




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: Orchard Grove Industrial Pit	MINE/PROSPECTING ID#: M-1990-094	MINERAL: Gravel	COUNTY: Mesa
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: January 16, 2019	INSP. TIME: 08:50
OPERATOR: Kilgore Companies LLC dba Elam Constructi	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Priority	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$52,600.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 4, 2019	

GENERAL INSPECTION TOPICS

Three of the following inspection topics were identified as having a Problem for which corrective action is required from the Operator. Failure to satisfy the corrective action by the deadline may elevate the Problem to a Possible Violation. The Operator should read the following pages carefully and ensure compliance is maintained with the conditions of the permit and the Construction Materials Act and Rules and Regulations.

(AR) RECORDS----- <u>PB</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>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>PB</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>NA</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>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

INSPECTION TOPIC: Availability Of Records

PROBLEM 1: The permit file is lacking information typically required in a mining and reclamation plan. Absent are detailed descriptions for how the mining operation will advance and how affected lands will be reclaimed to a beneficial use. Such details are required under C.R.S. 34-32.5-112 and Rules 6.4.4 and 6.4.5. Permit documents fail to demonstrate how the operation will be conducted in accordance with the performance standards of C.R.S. 34-32.5-116 and Rule 3.1. There is insufficient information for the Division to verify the adequacy of the financial warranty in accordance with C.R.S. 34-32.5-117 and Rules 4.2 and 6.4.12. Therefore, the conditions and exhibits of the permit must be updated through the Technical Revision process described under Rules 1.1(49) and 1.9, OR the Amendment process described under Rules 1.1(6) and 1.10, to ensure the permit satisfies the minimum requirements of the Act and Rules.

CORRECTIVE ACTIONS: The Operator shall within 60 days from the signature date of this inspection report, file a Technical Revision or Amendment with the Division to provide the information required under Rule 6.4.4 for the mining plan (Exhibit D), Rule 6.4.5 for the reclamation plan (Exhibit E), and Rule 6.4.12 for the reclamation cost (Exhibit L).

CORRECTIVE ACTION DUE DATE: 4/05/19

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM 2: The conditions of the permit authorize the stockpiling of 15,000 cubic yards of imported fill before initiating backfilling activities. The Division estimates that approximately 26,217 cubic yards are currently stockpiled on site, a substantial exceedance of the permit condition. This is cited as a problem for failure to follow the approved condition of the permit and reclamation plan, pursuant to C.R.S. 34-32.5-116 (1).

CORRECTIVE ACTIONS: The Operator shall within 60 days from the signature date of this inspection report, complete one of the following three options: 1) backfill imported fill material within the pit so that no more than 15,000 cu. yds. is stockpiled on site; OR 2) remove the imported material from the affected lands to ensure no more than 15,000 cu. yds. is stockpiled; OR 3) submit a technical revision to the mining and reclamation plans to allow for a greater volume of material to be stockpiled before backfilling activities occur. The Operator shall submit documentation for one of the three options listed above by the corrective action date.

CORRECTIVE ACTION DUE DATE: 4/05/19

INSPECTION TOPIC: Signs & Markers

PROBLEM 3: The mine identification sign identifies a previous permit holder and not the current Operator, as required under Rule 3.1.12(a). The mine sign needs to be updated to reflect the current Operator.

CORRECTIVE ACTIONS: The Operator shall within 30 days from the signature date of this inspection report, post an updated mine identification sign at the entrance of the mine site in accordance with Rule 3.1.12. Specifically, the sign must be clearly visible from the access road and display the name of the current Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The Operator shall submit photo documentation, demonstrating that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 3/06/19

OBSERVATIONS

This inspection was conducted as follow up to the Succession of Operator (SO-01) request that was approved on January 4, 2019. The Orchard Grove Industrial Pit is a 112c operation approved for 34 acres. The site is located one mile west of Grand Junction Colorado and is accessed from River Road. No representative from Kilgore Companies, LLC dba Elam Construction was present for the inspection.

The mine identification sign was affixed to the scale house on the west side of the pit (photo one). The mine sign has not yet been update to identify the Operator. This is cited as a problem pursuant to Rule 3.1.12(a). Please modify/replace the mine sign so that it is posted in accordance with Rule 3.1.12. Specifically, the sign must be clearly visible from the access road and display the name of the current Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The Operator shall submit photo documentation by the corrective action date listed on page two of this inspection report. Please be aware that the Division is undergoing rulemaking with regards to signage. If approved signs will also have a minimum size requirement of 24 inches in height by 36 inches in width and a minimum of two inch lettering.

The permit boundary was delineated by t-posts with white PVC markers and is in compliance with Rule 3.1.12(2). These markers were placed in the corners of the permit boundary and periodically along the sides. Though the permit is visually delineated the actual boundary is difficult to distinguish amongst the large quantities of imported material, as shown in photo two. This is especially true along the northern permit boundary where there appears to be no difference in land use inside or outside of the permit boundary. These imported piles have been brought in by the landowner. No excavation to date has occurred outside of the permit boundary however stockpiles could be interpreted as off-site disturbance at first glance. The Division recommends that the permit boundary be delineated on the ground in the form of a berm or pathway through the piles to better differentiate between similar disturbances.

A shown in photos three and four several of the imported stockpiles are located north of the permit boundary. There is also a large stockpile of what appears to be clay. This pile is approximately 15'H x 25'W x 45'D and located just south of the rig yard. There is another pile of overburden type material that is approximately 10'H x 10'D x 20'W. In follow up correspondence with the operator these are the landowner's stockpiles and not to be associated with the mining operation. Further delineation of the permit boundary will help ensure that these piles do not get misinterpreted as off-site storage.

Giving the season, vegetation was dormant and no noxious weeds were observed. No reclamation/seeding has occurred to date. Nearly the entire permit area appears to be affected either by active mining or stockpile storage. There is a gate on the east side of the pit that gives access to 23 ½ Road and the adjacent Elam batch plant. Entrances on the west side of the pit have no access restriction.

A processing plant and associated equipment is on site however it was inactive at the time of the inspection and appeared to be winterized (see photo five). Equipment was neatly lined up. Several fuel tanks were observed in secondary containment throughout the permit boundary. A water pump is located in the southwest corner of the permit boundary.

Mining is occurring in the western half of the permit. The most recently excavated highwalls are along the southern boundary and are near vertical as shown in photo six. The highwall height is estimated to be approximately 15 feet tall. At the time of the inspection the pond was partially inundated, exposed highwalls were approximately 10 feet above groundwater. The older mined highwalls are sloped more closely to a 1H:1V.

Northern highwalls have remained unchanged for the past ten years or more and vegetation has begun to volunteer as shown in photo seven. The Division estimates that the currently excavated pond area is 8.2 acres.

There are five main stockpiles throughout the pit in addition to several other smaller less significant piles. A large berm-like stockpile is located on the southern boundary east of the pond and is approximately 8-20'H x 60'W x 400'L. Another berm like pile is located on the southeastern corner and runs parallel to the electrical line. According to the 2018 annual report map this stockpile is overburden and staff estimated it to be 20'H x 70'W x 400'L. The main processed material stockpile is approximately 25'H x 500'W x 100'D in a trapezoidal shape. A smaller stockpile is located north of the main stockpile and is 15'H x 50'W x 50'D. Another smaller pit run stockpile is south of the plant and is 8-15'H x 50'W x 150'D and scattered between several connected piles. All stockpiles appear to be stable and free from erosion.

With regards to the imported material, roughly six and half acres appears to be used as import storage within the permit boundary (see photo eight). Based on the Mesa County Assessor's GIS imagery this pit has had several period of excessive storage before backfilling occurs. A large portion of the imported material currently on site has been in place for roughly 20 years. There are various types of material on site ranging from waste asphalt, concrete with and without exposed rebar, pit run and unscreened soils. Staff estimates that each pile is approximately 2-5 cu. yds. for a total of approximately 26,217 cu. yds. (Assuming 3 cu. yds. piles flattened to an average of 30" over 6.5 ac). In 1998 this imported fill was cited as an inspection problem which was later resolved and abated. In a letter received by the Division on May 11, 1998, the operator committed to stockpiling no more than 15,000 cu. yds. on site before backfilling activities would be initiated. This is cited as a problem for failure to follow the approved condition of the permit and reclamation plan. The operator has continued to import fill material substantially above the 15,000 cu. yds. threshold without backfill. To resolve this problem the operator shall complete one of the following: 1) backfill imported fill material within the pit so that no more than 15,000 cu. yds. is stockpiled on site; OR 2) remove the imported material from the affected lands to ensure no more than 15,000 cu. yds. is stockpiled; OR 3) submit a technical revision to the mining and reclamation plans to allow for a greater volume of material to be stockpiled before backfilling activities occur. The Operator shall submit documentation for one of the three options listed above to resolve this issue by the corrective action date listed on page two of this inspection report. Be advised that the Division does not have an inert fill affidavit for this operator at this pit. If additional material will be imported the operator should submit in the form of a technical revision an inert fill affidavit as required by Rule 3.1.5(9).

The official permit file record is laserfiche. Unfortunately for this permit much the initial permit file including the application materials are incomplete or completely lacking until around 1997. Among the missing information is the mining and reclamation plans. Letters between the Operator and the Division allude to what the permit file may have included but absent are detailed descriptions for how the mining operation will advance and how affected lands will be reclaimed to a beneficial use. Availability of Records is cited as a problem. The mining and reclamation plans must be modified through the Technical Revision and/or Amendment process to adequately address the current requirements of Rules 6.4.4 and 6.4.5 by the corrective action date listed on page two of the inspection report. The modification must provide sufficient information to describe how the operator intends to conduct mining and reclamation activities including all information necessary to conduct an accurate reclamation cost estimate and must also include an updated Exhibit L, Reclamation Cost Estimate Rule 6.4.12.

Furthermore as part of the normal permit review process the Division is mandated to recalculate the reclamation cost estimate to ensure that the Financial Warranty remains adequate to complete final reclamation on all affected lands. However at this time critical details are absent leaving staff unable to accurately calculate the Financial Warranty. The Division will postpone its calculation until figures are provided through the Technical Revision and/or Amendment process. At that time Division will also include a task for transporting imported

material stockpiled on site that is to be used for structural backfill. This task was previously removed from the 2000 bond calculation during which time the operator elected to complete reclamation tasks rather than bonding for them. However given the volume of imported material on site and its prolonged storage, bonding for this liability has become necessary. The Division currently requires a financial warranty amount of \$52,600.00 for this site

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

Inspection Contact Address

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Enclosures

PHOTOGRAPHS









