

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: Pikeview Quarry	MINE/PROSPECTING ID#: M-1977-211	MINERAL: Limestone (general), granite,	COUNTY: El Paso
1 IREVIEW Quality	141-19//-211	granite gneiss and dolomite	L11 as0
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Timothy A. Cazier	January 8, 2019	09:40
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Continental Materials Corporation	Jerry Schnabel, Andre Laroche	112c - Construction Regular Operation	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program	Complete Bond	\$4,226,000.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENO	CY:
NA	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:	
Clear	Thing ale	January 10, 2019	

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 \underline{Y}
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE <u>Y</u>	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(RS) RECL PLAN/COMP <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION \underline{Y}	(ST) STIPULATIONS \underline{Y}
(AT) ACID OR TOXIC MATERIALS NA	(OD) OFF-SITE DAMAGE <u>Y</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 Tim Cazier (DRMS) as part of the regular monitoring program. Messrs. Russ Means and Michael Cunningham were also present representing the DRMS. The Permittee, Continental Materials Corporation (CMC) was represented by Messrs. Jerry Schnabel and Andre Laroche during the inspection. Messrs. Paul Kos and Bruce Humphries (consultants) were also in attendance. The Pikeview Quarry is accessed from near the intersection of Centennial Blvd. and Vindicator Dr. north of Colorado Springs. The quarry was operating at the time of the inspection. This is a 112c mine, primarily extracting limestone.

<u>Availability of Records:</u> Annual fees are paid through May 2018. The previous inspection was on January 30, 2018. The approved post-mine land use is wildlife habitat (reference AM-03). There are no open infractions. The majority of the surface and minerals are privately owned. However, there is a small amount of US Forest Service managed lands on west side of the permit boundary. A 1982 amendment approved by the MLRB listed the post mine land use as a mix of wildlife habitat, open space and industrial. The mine's March 2013 response to DRMS adequacy questions stated with the exception of the "layback reclamation area", the post mining land use for the existing quarry remained the same.

Subsequent to this inspection, the DRMS researched the El Paso County Assessor's parcel map for zoning. The majority of the mining area is unincorporated and zoned as "A-5", agricultural with a small portion (the vicinity of the screening plant) being zoned by the city of Colorado Springs as "A", also agricultural. The office area is zoned by the City as "PIP1", planned industrial park. The shop area falls under County oversight and is zoned "A-5".

Backfilling and Grading: Backfilling continues in Area H (see enclosed **2018 Post Inspection Map**), the former pit (see **Photos 1** and **2**). Mine representatives indicated approximately 2.5 million tons of backfill have been placed in Area H with an additional estimated two million tons needed to complete the "Phase 1" reclamation backfill. The backfill is a combination of site material and imported material (allowed with the approval of TR-19 in 2017). A large portion of the remaining Phase 1 backfill will start sloping up the existing highwall at about a 3H:1V grade to provide additional buttressing for slope stability. The "phased" reclamation approach was discussed and clarified that what are referred to as phases would more accurately be called "regions" as they are not necessarily intended to be completed sequentially, but to be completed in a manner that optimizes safety as various portions of the slide area stabilize. Hence forth, the DRMS will refer to these areas as "regions", using the nomenclature presented in TR-18: Plant Area, Horseshoe Area, South Widows Peak, North Widows Peak, Bathtub Area, and Kiewit Cliffs Area.

<u>Excess Spoil and Dev. Waste:</u> No overburden piles were observed. There is little to no overburden in the area currently being mined.

<u>Explosives:</u> Mine representatives indicated blasting is infrequent and the most recent blast was in the late fall of 2018.

<u>Financial Warranty:</u> The \$4,226,000 bond held by the DRMS is currently under review. One of the primary purposes of this inspection was to observe the current state of completed reclamation so as to account for that completed reclamation in the bond review. The permit is not specific with respect to which if any buildings are to remain after final reclamation. As discussed above under "Availability of Records", the shop area is zoned agricultural. As such, <u>unless CMC can demonstrate where the approved permit allows the shop building to remain, the revised bond estimate will include a task to demolish the shop building.</u> The DRMS expects to complete a bond estimate before the end of January 2019.

<u>Fish and Wildlife:</u> No impact to wildlife was observed. As is frequently observed in the reclaimed "horse shoe" area on the south end of the mine, bighorn sheep were observed grazing (see **Photo 3**).

<u>Hydrologic Balance:</u> No standing water was observed in the pit and no exposed groundwater was observed.

<u>Gen. Compliance with Mine Plan:</u> The operation appeared to be in compliance with the approved mine plan. CMC continues to work on stabilizing the highwall and backfilling with overburden as approved in amendment 3 (AM-03). Google Earth was used to measure the disturbed area, which was estimated to be approximately 127 acres, based on 2017 imagery (see enclosed **2018 Post Inspection Map**). The highwalls (see **Photos 4** and **5**) are constantly monitored using a prism system (see **Photo 6**) which will alert mine personnel in the event significant movement of the slide area begins.

Off-site Damage: The operation appeared to be confined to the permit boundary, based on Google Earth review.

<u>Roads:</u> Haul and access roads had been sprayed for dust control and did not appear to be a source of sediment that could be tracked offsite.

<u>Reclamation Success:</u> Reclamation on the south end (Horseshoe Area) and some on the far north end (north of Kiewit Cliffs) is adequate. No requests for release of any reclaimed areas have been received by the Division. CMC confirmed the three proposed closure French drains have been installed.

<u>Revegetation:</u> Some revegetation has occurred on the far north end of the pit and the south end. No noxious weeds were observed.

Sediment Control: No erosion problems were observed and no BMPs were needed at the time of the inspection.

<u>Support Facilities On-site:</u> A screen plant, crusher, and various wheeled support equipment were observed on site (see **Photo 7**).

Signs and Markers: The permit sign was properly posted at the gate.

<u>Permit Stipulations:</u> 1) The division will use traditional financial warranty release techniques if further review indicates that the proposed method used to measure reclamation success does not meet the minimum requirements of the act, rules, and the permit.

<u>Storm Water MGT Plan:</u> No oil or fuel spills were observed. The sediment pond in the northwest corner, opposite the access road from the Kiewit Cliffs was filled with snow (see **Photo 8**) so it could not be determined if maintenance is required to ensure the pond outlet is not plugged. <u>CMC personnel should check the pond and inspect the discharge culvert inlet once the snow has melted.</u>

<u>Topsoil:</u> A topsoil stockpile was observed across the haul road from the office.

<u>Structures:</u> No structures, other than those owned by the mine were observed within 200 feet of the affected area.

Please contact Tim Cazier (303)866-3567 ext. 8169 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Backfilling Area H (looking south from Kiewit cliffs).



Photo 2. Backfilling Area H (looking east from above highwall).

PHOTOGRAPHS (cont.)



Photo 3. Bighorn sheep grazing in Horseshoe area (south end, looking north).



Photo 4. Highwall from Area H (looking west).

PHOTOGRAPHS (cont.)



Photo 5. Highwall from Area H (looking NW).



Photo 6. Typical prism for highwall monitoring system.

PHOTOGRAPHS (cont.)



Photo 7. Screen/crusher (all mobile equipment) plant (looking SE).



Photo 8. Northwest sediment pond – possibly blocked.

PERMIT #: M-1977-211 INSPECTOR'S INITIALS: TC1 INSPECTION DATE: January 8, 2019

Inspection Contact Address

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EC: Russ Means, DRMS

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DRMS file

Jerry Schnabel, CMC

