

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: | | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|---------------------------|------------------------|---------------------------------|---------------------------------------|-------------|
| Loloff Mine | | M-1985-112 | Sand and gravel | Weld |
| INSPECTION TYPE: | | WEATHER: Clear | INSP. DATE: | INSP. TIME: |
| Surety-Related Inspection | | | October 5, 2022 | 09:00 |
| OPERATOR: | | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Loloff Construction, Inc. | | Kelly Hodge, J.C. York | 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Surety Related | | None | \$244,389.00 | |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: | |
| NA | | None | None | |
| INSPECTOR(S): | INSPECTOR'S SIGNATURE: | | SIGNATURE DATE: | |
| Robert Zuber, P.E. | Phot D. Zh | | October 6, 2022 | |
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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>N</u> | (FN) FINANCIAL WARRANTY <u>N</u> | (RD) ROADS <u>Y</u> |
|------------------------------------------|-------------------------------------|----------------------------|
| (HB) HYDROLOGIC BALANCE <u>Y</u> | (BG) BACKFILL & GRADING <u>N</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 Y |
| (SM) SIGNS AND MARKERS <u>N</u> | (SP) STORM WATER MGT PLAN <u>N</u> | (RS) RECL PLAN/COMP Y |
| (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 is a 112c operation permitted for 55.17 acres. No mining activities are being conducted at the site, and it is in final reclamation. The approved post-mining land use is developed water resources, and a 43-acre reservoir has been constructed. The construction of a slurry wall and clay liner for this reservoir were completed in 2018. The Division of Water Resources approved the leak test of the liner in 2019. In 2020, the permittee, Loloff Construction Inc., verified that slopes are no steeper than 3H:1V.

On September 2, 2022, the Division of Reclamation, Mining and Safety received the SR-02 application for the Loloff Mine from J&T Consulting, Inc., working on behalf of Loloff Construction. This surety reduction application requests release of all bond costs except the cost to revegetate the site. **The Division cannot approved this application because the costs for 20% of the slurry wall construction must be included in the financial warranty costs until final release of the permit is approved. This is a policy by the Division to account for the potential need of repairs to this structure.**

As part of the SR-02 process, this inspection was conducted by Rob Zuber of the Division on October 5, 2022. The permittee's representatives were Kelly Hodge and J.C. York of J&T Consulting. The weather was warm and clear. The ground was dry.

The size of the reservoir was measured with laser technology, and the dimensions from road to road (1200' by 1640') match the map for the permit.

The water level is well below the top of the reservoir but is 40 feet deep (per Mr. Hodge) on the north end. A pump to remove water was present along the west side; it did not appear to be operating during the inspection.

The road around the site was in good condition.

The vegetation on the slopes of the reservoir is of poor quality, consisting mostly of kochia, an undesirable species. No listed weeds were identified around the site. Mr. Hodge indicated that his company actively sprays for weeds. He also said that several attempts at seeding have been attempted, including hydroseeding. **If Loloff Construction would like to armor the sides of the reservoir (rather than seed again), a Technical Revision should be submitted to the Division.** Alternatively, vegetation may grow better if good topsoil is placed on the slopes prior to seeding and if erosion control practices (e.g., wattles or straw logs) are employed.

PERMIT #: M-1985-112 INSPECTOR'S INITIALS: RDZ INSPECTION DATE: October 5, 2022

PHOTOGRAPHS



East side of site from southeast corner



West side of site from northwest corner

Inspection Contact Address Kelly Hodge, J.C. York Loloff Construction, Inc. 801 8th Street, Suite 130 Greeley, CO 80631

CC: Michael Cunningham, DRMS