




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: Direzza Pit	MINE/PROSPECTING ID#: M-1984-028	MINERAL: Sand and gravel	COUNTY: Bent
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Eschberger	INSP. DATE: March 8, 2019	INSP. TIME: 09:30
OPERATOR: Direzza Limited Family Partnership	OPERATOR REPRESENTATIVE: Dave DiRezza, Dan DiRezza	TYPE OF OPERATION: 110c - Construction Limited Impact	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$5,500.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 30, 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----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</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>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</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

This was a normal monitoring inspection of the Direzza Pit (Permit No. M-1984-028) conducted by Amy Eschberger of the Division of Reclamation, Mining and Safety (Division). The operator was represented by Dave DiRezza and Dan DiRezza during the inspection. The site is located approximately 13.5 miles northeast of La Junta, CO in Bent County. Access to the site is from either the north off Fort Lyon Canal Road or from the south off State Highway 194 and passing through private property. The affected land is owned by the operator. **Photos 1-8** taken during the inspection are included with this report.

This is a 110c operation permitted for 9.5 acres to mine sand and gravel. The site is situated on a low bluff outcropping surrounded on three sides by irrigated farmland. The site is located approximately 400 feet south of the Fort Lyon Canal. Extensive pre-law mining disturbance occurred on site, leaving several excavations, waste rock stockpiles, and some product stockpiles. Much of this disturbance was included in the permit area. However, the approved permit requires the operator to only reclaim areas redisturbed by the operation. The approved mining plan includes mining the site in five phases, Phases 1A, 1B, 2, 3, and 4 (see enclosed Mining Plan Map). The operation is mining off the top of the bluff, with an anticipated maximum mining depth of 30 feet. However, pit walls will be no more than 15 feet in height at any time. The operation will mine at a 1H:1V slope gradient. A small mobile crushing plant may operate on site as needed.

The approved post-mining land use for the site is pastureland. The approved reclamation plan includes grading all disturbed slopes to 3H:1V. Technical Revision No. 1 (TR-1; approved in 1996) revised the reclamation plan for mining phases 1A, 1B, 2, and 3 to allow these areas to be used after mining as cattle shelter/calving areas. Accordingly, any pits created or redisturbed in these phases will not require retopsoiling and revegetation of the pit floors. Therefore, only disturbances created in phase 4 and newly disturbed pit slopes will require replacement of 6-8 inches of topsoil, and revegetation with a grass seed mixture consisting of Blue grama, Sideoats grama, Western wheatgrass, and Sand dropseed.

At the time of the inspection, the weather was cold with some snow remaining on the ground. A permit sign was posted at the main site entrance. The corners of the permit boundary were marked by T-posts with tires around them. The site was not active during the inspection. However, according to the operator, the site is active every year in accordance with its intermittent status (active < 180 days per year). In recent years, activities have primarily included hauling off from stockpiled material with some minor excavation. The active pit is located in the southwestern portion of the permit area (in phase 1B). The pit walls are approximately 5 feet in height with 1H:1V slopes. The Division estimates the active pit wall to be approximately 800 feet in length. The southeastern edge of the active pit was mined pre-law and does not appear to have been redisturbed by the operation. Given the proximity of the active pit to the western and southern permit boundaries, the Division recommends the operation be very careful not to create offsite damage in this area during mining or reclamation activities. A few material stockpiles were stored on the floor of the active pit.

Several small stockpiles of waste rock and product are scattered across the mine site, left by pre-law mining activities. Portions of two old pits are included within the northern half of the permit area. The pit walls in these areas have slopes ranging from 1H:1V to 3H:1V, but appeared to be stable with good grass cover. As mentioned previously, the operator is not required to reclaim the steeper slopes of these old pits as long as they are not redisturbed. A topsoil stockpile is stored at the northeastern corner of the permit area, and has good grass cover. Overall, the site appeared to be stable with volunteer grasses, forbs, shrubs, and mature trees growing across the site. No significant erosion problems were observed.

The Division estimates the operation has disturbed approximately 2.4 acres (in the southwestern portion of the permit area). If the operation disturbed land in other portions of the permit area, these areas were either

reclaimed or occurred such a long time ago they have self-reclaimed (and could not be distinguished from pre-law disturbances). The Division reassessed the required financial warranty for completing the approved reclamation plan for the site, including grading 800 feet of highwall from 1H:1V to 3H:1V, replacing 6 inches of topsoil on 0.28 acre of pit slopes (800 feet x 15 feet reclaimed slopes), and revegetating 0.28 acre with the approved grass seed mixture. In accordance with TR-1, only the slopes of the active pit will require retopsoiling and revegetating since the pit is located in phase 1B.

The Division determined the required financial warranty for the site to be in the amount of \$5,523.00, which is more than the current required amount of \$5,000.00. However, since the Division currently holds \$5,500.00 for the site (in the form of a Letter of Credit), the operator may not need to post additional financial warranty at this time. Regardless, the Division must create a Surety Increase revision to account for the difference in the current required financial warranty and the new required financial warranty for this permit. This Notice of Surety Increase will be mailed to the operator separately. The operator will need to show the Notice of Surety Increase to their financial warrantor to determine whether the existing Letter of Credit needs to be updated.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Amy Eschberger at the Colorado Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at 303-866-3567, ext. 8129, or via email at amy.eschberger@state.co.us.

PHOTOGRAPHS



Photo 1. View looking northwest across active pit located in southwestern portion of permit area. Pit walls are no more than 5 feet in height with 1H:1V slopes.



Photo 2. View looking west across active pit located in southwestern portion of permit area. Pit walls are no more than 5 feet in height with 1H:1V slopes.



Photo 3. View looking southwest across active pit located in southwestern portion of permit area. Pit walls are no more than 5 feet in height with 1H:1V slopes.



Photo 4. View looking northwest, showing southeastern permit boundary corner marked by t-post with tires around it (circled).



Photo 5. View looking east across permit area from its western boundary, showing one of several old waste rock stockpiles scattered across the permit area.



Photo 6. View looking across pre-law excavation present in northern half of permit area. Note pit slopes steeper than 3H:1V but appear to be stable with some grass cover.



Photo 7. View looking west at topsoil stockpile stored at northeastern corner of permit area. Note t-post with tires around it marking northeastern permit boundary corner.



Photo 8. View looking southwest across eastern portion of permit area, showing a few of the old waste rock stockpiles (in background) scattered across the permit area.

Inspection Contact Address

Dan DiRezza
Direzza Limited Family Partnership
4815 Hwy 194
Las Animas, CO 81054

Encl: Approved Mining Plan Map

CC: Michael Cunningham, DRMS

Exhibit B-2

Mining Plan Plot Map & Phases

