COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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: Juniper Quarry	**MINE/PROSPECTING ID#:** M-1982-141	**MINERAL:** Limestone	**COUNTY:** Moffat
INSPECTION TYPE: Monitoring	**INSPECTOR(S):** Dustin M. Czapla	**INSP. DATE:** November 18, 2011	**INSP. TIME:** 12:00
OPERATOR: Moffat Limestone Company	**OPERATOR REPRESENTATIVE:** None	**TYPE OF OPERATION:** 112c - Construction Regular Operation	

REASON FOR INSPECTION: Citizen Complaint	**BOND CALCULATION TYPE:** Complete Bond	**BOND AMOUNT:** $95,276.00
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** U.S.BLM
WEATHER: Clear	**INSPECTOR'S SIGNATURE:**	**SIGNATURE DATE:** November 29, 2011

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.

1. **INSPECTION TOPIC:** Acid And Toxic Materials
   PROBLEM/POSSIBLE VIOLATION: Problem: A fuel spill has occurred at the site which has impacted soils, surface water or groundwater.
   CORRECTIVE ACTIONS: The operator shall immediately remediate the spill and submit a final report to the Division containing at least the following information:
   1.) A description of how the spill was cleaned up containing at a minimum - the appropriate maps, volumes removed, sample locations, analytical data, and photo documentation.
   2.) Evidence in the form of a receipt that the contaminated soil was disposed of by an approved method (such as sent to an approved landfill, land farming, recycling center, etc.).
   CORRECTIVE ACTION DUE DATE: 12/30/11

2. **INSPECTION TOPIC:** Acid And Toxic Materials
   PROBLEM/POSSIBLE VIOLATION: Problem: Improper storage and containment of fuels and/or other hazardous materials was present on site.
   CORRECTIVE ACTIONS: All storage tanks, petroleum and any hazardous materials on site for any period of time shall have appropriate secondary containment. The site will also have to comply with all applicable SPCC requirements. Supply photo documentation that any fuel or hazardous materials containers are stored properly - including applicable secondary containment structures by the corrective action date. Note that secondary containment structures shall consist of an impermeable containment which could contain all contents of the tanks and various containers (when full) plus 10% of the total capacity. The operator may also provide photo documentation that all containers have been removed from the site on or before the corrective action date.
   CORRECTIVE ACTION DUE DATE: 12/30/11

3. **INSPECTION TOPIC:** Financial Warranty
PROBLEM/POSSIBLE VIOLATION: Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.
CORRECTIVE ACTIONS: The operator shall submit adequate financial warranty, as determined by the Division. The Division will be sending a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.
CORRECTIVE ACTION DUE DATE: 1/28/12

4. **INSPECTION TOPIC:** Other
PROBLEM/POSSIBLE VIOLATION: Problem: Trash and refuse was noticed on the site. This is a problem at this time for failure to dispose of refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32.5-116(4)(e).
CORRECTIVE ACTIONS: The operator shall submit a written notice to the Division with photo documentation, that the trash has been removed from the site by the corrective action date.
CORRECTIVE ACTION DUE DATE: 12/29/11

5. **INSPECTION TOPIC:** Signs & Markers
PROBLEM/POSSIBLE VIOLATION: Problem: The affected area boundary markers are inadequate. This is a problem for failure to maintain boundary markers around the affected area as required by Section 3.1.12(2) of the rule.
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: 12/30/11

OBSERVATIONS

This joint inspection of the Juniper Quarry was conducted in response to a citizen complaint received by the Division on November 17, 2011, regarding improper handling and disposal of hazardous materials. Bureau of Land Management (BLM) representatives, Jennifer Mailo, Shawn Wiser and Ed Hendricks, were present during this inspection. A representative for the Operator was not present. Photographs are included at the end of this report in order to illustrate some of the conditions observed during this inspection.

The Juniper Quarry is located approximately 3.6 miles southeast of Maybell and accessed from CR57. The site is a 112c operation that includes a total of 88.7 permitted acres.

The current configuration of the permitted area for this site consists of two noncontiguous portions. A 63 acre area was permitted through a 112c Conversion (CN1) in June, 1992. A separate 25.7 acre area was added to the permitted area through an Amendment (AM1) in July, 2005. The area added through AM1 lies approximately 0.25 miles to the southwest of the original 63 acre permit area.

The Division currently holds a financial warranty amount of $95,276.00 for this site. The Division has reviewed the reclamation costs for this site, in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan, and determined that the current financial warranty amount is insufficient. It should be noted that pursuant to the approved Mining and Reclamation Plans for this site, the Operator has committed to an unreclaimed disturbance of no greater than 10 acres at any given time in each of the two areas.

Adequate mine identification signage was noted at the entrance to the site in accordance with Rule 3.1.12(1). The sign was located at the intersection of the access road and CR57, at an approximate GPS location 40.48079°, -108.06742°.

The affected area was not adequately marked by monuments or other markers that were clearly visible and adequate to delineate the affected area boundary in accordance with Rule 3.1.12(2).

CN1 AREA (63 acres)

Mining was actively occurring in the northeast part of the CN1 area (approximate GPS coordinates: 40.47734°, -108.03879°). Several excavators and front-end loaders were working during this inspection. Blasted material was being removed from the highwall and processed in the active pit area. The average highwall height appeared to be approximately 40 feet. Mining appeared to be progressing to the south and east in this active pit area.

A refuse pile was noted just west of the active pit area (approximate GPS coordinates: 40.47765°, -108.04134°) containing old equipment, scrap metal and hoses, tires, a battery and other such refuse. Several small gullies had formed on the slope just north of the refuse pile, and it appeared that runoff from the pit access road exits the site directly through this pile.

An old fuel truck, which did not appear to be operational, and several empty fuel storage

tanks were noted in a storage area west of the active pit area (approximate GPS coordinates: 40.47695°, -108.04128°).

A fuel and equipment storage area (approximate GPS coordinates: 40.47658°, -108.03918°) was located just south (uphill) of the active mining area. A 10,000 gallon diesel storage tank, an outhouse, two steel storage sheds (containers), a trailer mounted pressure washer, a trailer mounted air compressor, a drill mounted to a tracked-hydraulic excavator, and other various equipment, hazmat, and refuse were located in this area. The 10,000 gallon diesel storage tank lacked any form of secondary containment. Located adjacent to the east side of the fuel tank was a plastic containment structure (approximately 8 ft. wide x 8 ft. long x 1.5 ft. deep). Inside the containment structure were two 55 gallon drums, one containing hydraulic fluid and another containing engine oil, along with several one gallon containers of antifreeze. There was a hole in the northwest, lower corner of the containment structure which allowed fluids to freely drain from the structure onto the ground outside the containment structure. Soil outside the containment structure was saturated with fluids draining from the structure. Two more 55 gallon drums were located outside of the containment structure, one containing engine oil and the other hydraulic fluid. Soils saturated by oils were observed around the base of these containers. Soils in front (uphill) of the trailer mounted pressure washer and air compressor, which were located just east of the storage sheds, appeared to be saturated by diesel and/or oil. Fines appeared to have recently been spread over these areas in order to cover the affected soils. The excavator mounted drill was located just northeast of the pressure washer and air compressor. A significant amount of hydraulic fluid was observed leaking onto the ground from the drill's manifold assembly. Various other refuse and debris, scrap metal, spent hydraulic fluid buckets and oil drums were observed in this area (see photos).

There was a pit (approximate GPS coordinates: 40.47603°, -108.03830°) located approximately 300 feet southeast of the previously discussed area. A used conveyor belt, buckets, oil filters and other refuse were noted in this pit. It appeared that backfilling of the pit with fines was occurring from west to east.

A rock pile (approximate GPS coordinates: 40.47569°, -108.03818°) was located approximately 400 feet southeast of the previously discussed storage area. Rocks in this pile were notably stained by oil and/or hydraulic fluid. Drainage from this area is to the north. Fines appeared to have been recently placed over the area below (north of) the rock pile. One puddle was observed though, in the area below the rock pile, containing a significant amount of an oily substance (see photos).

A significant amount of Russian thistle and a minor amount of Musk thistle were observed along the south end of the disturbed area. It was not apparent that the weeds had been treated due to the time of year that this inspection occurred. The Operator should be aware though, that Rule 3.1.10(6) states that methods of weed control shall be employed for all prohibited noxious weed species.

As stated previously in this report, adequate boundary markers were not observed during this inspection, so it was unclear during this inspection whether or not the entire disturbance by the operation has been contained within the approved affected area. A particular area of concern is the drainage along the east side of the mine site. Boulders and some finer materials appeared to have been pushed and/or washed into the drainage, and the operation may have failed to protect areas outside of the affected land from slides or damage.

AM1 AREA (25.7 acres)

Mining of this area has commenced in the south part of the site (approximate GPS coordinates: 40.47038°, -108.04649°). Approximately 300 linear feet of near vertical highwall up to 40 feet high was noted in this area. Much of the area north of the mined area had been stripped of topsoil and several stockpiles of material were located in the stripped area.

A trailer was located at the northwest end of the site, near the site entrance. The trailer contained various items such as oil containers, grease, and what appeared to be a strand of detonating cord. Two 55 gallon drums were located outside (north of) the trailer. One was used as a trash container. The other was approximately half full of some type of oil. This container was not labeled and was not capped.

Another refuse pile was located south of the trailer containing mostly scrap metal, such as screens, culverts and piping, a refrigerator and other debris. It was unclear during this inspection if all of this material was related to this mine site.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS---------- Y	(FN) FINANCIAL WARRANTY-------- PB	(RD) ROADS---------- Y
(HB) HYDROLOGIC BALANCE---------- N	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES------- Y	(TS) TOPSOIL---------- N
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE---------- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- PB	(SP) STORM WATER MGT PLAN---- N	(SB) COMPLETE INSP---- Y
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- N	(RS) RECL PLAN/COMP-- Y
(AT) ACID OR TOXIC MATERIALS------- PB	(OD) OFF-SITE DAMAGE----------N	(ST) STIPULATIONS------- N

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

Inspection Contact Address

Darryl Steele
Moffat Limestone Company
P.O. Box 205
Maybell, CO 81640

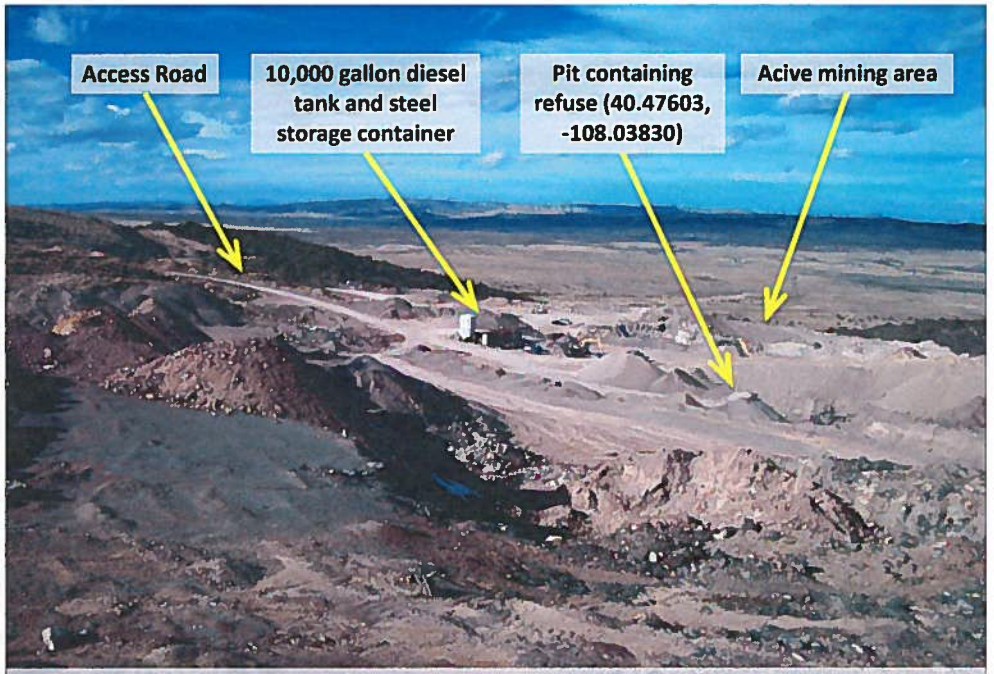
Enclosure: AM1 Vicinity Map
Inspection Photos
Citizen complaint dated November 17, 2011

Ec: Jennifer Maiolo, BLM
Jeff Emmons, CDPHE

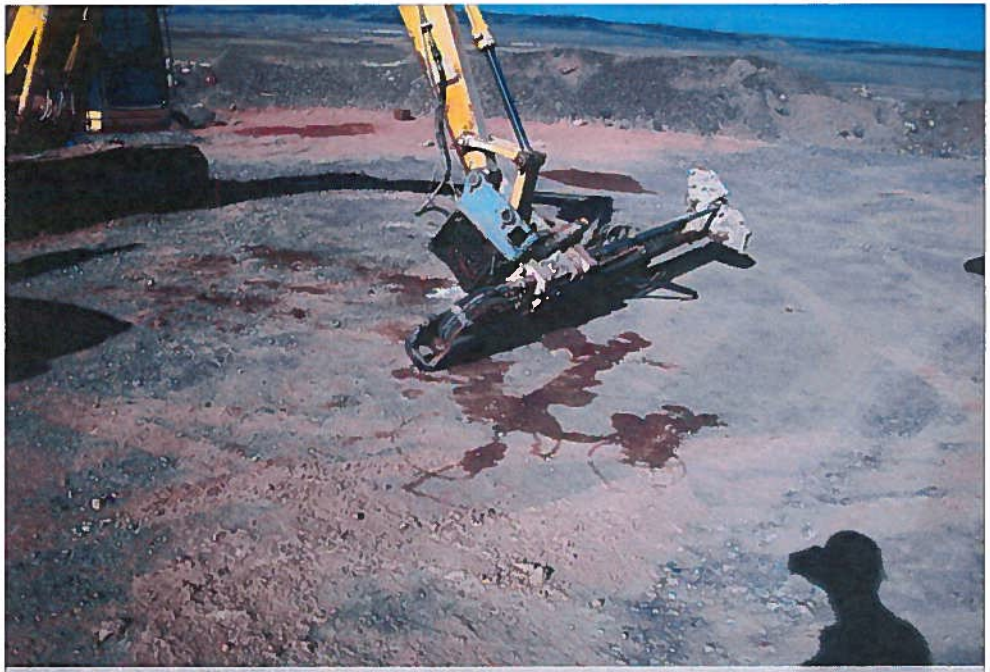
EXHIBIT B Juniper Mountain Quadrangle
Vicinity Map Moffat Limestone

Don Steele

Mine identification sign located at site entrance from CR57. Approximate GPS coordinates at site entrance are 40.48079, -108.06742.



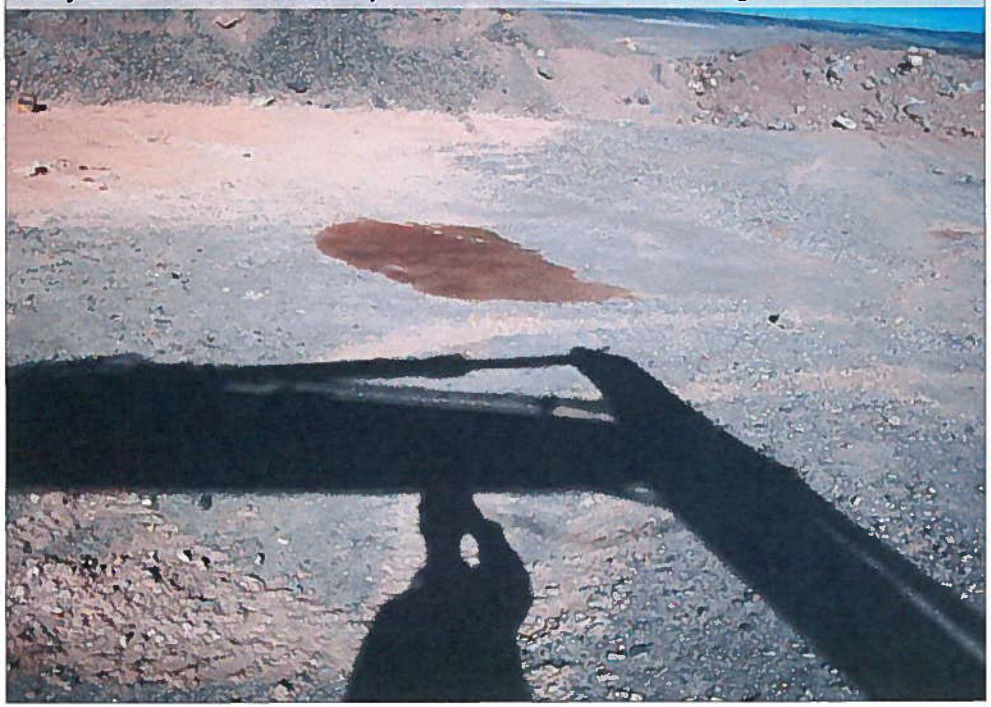
Site overview (facing northwest). Photo taken from southeast end of the disturbed portion of the CN1 permit area.



Drill assembly, located just east of the red steel storage container, leaking hydraulic oil onto ground. Oil stained soils were noted throughout this area.

Drill assembly, located just east of the red steel storage container, leaking hydraulic oil onto ground. Oil stained soils were noted throughout this area.

Area just north of the drill assembly. Oil stained soils were noted throughout this area.



Refuse pile located behind (west of) the drill assembly containing various debris, including wood pallets, rubber conveyor belts and matting, scrap metal, antifreeze containers, oil and air filters, etc.

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Air compressor, located just east of the red steel storage container. Oil and/or diesel soaked soil was noted around this machine. Fines had recently been used to cover up some of the saturated soils in front of the compressor.

Air compressor, located just east of the red steel storage container. Oil and/or diesel soaked soil was noted around this machine. Fines had recently been used to cover up some of the saturated soils in front of the compressor.

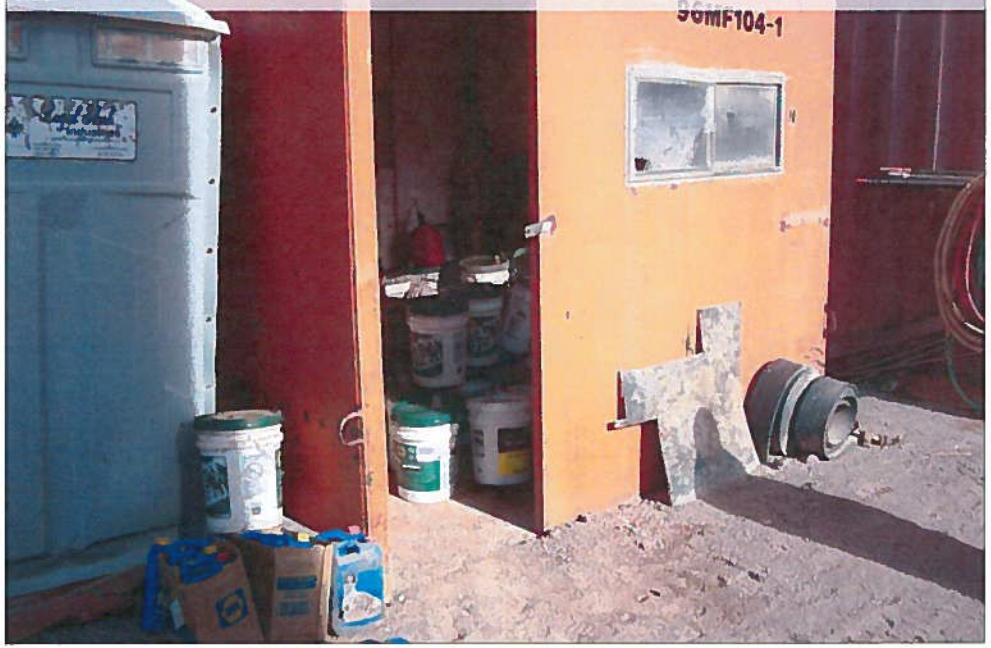
Pressure washer, located just east of the red steel storage container. Oil and/or diesel soaked soil was noted in front of this trailer. Fines had recently been used to cover up some of the saturated soils.

Fuel storage tank located just north of the steel storage container was empty during this inspection.

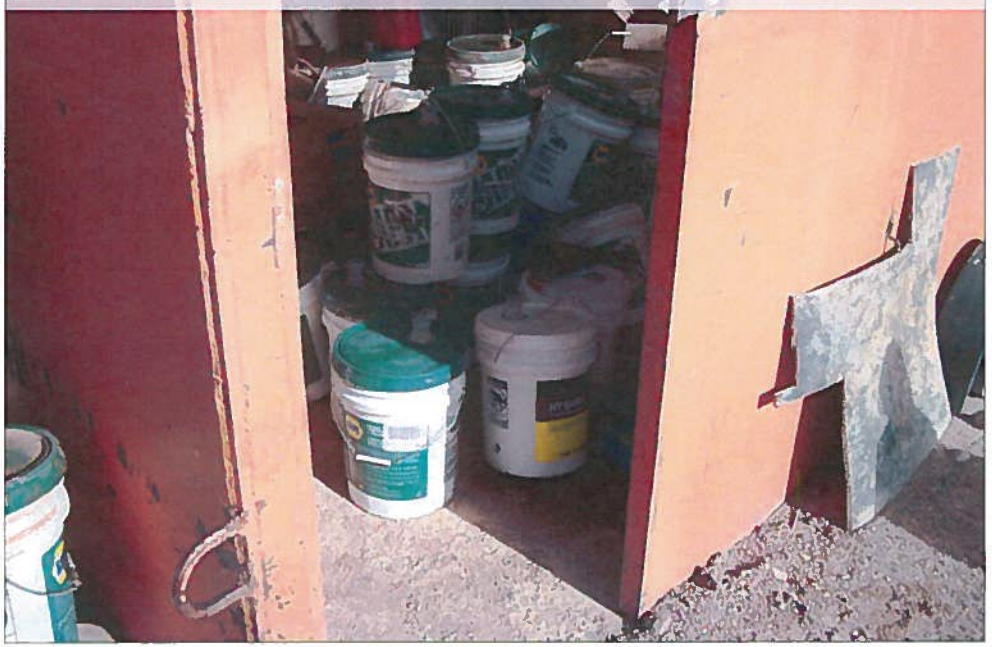
Hydraulic fluid buckets and other refuse were scattered around the steel storage container area. Soils saturated with oil and/or diesel were observed throughout the area.

Hydraulic fluid containers and equipment components stored on the east side of the steel storage container. Components were leaking hydraulic fluid directly onto the ground.

Storage shed located adjacent to the west side of the red steel storage container. Most of the hydraulic fluid buckets shown in this shed were empty. Most of the antifreeze containers were not.



Storage shed located adjacent to the west side of the red steel storage container. Most of the hydraulic fluid buckets shown in this shed were empty. Most of the antifreeze containers were not.



10,000 gallon diesel storage container lacking any secondary containment structure.

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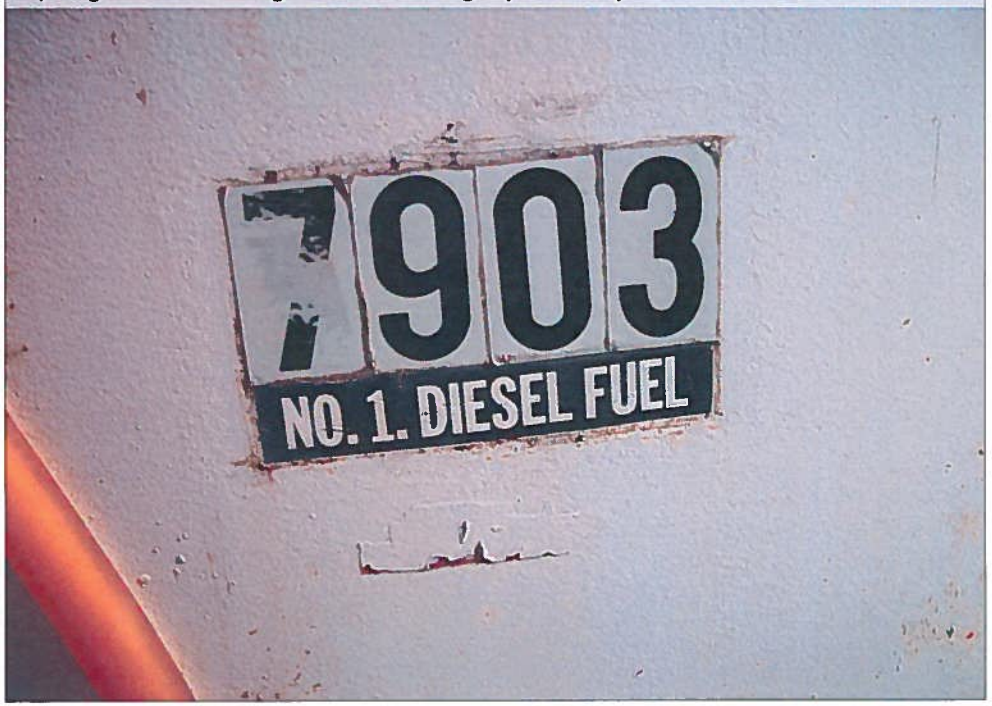
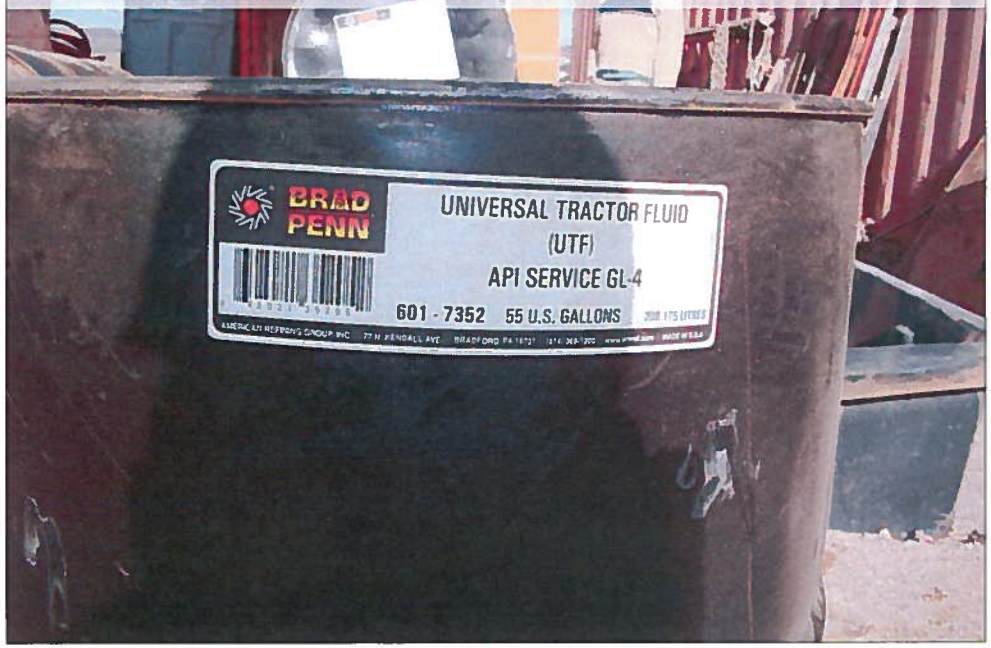


55 gallon drums containing engine oil (left) and hydraulic fluid (right), located in front (south) of the 10,000 gallon diesel storage container and the plastic containment structure, lacked secondary containment. Saturated soils were observed around the base of these containers.

55 gallon drum containing engine oil, located in front (south) of the 10,000 gallon diesel storage container and the plastic containment structure, lacked secondary containment. Saturated soil was observed around the base of this container.

55 gallon drum containing hydraulic fluid, located in front (south) of the 10,000 gallon diesel storage container and the plastic containment structure, lacked secondary containment. Saturated soil was observed around the base of this container.



Fluid was observed leaking onto the ground from the northwest corner of the plastic containment structure, which contained 55 gallon drums of engine oil (right) and hydraulic fluid (left), and several one gallon antifreeze containers.

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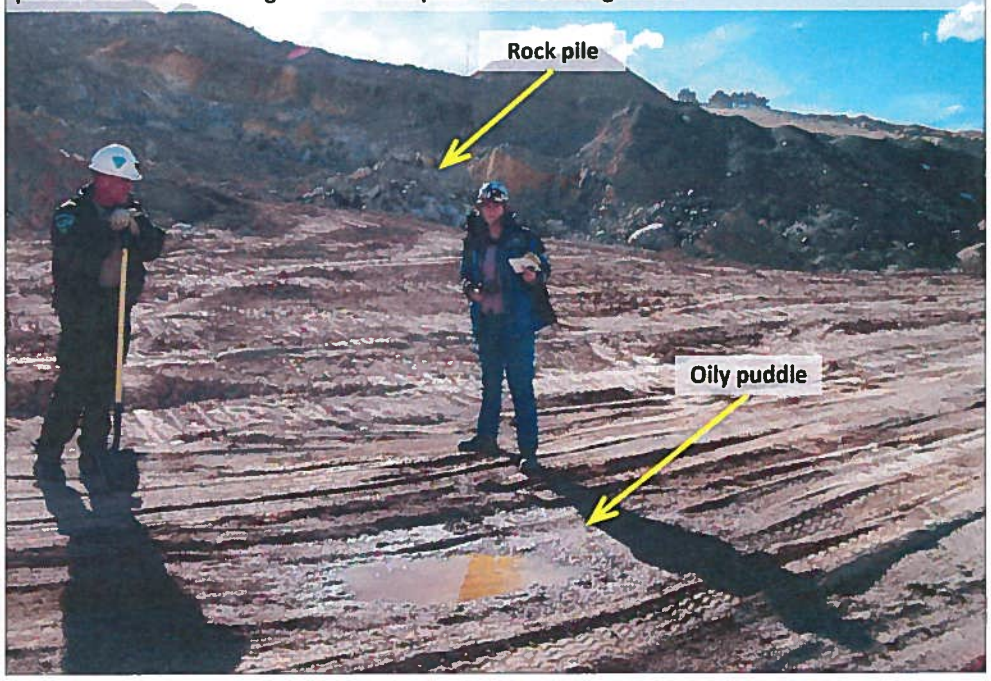
View facing southwest towards a refuse pile located just southwest of the 10,000 gallon diesel tank and steel storage container.

View facing northeast into a pit containing refuse, such as an old conveyor belt, hydraulic fluid buckets, and oil filters. Photograph was taken at GPS point 40.47603, -108.03830.

View facing northeast into a pit containing refuse, such as an old conveyor belt, hydraulic fluid buckets, and oil filters. Photograph was taken at GPS point 40.47603, -108.03830. Much of the south and west portions of this pit had been backfilled with fines.

Some rocks in this pile were notably soaked and/or stained by oils. Pile was approximately located at GPS point 40.47569, -108.03818.

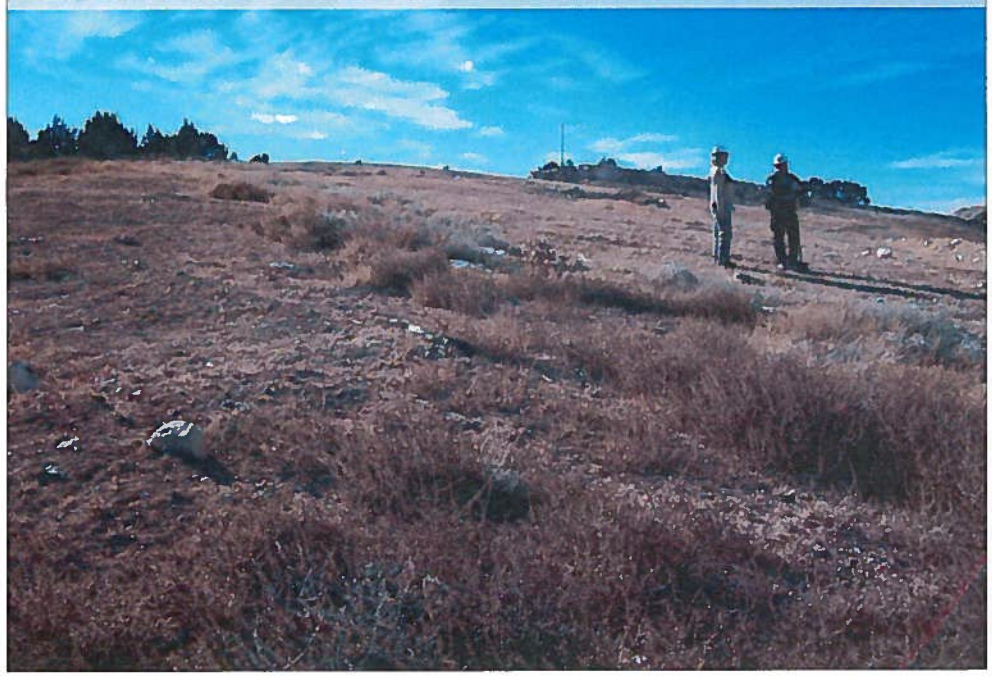
The drainage from the rock pile appeared to have been recently covered by fines. An oily puddle was noted down gradient of the pile. View is facing south.



Oily puddle noted down gradient of the rock pile containing oil soaked and stained rocks.

Large boulder covered in hydraulic oil, approximately located at GPS point 40.47574, -108.03769.

View facing southwest from the southeast end of disturbed area. Significant amounts of Russian thistle and minor amounts of Musk thistle were noted in this area.



View facing west from southeast end of disturbed area.

View facing north from southeast end of disturbed area.

View facing north down the drainage located on the east side of the permit area. Some boulders and finer materials had been pushed/washed into the drainage from the mine site. Adequate permit boundary markers were not observed during this inspection, so it was unclear whether any of this material lied outside of the approved affected area.

View into the drainage located on the east side of the permit area. Some boulders and finer materials had been pushed/washed into the drainage from the mine site. Adequate permit boundary markers were not observed during this inspection, so it was unclear whether any of this material lied outside of the approved affected area.

Refuse pile located at northwest end of disturbed area, at approximate GPS location 40.47765, -108.04134.

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View facing east down north limit of disturbed area.

Photo taken from the west edge of the active mining area (GPS location = 40.47758, -108.03963), facing east.

Photo taken from the west edge of the active mining area (GPS location = 40.47758, -108.03963), facing southeast.

Photo taken from the west edge of the active mining area (GPS location = 40.47758, -108.03963), facing south.

View towards east highwall located south (above) of active mining area.

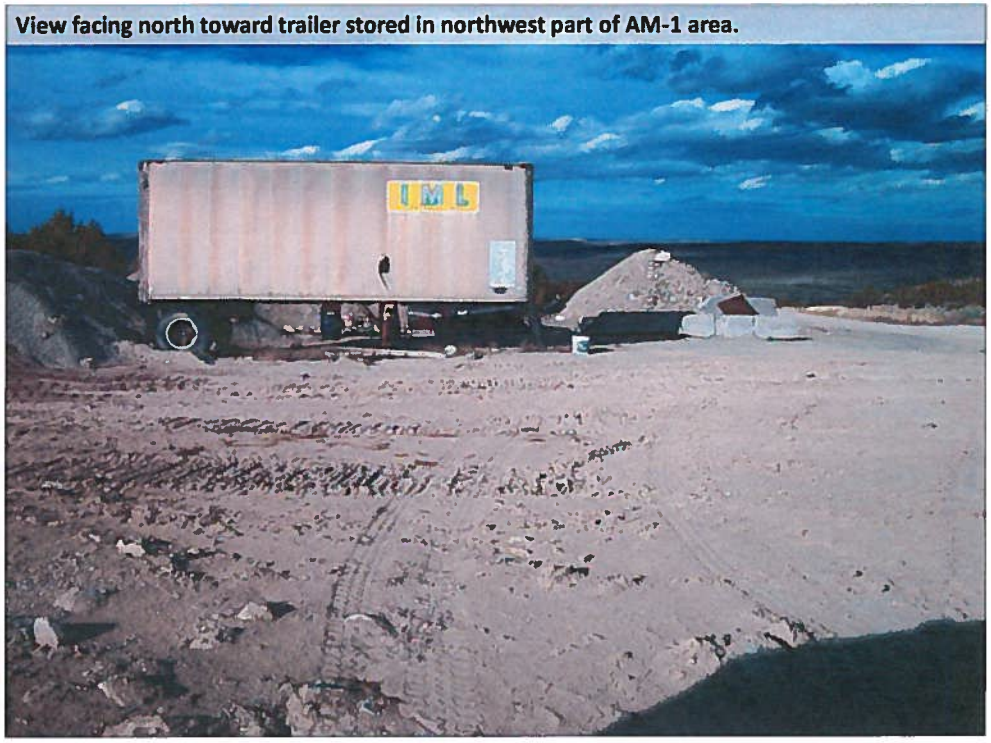
Old fuel truck stored on site (GPS location = 40.47695, -108.04128).

AM-1 Area Photographs

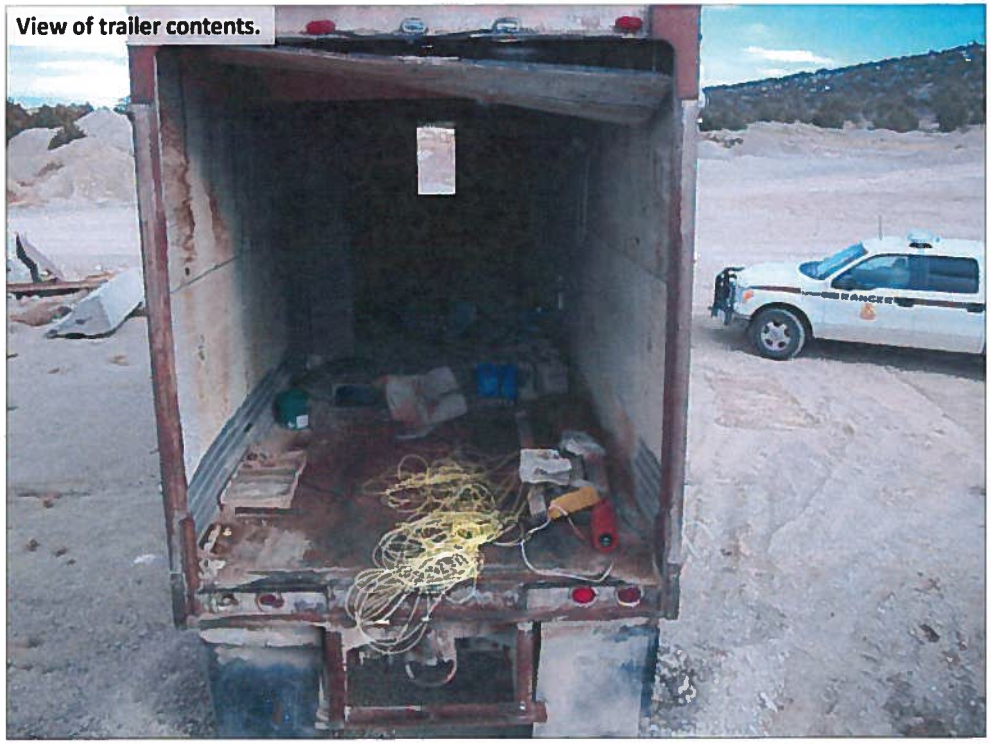
View facing south towards highwall in AM-1 area.

View facing south towards highwall in AM-1 area.

View facing north toward trailer stored in northwest part of AM-1 area.



View of trailer contents.



55 gallon drums stored just north of the trailer in AM-1 area. The furthest barrel was used as a trash container. The nearest barrel was unmarked, but was approximately ½ full of some type of oil or hydraulic fluid. There was no cap on this drum.

View of refuse pile located just south of the trailer stored in northwest part of AM-1 area.

View of refuse pile located just south of the trailer stored in northwest part of AM-1 area.

From: jeremy clare [mailto:whiskeydog06@yahoo.com]
Sent: Thursday, November 17, 2011 3:25 PM
To: Czapla, Dustin
Subject: Re: Juniper Quarry

my complaint starts end of aug when i first started my employment .i was told to run diesel fuel onto the ground to prime the hose of the fuel truck.that was a daily occurance by all employees.also instructed to operate machines despite they all had hydraulic oil leaks.my machine (the drill)used up at least 5 gal a day and i asked to get proper parts to fix problem .i was told to just run it and keep filling it with fluid.also antifreeze was just dumped onto ground as machine was operated (front end loader)finally leak was so bad machine wouldnt operate due to overheating.aprox 3 weeks ago.so owner was forced to get radiator repaired .while doing repairs i witnessed loader hand open drain plug and let antifreeze fluid pour onto ground.owner instructed some one to bury before he got a citation.also made the comment of/"i wish the cats around my house were here to drink this.during duration of my employment i was instructed to take oil and fuel filters and contaminated waters to a giant hole 150 to 200 yards east of conex box where skidloader is stored and bury in a hole.the fuel truck sits in north pit where the antifreeze dumping took place.also was told by employee that they dig hole to drain mototr oil into when doin oil change.the number of barrels that are there on site.is ridiculous every machine has hydraulic oil pouring out of them.ad the diesel poured onto ground daily was shocking to me .i wanted to get a diesel truck and use what they pour on grnd to fill it.if you have anymore questions please dont hesitate to call.i will cooperate with every step.i feel this is a very very important problem.my num is 970-629-0958
they are baltntly disregarding proper disposal and care for the toxic fluids killing our fish and wildlife.thank you for your prompt attention on this matter
sincerely
jeremy clare