


**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.

<b>MINE NAME:</b> Kurtz Resource Recovery & Land Development	<b>MINE/PROSPECTING ID#:</b> M-1999-006	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Weld
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter S. Hays	<b>INSP. DATE:</b> November 1, 2018	<b>INSP. TIME:</b> 12:30
<b>OPERATOR:</b> Varra Companies, Inc.	<b>OPERATOR REPRESENTATIVE:</b>	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$333,800.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> Brad Janes	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 21, 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:** Financial Warranty

**PROBLEM:** The financial warranty is not adequate to reclaim the site in accordance with the approved Reclamation Plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

**CORRECTIVE ACTIONS:** The Operator shall submit adequate financial warranty, as determined by the Division, for the affected acreage in the four mining tracts. A copy of the Division's estimate is attached for review. The Division will allow the Operator 60 days to review and comment on the estimate before issuing the notice of surety increase. The Division will send a separate surety increase notice to the Operator regarding the increase of the financial warranty. The Operator will have 60 days from the date of the surety increase notice to post the additional financial warranty.

**CORRECTIVE ACTION DUE DATE:** 1/19/19

**OBSERVATIONS**

The Kurtz Resource Recovery Land Development Project site was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The site was previously inspected by the Division on August 28, 2014. Mr. Garrett Varra, Mr. Brad Jones and Mr. Brad Janes with Varra Companies, Inc. (Varra) were present during the inspection.

The site is permitted for 295.40 acres with a maximum allowed disturbance acreage of 85.20 acres at one time. The Kurtz site is divided into four (4) tracts: Tracts A, B, C and D. The permit was most recently revised by technical revision no. 4 (TR-04) in 2011 to account for the conveyor route from the Heintzelman Project. The conveyor route was constructed in 2012 and was operational during the inspection. The site was actively mining, processing and hauling materials during the inspection. The mine sign was posted at the mine site entrance as required by Rule 3.1.12 and the permit boundaries were clearly delineated. An inspection map created by the Division based on the observations from the inspection is attached.

**Tract A:**

Tract A is located in the southeastern portion of the site. The tract contained the end of the conveyor line, processing plant, material stockpiles and sedimentation ponds. The tract was being actively dewatered by the Operator. The processing plant was located in the northwest corner of the tract. Material conveyed from the Heintzelman Project was being processed during the inspection. The Operator stated the northeast corner of the pit floor may be mined for a road project in the near future. The northeast corner and a portion of the eastern slope are clay lined. No additional clay lining has occurred since the last inspection. The sedimentation ponds located along the western boundary of the tract will be backfilled with waste material as mining continues. The pond backfilling operation is not currently approved in the Mining and Reclamation Plans. The Operator must submit a technical revision to update the approved Mining and Reclamation Plans and Maps to indicate this change. The oil and gas well located in the southwest corner of the tract may be removed and the peninsula may be mined out by the Operator. The Division will require the Operator to revise the approved Mining and Reclamation Plans to remove the peninsula(s) with the submittal of a technical revision or as part of a future permit amendment for the site.

**Tract B:**

Tract B is located in the northeastern portion of the site. The tract contains processing facilities and product stockpiles. The large sand stockpile located in the eastern portion of the tract has been reduced in size since the last inspection. A new process plant area was being constructed in the southwest portion of the tract.

**Tract C:**

Tract C is located in the southwestern portion of the site. The mining activity in the tract is complete and reclamation activities have begun in the tract. The clay liner is approximately 75% complete with only the northeast corner remaining to be lined. The Operator stated the tract will not be lined and plans to backfill the tract in the future. The Division will require the Operator to submit a technical revision to update the Reclamation Plan for the site prior to backfilling the tract.

**Tract D:**

Tract D is located in the northern portion of the site. The tract is an inactive wash pond. The tract was not observed during this inspection. The Operator has previously stated the tract would be backfilled to upland rangeland as the post-mine land use.

**Weed Control:**

Tamarisk (salt cedar), common mullein, Canada thistle and Russian olive trees, Colorado Weed Management Association listed noxious weeds, were identified during the inspection. The Operator was aware of the requirement to implement the approved weed control management plan for the site to control the noxious weeds.

**Financial Warranty:**

The Division currently holds a financial warranty in the amount of \$333,800.00. The financial warranty has not been recalculated by the Division since 2011. A copy of the 2011 bond estimate summary page is attached for reference. The Division estimated the cost to reclaim the current disturbance at \$454,000.00, an increase of \$120,200.00. A copy of the Division's estimate is attached for review. The Division will allow the Operator 60 days to review and comment on the estimate before issuing the notice of surety increase. The Operator will have 60 days from the date of the surety increase notice to post the additional financial warranty.

**Long-term Groundwater Augmentation:**

The Operator complied with the Colorado Division of Water Resources (DWR) requirement for long-term augmentation for exposed groundwater by committing water shares to cover the exposed groundwater. The approved post-mining land use is general agriculture with three unlined ponds. The Operator is installing clay liners around Tract A and Tract C to create reservoirs. The Division will require the Operator to submit and receive approval of a permit amendment to revise the post-mining land use from general agriculture to developed water resource.

Photographs taken during the inspection at attached.

**Inspection Contact Address**

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

Enclosure – Inspection Map, 2018 Bond Estimate, 2011 Bond Estimate Summary Page

Ec: Michael Cunningham, DRMS

## PHOTOGRAPHS



View of Tract A from the south boundary looking north





View of the processing area in Tract A looking northwest from the oil and gas peninsula



View of the pad preparation work for the new processing area in Tract B



View of Tract C from the northeast corner of the tract looking southwest

### 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>PB</u>	(RD) ROADS----- <u>N</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>N</u>
(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 / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited



# Kurtz Resouce

November 1, 2018 Inspection Map  
M-1999-006

## Legend

-  Kurtz Approx. Permit Boundary
-  New Plant Location
-  Oil and Gas Well
-  Sedimentation Ponds
-  Tract A
-  Tract B
-  Tract C
-  Tract D

