




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.

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| MINE NAME: Schlosser Pit 1 | MINE/PROSPECTING ID#: M-2014-061 | MINERAL: Gravel and sand | COUNTY: Kit Carson |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Elliott Russell | INSP. DATE: February 10, 2020 | INSP. TIME: 15:30 |
| OPERATOR: Schlosser Incorporated | OPERATOR REPRESENTATIVE: Levi Schlosser | TYPE OF OPERATION: 112c - Construction Regular Operation | |

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| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$111,300.00 |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None |
| WEATHER: Cloudy | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: February 14, 2020 |

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.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected

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| (AR) RECORDS----- <u>Y</u> | (FN) FINANCIAL WARRANTY----- <u>Y</u> | (RD) ROADS----- <u>Y</u> |
| (HB) HYDROLOGIC BALANCE----- <u>PB</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>Y</u> | (RV) REVEGETATION---- <u>N</u> |
| (SM) SIGNS AND MARKERS----- <u>PB</u> <u>PB</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>PB</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

PROBLEMS/POSSIBLE VIOLATIONS

INSPECTION TOPIC: Hydrologic Balance

COMPLIANCE PROBLEM #1: The operation is currently blocking the channel of Sandy Creek with a newly constructed access road.

CORRECTIVE ACTIONS: The Operator shall remove the material blocking the natural flow of Sandy Creek on or before the corrective action deadline.

CORRECTIVE ACTION DUE DATE: March 16, 2020

INSPECTION TOPIC: Sediment Control

COMPLIANCE PROBLEM #2: No sediment control measures are in place to prevent mine site storm water and sediment from reaching the Sandy Creek. This is a problem pursuant to C.R.S. 34-32-116(7)(i).

CORRECTIVE ACTIONS: The Operator shall implement sediment control measures at the site and provide photo documentation to the Division by the corrective action due date.

CORRECTIVE ACTION DUE DATE: March 16, 2020

INSPECTION TOPIC: Signs & Markers

COMPLIANCE PROBLEM #3: The mine identification sign was not posted at the entrance of the mine site or is lacking the required information. This is a problem for failure to post a mine identification sign as required by Rule 3.1.12(1).

CORRECTIVE ACTIONS: The Operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: 1) the name of the Operator; 2) the name of the operation; 3) the permit number; and 4) a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board. The sign shall be a minimum of 11" tall x 17" wide with appropriate font size. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: March 16, 2020

COMPLIANCE PROBLEM #4: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: The affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Rule 3.1.12(2).

CORRECTIVE ACTIONS: The Operator shall conduct a survey and replace the boundary markers in the correct location(s). The operator shall provide proof to the Division that this has been done by the corrective action date.

CORRECTIVE ACTION DUE DATE: April 14, 2020

OBSERVATIONS

This inspection was conducted as part of the Division's routine monitoring program for permitted operations. Elliott Russell, with the Division, conducted the inspection while Levi Schlosser, representing the Operator, accompanied the inspection.

The Schlosser Pit 1 is a Construction Materials 112c Operation Reclamation Permit and is approved to affect 50 acres of land and has a permit boundary of 80 acres. The permit boundary straddles the ephemeral channel known as Sandy Creek, while the affected lands boundary is entirely south of the creek. Affected lands will be reclaimed to support a pastureland post-mining land use. The site is located ten miles south of Burlington, Colorado in southwestern Kit Carson County.

The Division met Levi Schlosser at the mine site located west of County Road 49, 1 mile south of County Road K. The site was not active at the time of the inspection, however the Operator stated the last mining activity occurred was in December. Site observations confirm the site was recently active.

The site consists of a single excavation in the eastern portion of the permit boundary. The pit has advanced approximately 250 feet east of the pre-permit excavation with an additional 200 feet of overburden stripped further to the east. The Operator stated the sand, gravel, and overburden has been used for a nearby wind tower project. Equipment on-site at the time of the inspection consisted of a bulldozer and various portable processing equipment which included two conveyor stackers, two screening machines, and one crusher.

Availability Of Records: The Annual Report, Map and Fee is due each year on the permit's anniversary date (February 1st). The 2019-2020 Annual Report was received on January 16, 2020. The previous inspection was on November 2, 2018.

Backfilling and Grading: Sufficient backfill material is available on-site to complete sloping for final reclamation.

Financial Warranty: The \$111,300 bond held by the Division is adequate for the observed mine disturbance. This bond amount covers the reclamation liability of Phase 1. During the inspection, the Operator inquired about the process to advancing to Phase 2. Stipulation 1 of the permits requires the Operator to request, in writing to the Division, that the financial warranty be increased prior to commencing mining operations in Phase 2. This request shall include an updated reclamation cost of the additional acreage. Prior to approval, the Operator will need to post the additional associated Financial Warranty, which will be calculated by the Division and issued through a Surety Increase. Please note, at any time, the Operator may request a Surety Reduction for completed reclamation tasks to reduce the required amount of bond for those tasks.

Hydrologic Balance: No impounded storm water nor exposed groundwater was observed at the site, however, the Operator has created an additional access road across Sandy Creek which will impound ephemeral flows. This access road was created to bypass the County Road 49 bridge over Sandy Creek as loaded haul trucks traveling north out of the site's main entrance exceed the bridge's weight limit. The Operator placed approximately 3 feet of road base material across the creek which now blocks the natural flow of the creek. This has been cited as Compliance Problem #1 requiring the Operator to re-establish the natural flow of Sandy Creek. The Operator may remove the road base material down to the normal creek bed elevation or install appropriate size and number of culverts.

Gen. Compliance With Mine Plan: The operation appeared to be in compliance with the approved mine plan. The Division estimates approximately 16 acres have been disturbed within Phase 1. High walls were estimated to vary between 20 and 30 feet in high on the north end of the pit and 30-40 feet on the south end of the pit.

Sediment Control: The disturbance is located south of Sandy Creek and slopes north to the channel. Currently there are no sediment control measures in place to prevent storm water and sediment from reaching the channel. This has been cited as Compliance Problem #2 requiring the Operator to establish a storm water berm, silt fencing, or other sediment control measures at the site to protect the creek channel. As the Permit has established a 100-foot buffer from the creek, the Operator may want to establish the sediment control measures at the edge of the buffer to ensure the buffer is maintained during the mining operation.

Signs and Markers: A permit sign is posted in the southeast corner of the site. As of July 2019, new regulations are now in placed regarding the information required to be listed on permit signs and sets the minimum size of

permit signs. The paint on the posted permit sign is starting to fleck off and will likely need to be refreshed or replaced shortly. Given this, Compliance Problem #3 has been cited requiring the Operator to post a new sign in accordance with Rule 3.1.12(1). The rectangular shaped 80-acre permit boundary was delineated with t-posts and survey monuments at each corner, however, only the southwest and southeast corner of the 50-acre affected lands boundary was marked as these also delineate the permit boundary. Based on the approved Mine Plan and Reclamation Plan Maps, there should be 7 markers delineating each corner-point along the northern affected lands boundary just south of Sandy Creek. This has been cited as Compliance Problem #4 requiring the Operator to conduct a survey and establish the affected lands boundary markers. The access road crossing Sandy Creek discussed above appears to have been constructed outside of the affected lands boundary, however, without the markers in place the Division was unable to determine this at the time of the inspection.

Topsoil: The permit requires 12-18 inches of topsoil to be salvaged during mining and replaced during reclamation. Topsoil has been stripped and stockpiled around the crest of the excavation.

This concludes the Division's Inspection Report; a subset of photographs taken during the time of the inspection are included below. If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at elliott.russell@state.co.us.

PHOTOGRAPHS



Photo 1. Mine identification sign; looking west.



Photo 2. New access road across Sandy Creek; looking southwest.



Photo 3. New access road across Sandy Creek; looking northwest.



Photo 4. Aerial overview of mine site, new access road circled; looking southwest.



Photo 5. Northern portion of mine disturbance, suggested alignment of sediment control measure; looking east.



Photo 6. Aerial overview of mine site, suggested alignment of sediment control measure; looking southeast.



Photo 7. Pit overview from the southwest corner of Phase 1; looking northeast.



Photo 8. Western edge of pit where older pre-permit disturbance ended too; looking south.



Photo 9. Southern pit highwall; looking south.



Photo 10. Portion of the topsoil stripped and stockpiled around the crest of the pit; looking southeast.

Inspection Contact Address

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