




**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.

<b>MINE NAME:</b> Loloff Mine	<b>MINE/PROSPECTING ID#:</b> M-1985-112	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Weld
<b>INSPECTION TYPE:</b> Surety-Related Inspection	<b>INSPECTOR(S):</b> Peter S. Hays	<b>INSP. DATE:</b> June 6, 2019	<b>INSP. TIME:</b> 13:30
<b>OPERATOR:</b> Loloff Construction, Inc.	<b>OPERATOR REPRESENTATIVE:</b>	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	
<b>REASON FOR INSPECTION:</b> Surety Related	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$1,104,455.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> June 24, 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>Y</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>N</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 / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

## **OBSERVATIONS**

The Loloff Mine was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) in response to a surety reduction request (SR-01) submitted by the Operator on May 6, 2019. The surety reduction request was considered filed by the Division on May 6, 2019. The Division is required by Rule 4.17.2 to inspect the site within 60-days from the filed date to determine if the Permittee has complied with all applicable requirements of the Reclamation Plan. The decision due date for approval of the surety reduction request is July 5, 2019 pursuant to Rule 4.17.2(5). Mr. Jeff Anderson with Loloff Construction, Inc. present during the inspection. An inspection map created based on the observations made during this inspection is attached.

The Operator requested a financial warranty reduction request (SR-01) to reduce the financial warranty by \$860,066.00. The required financial warranty would be reduced from \$1,104,455.00 to \$244,389.00. The reduction includes removing the collateral of the Greeley Irrigation Company water shares, the New Cache Irrigation Company water shares, the CD in the amount of \$58,281.96 and reduce the letter of credit currently provided from \$1,046,255.00 to \$244,389.00. The financial warranty reduction request (SR-01) was approved by the Division on June 11, 2019. The Operator was notified of the approved surety reduction under separate cover. The Operator will need to contact the Division of Water Resources to remove the water rights from the approved substitute water supply plan for the site.

The site is an 112c operation permitted for 55.17 acres. The site was actively excavating, processing material and hauling material off-site during the inspection. The remaining area to be mined was the location of the processing plant which was located in the eastern portion of the site. Two processing plants were observed on the pit floor. The dewatering trenches contained water from recent rainfall events. The Operator estimated mining excavation would be completed in a few weeks.

The approved post-mining land use is developed water resource with the construction of a 43 acre reservoir. The construction of the slurry wall and clay liner above the slurry wall in the northern portion of the site were completed in 2018. The Division of Water Resources approved the liner leak test on April 26, 2019. The southern portion of the site has been graded to the approved 3H:1V slope. The area has not been topsoiled or seeded. A few minor erosion features were observed on the southern slopes. The Operator stated the erosion feature would be repaired prior to placement of topsoil. The northern portion of the site will require the importation of fill material from the adjacent Derr Pit to complete the grading to the approved 3H:1V reclamation slope.

An entrance sign was posted and permit boundary markers were observed as required by Rule 3.1.12. Photographs taken during the inspection are attached.

### **Inspection Contact Address**

Kelly Hodges  
Loloff Construction, Inc.  
801 8th Street, Suite 130  
Greeley, CO 80631

Enclosure – Inspection Map

Ec: Michael Cunningham, DRMS

## PHOTOGRAPHS



Lolloff Pit mine sign



View of the north slope requiring material placement and grading





View of the site activity from the north looking south



View of the southern slope from the southwest corner looking east





View of the site from the southwest corner looking northeast



View of the slurry wall berm along the southern boundary looking east



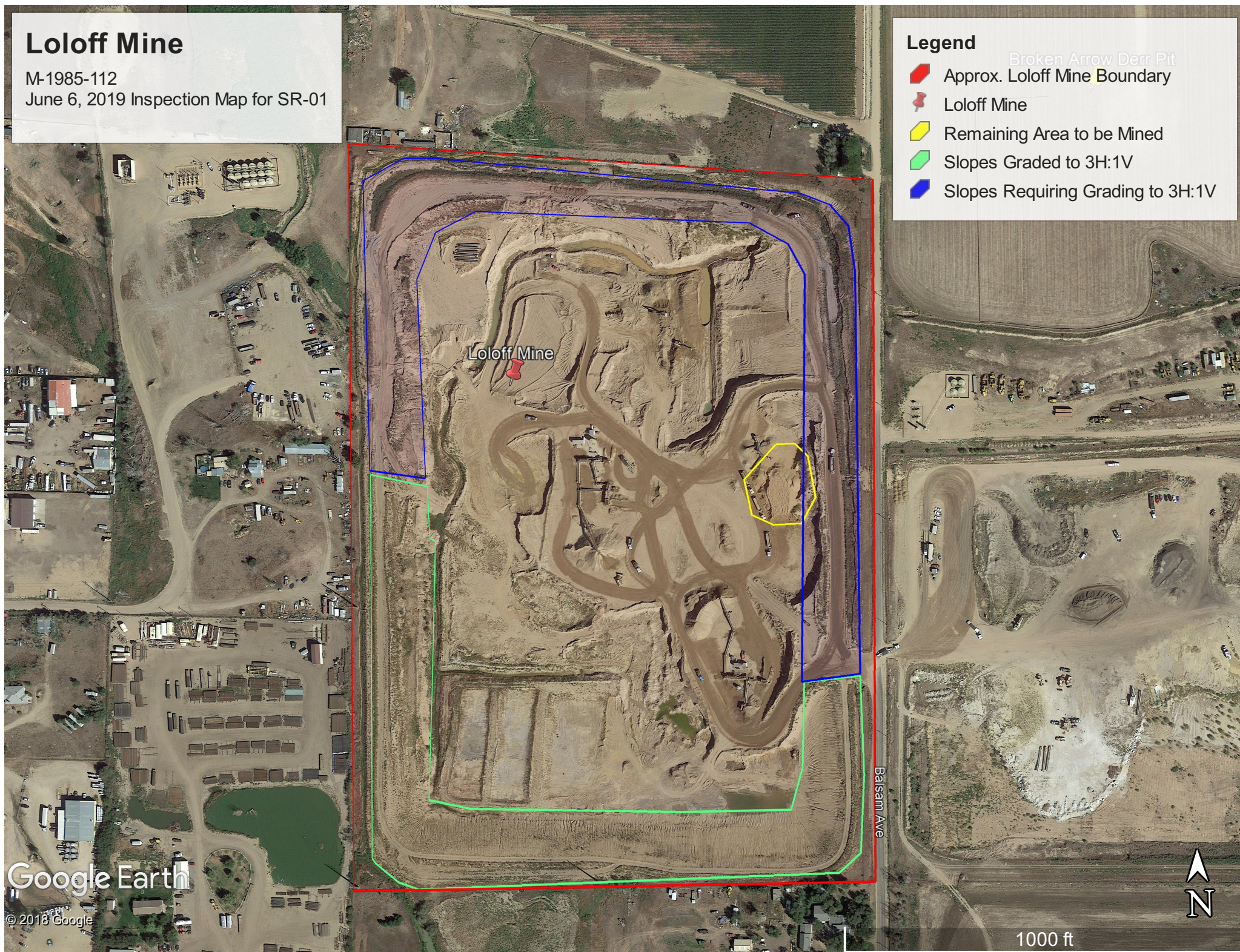
# Loloff Mine

M-1985-112

June 6, 2019 Inspection Map for SR-01

## Legend

- Broken Arrow Derr Pit
- Approx. Loloff Mine Boundary
- Loloff Mine
- Remaining Area to be Mined
- Slopes Graded to 3H:1V
- Slopes Requiring Grading to 3H:1V



Google Earth

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1000 ft