




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: Velarde Pit	MINE/PROSPECTING ID#: M-2002-118	MINERAL: Sand and gravel	COUNTY: Huerfano
INSPECTION TYPE: Monitoring	INSPECTOR(S): Patrick Lennberg and Michael Cunningham	INSP. DATE: January 25, 2019	INSP. TIME: 12:50
OPERATOR: APC Southern Construction Co., LLC	OPERATOR REPRESENTATIVE: Jim MacDonald and Rick Pounds	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$114,200.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 13, 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>N</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>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>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

The Velarde 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 the Division's routine monitoring inspection program. The site was previously inspected by the Division on January 27, 2014. Jim MacDonald and Rick Pounds with APC Southern Construction LLC accompanied us during the inspection. The weather was cold, the sky was clear and there patches of snow covering the ground.

The Velarde Pit is located approximately 12.5 miles north of Walsenburg, Colorado. The site is 112c permitted for 300 total acres with 30 acres maximum allowed disturbance divided into three phases. It has an approved affected area of 149 acres at one time. The approved post-mining land use is rangeland. A mine sign was observed as required by Rule 3.1.12.

All current mining activity is contained within Phase 1 of the site and is progressing from the east to west. No processing facilities were observed but there were processed material stockpiles and recycled asphalt stockpiles located in the northeastern quadrant of Phase 1. Topsoil stockpile appears stable with some vegetation growing. The pit appeared to have highwalls and other portions of the pit graded between 2H:1V to 3H:1V. Some rilling of the side slopes was observed but everything is contained within the pit. As mining proceeds from east to west the mined out areas are backfilled and graded. At this time it does not appear that any topsoil has been placed on the reclaimed areas. No groundwater was observed during the inspection.

The site was not active at the time of inspection. The Operator is reminded, pursuant to Rule 1.13.5, if the site does not operate more than 180 days a year then the Operator must file a Notice of Temporary Cessation by submitting a Technical Revision. A scale house facility was noted to have been installed since the last inspection along the western portion of site. The affected area appears to be near the 30 acres maximum allowed.

The financial warranty was recalculated as part of this inspection and there will be an increase. A copy of the Division's estimate will be provided to the Operator for review under a separate cover letter. Once the surety increase is issued by the Division, the Operator will have 60 days to provide the additional financial warranty.

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

Jim MacDonald
APC Southern Construction Co., LLC
14802 W 44th Avenue
Golden, CO 80403

CC: Michael Cunningham, DRMS

PHOTOGRAPHS



Photo 1: Mine sign at entrance



Photo 2: Current pit area



Photo 4: Stockpile of recycled asphalt, product stockpile to the left, and topsoil stockpile to right



Photo 5: Product stockpiles, note the pile in the background is on an adjacent mine property



Photo 5: Boundary marker



Photo 6: Looking north from southeast corner of Phase 1 along fenceline, arrow indicates scale house



Photo 7: Overburden and topsoil stockpiles



Photo 8: Southeastern boundary marker with relic bulldozer on adjacent property in background