




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: Pueblo East Pit	MINE/PROSPECTING ID#: M-2000-041	MINERAL: Sand and gravel and borrow material for construction	COUNTY: Pueblo
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Patrick Lennberg	INSP. DATE: September 6, 2019	INSP. TIME: 09:00
OPERATOR: Fremont Paving & Redi-Mix, Inc.	OPERATOR REPRESENTATIVE: Jodi Schreiber	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$3,274,361.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 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>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>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>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>Y</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 Pueblo East Pit was inspected by Patrick Lennberg with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as part of a surety reduction request, submitted in accordance with Rule 4.14, received by the Division on July 29, 2019. The site was previously inspected by the Division on September 27, 2018 as part of the Division's routine monitoring requirement. Jodi Schreiber with Fremont Paving & Redi-Mix accompanied me during the inspection. The weather was hot and the sky was clear.

The Pueblo East Pit is located approximately 10 miles east of Pueblo, CO. The access road is 2/3 mile east of the intersection of US Hwy 50 and State Hwy 231 (36th Lane). The site entrance is located off the access road about 2 miles southeast of Hwy 50. The access road is also used by the Rich Pit (M1985-218) and Blue Grass Gravel Pit (M2008-001). Pueblo East Pit is a Construction Materials 112c Operation for 448 acres and is approved to affect 188 acres. The affected lands will be reclaimed to developed water resources. The surety reduction request is a result of a ~85 acre pond, Stonewall Springs Quarry Southwest Reservoir (Pueblo East Pit), being recently passed the leak certification as required by the State Engineers Office (SEO).

The Division sent notice of the release request to the Pueblo County Commissioners, the South Pueblo County Soil Conservation District, Division of Water Resources, and the landowner. The Division has not receive any comments from the noticed parties.

On July 10, 2019 the Division of Water Resources (DWR) approved the lining of Stonewall Springs Quarry Southwest Reservoir (Pueblo East Pit) based on the results of a 90-day leak test performed by Deer and Ault and DWR site inspection. Based on the DWR approval the Operator is requesting a surety reduction of \$2,637,162.00, the amount that was bonded for during approval of TR-04 for the pond construction activities.

The pond side slopes have been graded to a 3H:1V or shallower all around the perimeter. The pond has not been filled with water yet. The banks, outside the pond, have been seeded and there is some growth that has begun to establish but has not had sufficient time to get established. The spillway has not been constructed yet per TR-04. In discussion with the Operator during the inspection it was determined that the original contractor that was to build the spillway is no longer in business and the spillway will need to be redesigned. The Operator was notified that a Technical Revision will need to be submitted prior to the new spillway construction.

The spillway approved under TR-04 is a critical component of the slurry wall infrastructure, which was designed to safely pass flood waters from a 100-year flood event. Until such time as the spillway is constructed, the slurry wall remains at risk from damage during a flood event. Therefore, the Division is willing to reduce the financial warranty to \$1,318,581, which is 50% of the cost to install the slurry wall. The Operator will need to submit a new TR for approval of the redesigned spillway. When spillway construction is complete the Operator may seek release of an addition 30% or \$791,149 of the bond.

Notice of the Division's decision regarding the reduction request will be sent under a separate cover letter. The notice will be sent 30 days after this inspection report is issued to allow for any appeals.

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

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Fremont Paving & Redi-Mix, Inc.
PO Box 841
839 Mackenzie Ave
Cañon City, CO 81215

cc: Michael Cunningham, DRMS

PHOTOGRAPHS



Photo 1: Looking west along the southern boundary of pond



Photo 2: Looking northwest across the pond from near the southeastern corner



Photo 3: Looking to the northeast corner of pond from the southern boundary of pond



Photo 4: Looking east along the northern boundary of pond, note revegetation planted earlier this year



Photo 5: Looking south from near the northeastern corner of pond



Photo 6: Looking southwest towards the southwestern corner of pond



Photo 7: Looking west along the northern boundary of the pond



Photo 8: Area of where the spillway is to be constructed, looking north



Photo 9: Area near where the spillway is to be constructed, looking west



Photo 10: Looking east towards the area for spillway construction