




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety 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: Loloff Mine | MINE/PROSPECTING ID#: M-1985-112 | MINERAL: Sand and gravel | COUNTY: Weld |
| INSPECTION TYPE: Surety Release Inspection | INSPECTOR(S): Peter Hays | INSP. DATE: October 6, 2021 | INSP. TIME: 10:00 |
| OPERATOR: Loloff Construction, Inc. | OPERATOR REPRESENTATIVE: Kelly Hodge | TYPE OF OPERATION: 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: Surety Release Requested | BOND CALCULATION TYPE: None | BOND AMOUNT: \$244,389.00 | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None | |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: October 18, 2021 | |

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.

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| (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>N</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>N</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) to evaluate the final financial and performance warranties release request (SL-01) filed with the Division on September 27, 2021. 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. Mr. Kelly Hodge with Loloff Construction, Inc. present during the inspection. The site was previously inspected by the Division on May 22, 2020.

The Division will deny the final financial and performance warranties release request (SL-01) based on the observations from this inspection due to the lack of well-established vegetation on the shoreline of the reservoir.

The site is an 112c operation permitted for 55.17 acres. The site is in final reclamation. 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 Operator submitted a GPS based slope analysis report dated January 13, 2020 verifying the final reclamation slopes of 3H:1V or less. The Operator placed sub-soil around the perimeter of the reservoir from the edge of the road to the anticipated high water mark. Topsoil was placed around the perimeter of the reservoir and the shoreline was hydro-seeding once and drill seeded twice according to the Operator.

The approved Reclamation Plan seed mixture for the site contains the following species of native grasses; prairie sandreed, sand bluestem, sideoats grama, western wheatgrass, switchgrass and yellow indiagrass. The shoreline vegetation consisted of kochia with patches of sorghum, which the Operator planted as a cover crop. No evidence of the required reclamation grasses was observed during the inspection. The Division recommends the Operator controls the kochia and reseeds the shoreline with the approved seed mixture.

As noted during the previous inspection, two (2) portable pumps are installed at the site. One (1) pump is located in the southeast corner of the site and one (1) pump is along the west shoreline of the site. The southeast pump is used to fill the reservoir from the Platte River during free-water only. The west pump is used to discharge water from the reservoir as needed by the Operator. No water was being pumped during the inspection. No permanent pumping structures were observed during the inspection. The Operator was reminded if permanent structures are constructed prior to final release of the site by the Division, the Operator will be required to submit and get approval for the structures through the technical revision process.

The Division holds a reclamation bond in the amount of \$244,389.00, which is adequate to complete reclamation of the site based on this inspection. The Operator stated they may request a surety reduction for the site during the inspection. Based on the Division's review of the current financial warranty calculation, the bond amount is appropriate for the status of reclamation at the site and therefore a reduction in the bond amount is not recommended by the Division.

The Division received a comment letter for the release request from the Division of Water Resources. A copy of the letter is attached.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at 303.866.3567 x 8124, or by email at peter.hays@state.co.us.

Inspection Contact Address

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

Enclosure – DWR Comment Letter

Ec: Jared Ebert, DRMS

PHOTOGRAPHS



View of the Loloff Mine mine sign



View of the south shoreline from the southeast corner of the reservoir looking west



View of the west shoreline from the southwest corner of the reservoir looking north



View of the north shoreline from the northwest corner of the reservoir looking east



View of the north shoreline from the northeast corner of the reservoir looking west



View of the east shoreline from the northeast corner of the reservoir looking south