




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: Miller Gravel Pit	MINE/PROSPECTING ID#: M-1982-112	MINERAL: Sand and gravel	COUNTY: Elbert
INSPECTION TYPE: Surety Release Inspection	INSPECTOR(S): Patrick Lennberg and Michael Cunningham	INSP. DATE: January 25, 2019	INSP. TIME: 08:30
OPERATOR: Schmidt Construction Company	OPERATOR REPRESENTATIVE: Dan Chavez and Mark Heifner	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: None	BOND AMOUNT: \$146,646.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 12, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>N</u>	(RS) RECL PLAN/COMP-- <u>Y</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

OBSERVATIONS

The Miller Gravel Pit was inspected by Patrick Lennberg and Michael Cunningham with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as part of an acreage release request (AR-01) received by the Division on January 2, 2019. The site can be accessed from the west via Hunt Circle, which intersects Co Rd 21 to the west. The site can also be accessed from the south via Hunt Circle, which intersects Co Rd 29 to the east. It should be noted the southern permit boundary is directly adjacent to a 110c permit, called Big R Pit, Permit No. M-1988-052. The site was previously inspected by the Division on April 28, 2017. Dan Chavez with Schmidt Construction and Mark Heifner an independent consultant accompanied us during the inspection. The weather was cold, the sky was clear and there was 1-2 inches of snow covering the ground.

The permittee of the Miller Gravel Pit is Schmidt Construction Company that assumed the permit from the Estate of Rick Hunt on March 5, 2018. The land is owned by Colorado Farms LLC that purchased the land through an auction and signed a 1-year lease agreement with Schmidt to operate the pit. The Miller Gravel Pit is a 112c permit for 130.20 acres and 70.85 acres of disturbance. In late 2018 Schmidt Construction was informed by the land owner that they were not going to renew lease and began tilling up portions of the permitted area, to be mined at a later date, in preparation to plant hemp crops. The acreage release request is for 61 acres that have not been affected by mining or were previously mined and reclaimed.

The approved reclamation plan calls for grading all disturbed slopes to 3H:1V or flatter, replacing a minimum depth of 6 inches of topsoil on disturbed land, and seeding with alfalfa. The approved post-mining land use for the site is pastureland. The current land owner is planning on using the land to plant hemp crops so a change to the reclamation plan may be forth coming. The final pit floor will slope gently toward the west as to create positive drainage toward Running Creek. The private dirt road that crosses the permit area will remain after reclamation for use by the landowner.

There was a loader active at the site transporting material to backfill the recently active pit highwall. There were a few stockpiles of material remaining at the site including a few pieces of mobile conveyor belts and screeners. Several topsoil piles were also observed and appears adequate to complete site reclamation. A mine sign was observed as required by Rule 3.1.12, and the active portion of the site was fenced. Dan Chavez indicated that Schmidt is in the process of final reclamation at the site and he anticipates that backfilling and grading could be completed within 2-3 months.

The release area is 61 acres size and is located to the north and east of the active pit area. The area to the east was tilled by the landowner in late 2018 to prepare the land for planting of hemp when conditions allow. The area looked to be disturbed through the snow that was covering the ground. The area to the north appeared to be unaffected by mining and crop preparation activities.

Per Rule 4.17.2(1) the Division sent notices to all owners of record to the affected land, Elbert County Commissioners, Soil Conservation District, and Elbert County Planner on January 8, 2019. The Division has not received any comments to date. The Division is required to wait 30 days following its decision to release to allow for comments or objections.

Based on the Division's observations, the request for release will be approved, notice of the Division's decision

will be sent under a separate cover letter.

If the permittee would like to update the final seed mixture from alfalfa to hemp to accommodate the new land owner a Technical Revision will have to be submitted for the Division's approval.

Photographs taken during the inspection are attached.

Please contact Patrick Lennberg (303)866-3567 ext. 8114 or email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address

Dan Chavez
Schmidt Construction Company
2635 Delta Drive
Colorado Springs, CO 80910

Enclosure

CC: Michael Cunningham, DRMS
EC Mark Heifner, mheifner610@gmail.com

PHOTOGRAPHS



Photo 1: Mine sign



Photo 2: Looking NW from the SE corner of permit area, area in foreground has been tilled by land owner



Photo 3: Looking north, arrow indicates previously mined land and fence is boundary of area to be released



Photo 4: North end of permit boundary the area between the fence lines, yellow arrows, to be released



Photo 5: Northwest corner of area to be released



Photo 6: Typical topsoil stockpile remaining at the site



Photo 7: Current highwall



Photo 8: Loader transporting material to backfill highwall