than ten (10) years without terminating the mining operation and fully complying with the Reclamation Plan requirements of the Act and these Rules.