



**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.

<b>MINE NAME:</b> Peck Pit	<b>MINE/PROSPECTING ID#:</b> M-1992-049	<b>MINERAL:</b> Gravel	<b>COUNTY:</b> Ouray
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Wallace H. Erickson, G. Russ Means	<b>INSP. DATE:</b> August 29, 2012	<b>INSP. TIME:</b> 15:00
<b>OPERATOR:</b> Vista Verde Village, LLC.	<b>OPERATOR REPRESENTATIVE:</b> Keith Zimmerman	<b>TYPE OF OPERATION:</b> 110c - Construction Limited Impact	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Partial Bond	<b>BOND AMOUNT:</b> \$3,000.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Cloudy	<b>INSPECTOR'S SIGNATURE:</b> <i>Wallace H. Erickson</i>	<b>SIGNATURE DATE:</b> September 5, 2012

**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>NA</u>
(PW) PROCESSING WASTE/TAILING----- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION----- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN----- <u>Y</u>	(SB) COMPLETE INSP----- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>

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

### **OBSERVATIONS**

This inspection occurred as part of the Division's routine monitoring of permitted operations. The Peck Pit is approved to harvest gravel bars from the floodplains of the Uncompahgre River. The 8-acre permit area is located entirely within floodplain areas. Affected lands will be reclaimed to support wildlife habitat post-mining land use. The Division holds \$3,000 financial warranty. Three photos accompany this report.

As shown in the photos, the mining operation has not commenced. The \$3,000 bond was calculated to address 2 acres affected lands. Since the mining activity has not commenced the existing bond is sufficient to ensure reclamation.

The Operator indicated his desire to terminate the permit. Therefore, the Division recommends the Operator request full release of warranties and termination of permit in accordance with the requirements of Rule 4.17. Copy of Rule 4.17 is enclosed. Alternately, copy of the entire Construction Materials Act and Rules may be accessed through the Division's web site, [www.mining.state.co.us](http://www.mining.state.co.us).

Response to this inspection report should be addressed to Wally Erickson at the Division's office in Durango, 691 County Road 233, Suite A-2, Durango, CO 81301, phone (970) 247-5469.

#### **Inspection Contact Address**

Keith Zimmerman  
Vista Verde Village, LLC.  
17449 Hwy 550  
Ridgway, CO 81432

Enclosure: 3 photos and copy of Rule 4.17

Ec w/enclosure: Russ Means, DRMS GJFO

- (c) a narrative describing site grading, topsoil replacement, successful revegetation and other stabilization activities, as appropriate;
  - (d) suitable photographs of the reclaimed area; and
  - (e) a map of sufficient detail to determine the location of the exploration activity.
- 113(8) (3) The Office shall, within ninety (90) calendar days after receiving said report, or as soon thereafter as weather conditions permit, inspect the lands and reclamation described in the notice to determine if the Operator has complied with all applicable requirements.
- 113(8) (4) If the Office finds the reclamation to be in compliance with the requirements of the Notice of Intent, Rules and Regulations, and the Act, the Office shall release all applicable performance and financial warranties. The financial warranty shall not be held for more than sixty (60) calendar days after the Office finds that the Notice of Intent Operator has successfully completed reclamation. However, an appeal to the release of the financial warranties shall stay the release on the sixtieth (60) day pending a Formal Board Hearing.

#### **4.17 RELEASE OF PERFORMANCE AND FINANCIAL WARRANTIES FOR MINING OPERATIONS**

##### **4.17.1 Operator Requirements**

- 110(3), 111(4), 117(5) (1) The Operator of any mining operation possessing a 110 Limited Impact Permit, or a 111 Special Operations Permit, or a 112 Reclamation Permit may file a written notice of completion of reclamation and request for release of reclamation responsibility with the Office whenever an Operator believes any or all requirements of the Act, the Rules and Regulations, and the approved reclamation plan have been completed with respect to any or all of the Affected Lands.

- (2) The Operator shall include in the notice to the Office the names and addresses and phone numbers of all owners of record to the affected land.
- (3) The written notice requesting release shall be sent by Certified Mail and be separate from other types of communication to the Office.
- (4) Such notice shall contain a signed statement by the Operator or their agent that all applicable portions of the Reclamation Plan requirements have been satisfied in accordance with these Rules and all applicable requirements under the Act.

#### **4.17.2 Division Requirements**

- (1) The Office, upon receipt of said notice of completion of reclamation, shall immediately provide notice to all owners of record to the affected land and to the county(s).
- 117(5)(a) (2) The Office shall, within sixty (60) days after receiving said notice, or as soon thereafter as weather conditions permit, inspect the lands and reclamation described in the notice to determine if the Permittee has complied with all applicable requirements.
- 117(5)(d) (3) If the Office fails to conduct an inspection within the time specified in Rule 4.17.2(2), or fails to advise the Permittee of deficiencies within the time specified in Rule 4.17.2(4), then all Financial Warranties applicable to reclamation described in the notice shall be deemed released as a matter of law.
- (4) Where the Office finds that a Permittee has not complied with the applicable requirements of the Act, Rules and Regulations, or the approved reclamation plan, it shall advise the Permittee of such non-compliance not more than sixty (60) calendar days after the date of the inspection.
- (5) Where the Office finds that a Permittee has successfully complied with the requirements of the Act, Rules and Regulations, and the approved reclamation plan, the Office shall release all applicable

performance and financial warranties. Release (pending an appeal) shall be in writing and mailed within thirty (30) calendar days to the Permittee after the date of such findings. However, an appeal to the release of the financial and performance warranties shall stay the release on the thirtieth (30) day pending a Formal Board Hearing.

**4.18 PUBLIC NOTICE AND FILING OF WRITTEN OBJECTIONS REGARDING A REQUEST FOR RELEASE OF FINANCIAL WARRANTY**

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- (1) Any person directly and adversely affected or aggrieved may submit written objections on the request for reclamation responsibility release so long as such comments are received by the Office within fifteen (15) days of notice by the Office to the county(s) and all owners of record to the affected land.
- (2) Notice of the Office's decision to release the Permittee from further reclamation responsibility shall be published in the next monthly agenda of the Board.

**4.19 GENERAL PROVISIONS - APPEALS TO DECISION - RELEASE OF FINANCIAL WARRANTY**

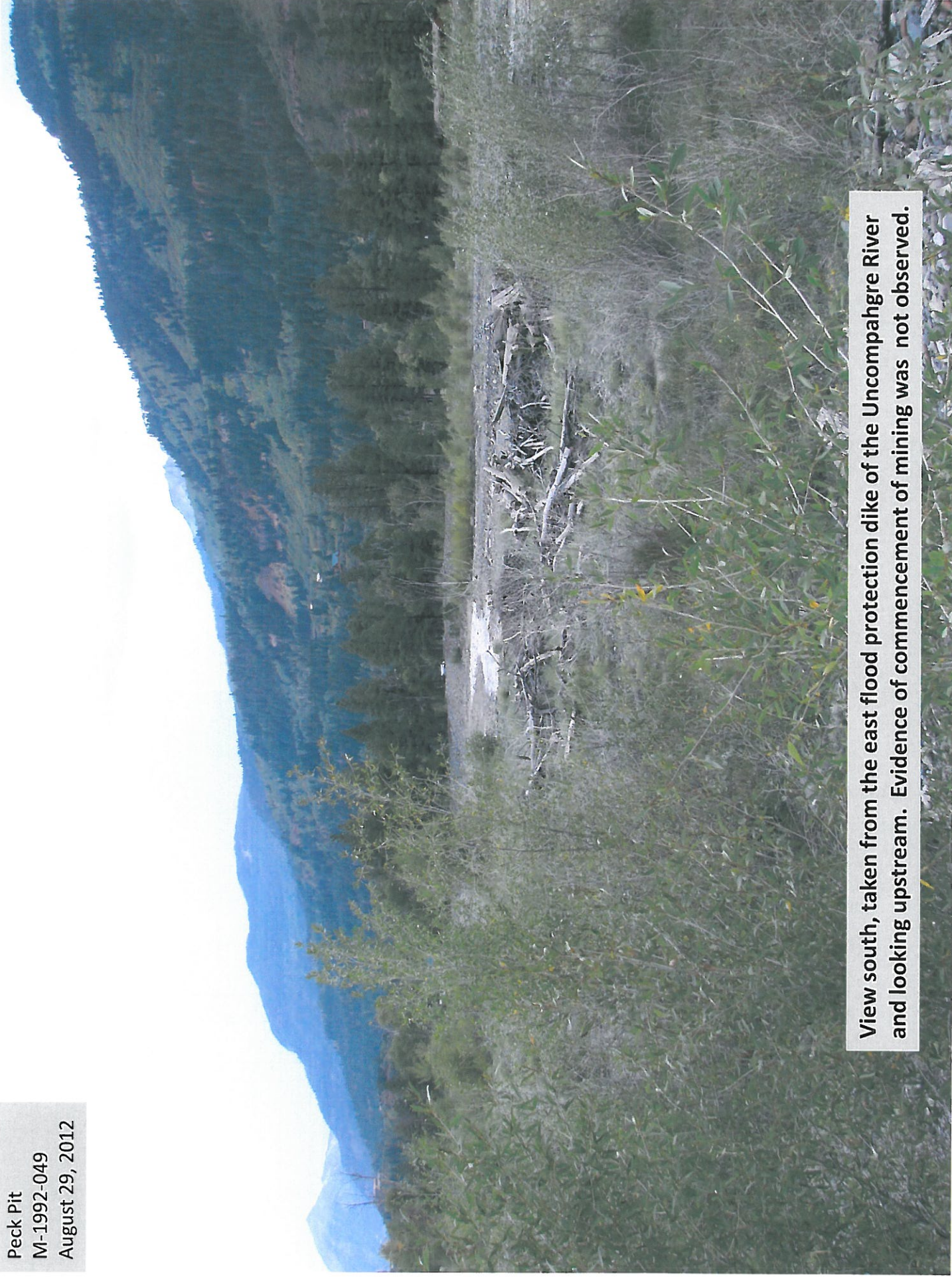
- (1) Any person directly and adversely affected or aggrieved by an Office decision to approve or deny the request for reclamation responsibility release and whose interest is entitled to protection under the Act may appeal the decision to the Board by submitting a request for Administrative Appeal to the Office according to the provisions of Section 1.4.11. The request for Administrative Appeal must specify the basis for being directly and adversely affected or aggrieved, a statement of why the person's interest is protected by the Act, the permit number assigned by the Office and include a statement of the factual and legal issues presented by the appeal.
- (2) If the Office decision to release a Permittee from reclamation liability is reversed by the Board on appeal, all outstanding obligations under the permit, the financial warranty, and the performance warranty shall remain in effect.

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**4.20 FORFEITURE OF FINANCIAL WARRANTY**



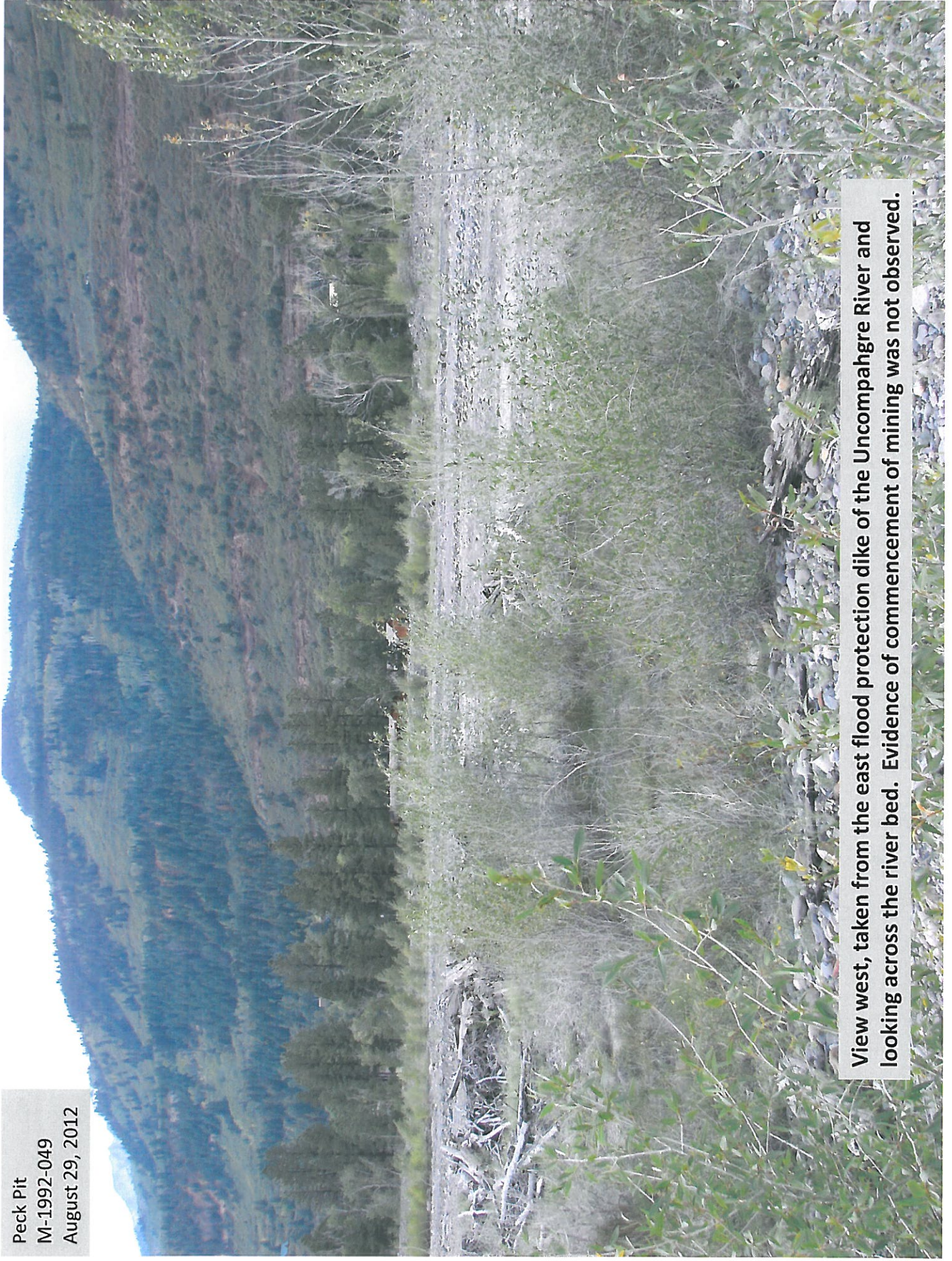
Peck Pit  
M-1992-049  
August 29, 2012



View south, taken from the east flood protection dike of the Uncompahgre River and looking upstream. Evidence of commencement of mining was not observed.



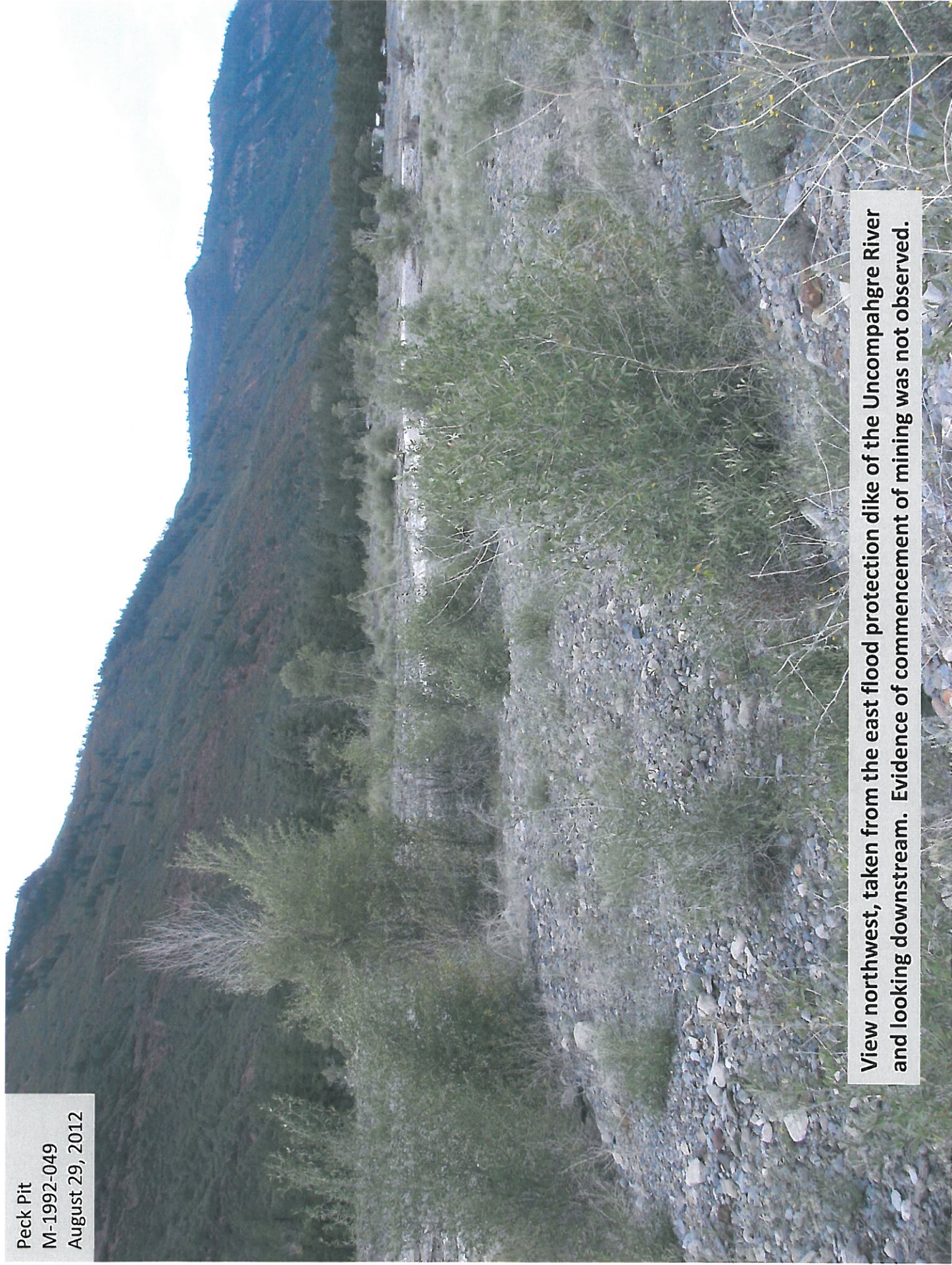
Peck Pit  
M-1992-049  
August 29, 2012



View west, taken from the east flood protection dike of the Uncompahgre River and looking across the river bed. Evidence of commencement of mining was not observed.



Peck Pit  
M-1992-049  
August 29, 2012



View northwest, taken from the east flood protection dike of the Uncompahgre River and looking downstream. Evidence of commencement of mining was not observed.