




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: Hale Pit aka Earl's Pit	MINE/PROSPECTING ID#: M-1981-121	MINERAL: Sand and gravel	COUNTY: El Paso
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: March 29, 2019	INSP. TIME: 13:40
OPERATOR: S & K No. 1, LLC	OPERATOR REPRESENTATIVE: Joe Kraig	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$17,570.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 6, 2019

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Availability Of Records

PROBLEM/POSSIBLE VIOLATION: Problem: Rule 1.13.5 states, if an Operator temporarily ceases production of the mining operation for one hundred eighty (180) days or more, the Operator must file a Notice of Temporary Cessation in writing to the Office.

CORRECTIVE ACTIONS: The Division requires the Operator file for Temporary Cessation or send notice of beginning final reclamation. The start date of the initial 5 year Temporary Cessation period is retroactive to the last date the pit was active. If that date is more than 5 years ago, the operator is required ask the Board for a 5 year extension to the Temporary Cessation period (per rule 1.13.5 (3) and 1.13.8 (b) or begin reclamation.

CORRECTIVE ACTION DUE DATE: 7/08/19

OBSERVATIONS

This inspection was conducted as part of the regular monitoring program. The Operator (S & K No. 1, LLC) was represented by Mr. Joe Kraig who was present for the inspection. The Hale Pit site entrance is located at the intersection of Spencer Rd and McClelland Rd, approximately five miles southeast of Peyton, CO. This is a 110c sand and gravel mine. It was not operating at the time of the inspection.

Availability of Records: Annual fees are paid through July 2018. The approved post-mine land use is agricultural. There are no open infractions. Both the surface and minerals are privately owned. The previous inspection was on March 15, 2015. During that inspection Mr. Kraig stated he was considering initiating final reclamation. During this 2019 inspection, Mr. Kraig stated he was working with El Paso County on a permit to expand the operation and expected to submit a conversion application to the DRMS in April, 2019. Mr. Kraig also stated no mining activity had occurred since the DRMS 2015 inspection. DRMS observations during this inspection confirmed no recent activity. As such, the site must be under temporary cessation. **The lack of mining activity and failure to request temporary cessation is cited as a problem on page 1 of this report.**

Financial Warranty: The \$17,570 bond is a result of a surety increase (SI-02) in 2016 and is adequate for the observed mine disturbance.

Fish and Wildlife: No impact to wildlife was observed.

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

Gen. Compliance with Mine Plan: The operation appeared to be in compliance with the approved mine plan after the DRMS approved the clarification of disturbance outside the approved permit boundary (TR-01) occurred prior to the original permit issuance in 1981. Accordingly, of the roughly 6.6 acres of disturbance, only about 2.5 acres are in the approved permit boundary. TR-01 commits the Permittee/Operator to the following with respect to pre-permit disturbance: Any grading necessary to flatten slopes or place topsoil in the Pre-Permit area will be accomplished from the bottom of slope up. There will be no new grading or disturbance of the areas above the South and West slopes in the Pre-Permit area.

The observed disturbance was the same as that observed during the 2015 DRMS inspection (see **Photos 1, 2 and 3**).

Roads: The current haul/access road is outside the permit boundary. The proposed conversion application will need to incorporate an access road from McClelland Rd, whether it is the existing road or a new one.

Signs and Markers: The permit sign was properly posted (see **Photo 4**). Prior to any additional mining activity, boundary markers for the four corners marking the current approved permit boundary must be placed.

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. Observed disturbance (same as 2015 inspection, looking NW from access road).



Photo 2. Observed disturbance (same as 2015 inspection, looking NE from access road).

PHOTOGRAPHS (cont.)



Photo 3. Observed disturbance (same as 2015 inspection, looking east from access road).



Photo 4. Permit sign (at entrance).

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- PB	(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>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(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

Inspection Contact Address

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ec: DRMS file