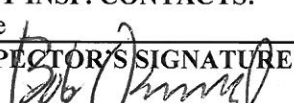




**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567**

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: North Farm Road Gravel Pit	MINE/PROSPECTING ID#: M-2000-110	MINERAL: Sand, gravel and borrow material	COUNTY: Rio Grande
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: January 21, 2014	INSP. TIME: 15:00
OPERATOR: Mario Bassi and Josephine Bassi	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$19,093.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 29, 2014

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>NA</u>	(FN) FINANCIAL WARRANTY-----	<u>Y</u>	(RD) ROADS-----	<u>NA</u>
(HB) HYDROLOGIC BALANCE-----	<u>Y</u>	(BG) BACKFILL & GRADING-----	<u>NA</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>NA</u>	(RV) REVEGETATION----	<u>NA</u>
(SM) SIGNS AND MARKERS-----	<u>Y</u>	(SP) STORM WATER MGT PLAN----	<u>NA</u>	(SB) COMPLETE INSP----	<u>NA</u>
(ES) OVERBURDEN/DEV. WASTE-----	<u>NA</u>	(SC) EROSION/SEDIMENTATION---	<u>Y</u>	(RS) RECL PLAN/COMP--	<u>NA</u>
(AT) ACID OR TOXIC MATERIALS-----	<u>NA</u>	(OD) OFF-SITE DAMAGE-----	<u>NA</u>	(ST) STIPULATIONS-----	<u>NA</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 was a routine inspection conducted by the Division as part of its monitoring of 112c permits. The operator was contacted about the inspection, but was not able to be present. However, the operator stated that the permitted operator of the adjoining site (Mr. Mathias, North Farm Road Pit #1, permit M-1977-140) could accompany this inspector on this site. This site was not active on the day of the inspection.

The required permit ID sign was observed posted at the northern entrance gate to the permitted area. The gate and sign are present at the edge of the county road, but there is no onsite roadway from the gate to the pit. The pit has only been accessed to-date from its western side, where it adjoins the neighboring permitted area. This is not a problem, since the amount of disturbance is less, and no unpermitted land is crossed. Permit boundary markers, consisting of fencelines, were installed along the permit boundary. The operation is approved to be carried out in phases, termed "cells" in the permit file, and this operation is still in Cell 1.

There was a tracked excavator on the east side of the pit. Excavation of the pit has exposed the shallow groundwater, creating a pond; the pond was ice-covered on the day of the inspection. The operator is also the landowner, who holds senior water rights, and the pond is approved by CDWR and this permit. There will be more ponds created as additional cells are mined.

The pit is in Cell 1, the NW portion of the permit area, although not at the permit's northern edge. It is immediately north of the Fish Ditch, and the operator has installed a lateral from Fish Ditch to the pit. Sufficient setback distance has been maintained along the south and west edges of the pit to allow equipment to maneuver and reduce the highwalls at the time of reclamation grading. The pit is approximately 15 feet deep, with side walls steeper than 1:1 presently. The size of the pit is about 3.5 acres, and total affected area is about 6 acres. There is a pitrun stockpile area north of the pit, containing material that will be hauled to the adjoining permitted area to the west, where it will be processed.

Topsoil is stockpiled a short distance to the east of the pit. Exposure of the groundwater is a perennial condition at this site, and the pond(s) will be permanent here. Therefore as the amount of water surface increases, the amount of land to be re-topsoiled for reclamation decreases. There is sufficient topsoil saved for reclamation, which is presently limited to the pond banks. The excess topsoil is being used in the manufacture of roadbase. This is not a problem, as long as enough topsoil is set aside at all times for final reclamation to be performed.

The site is being mined according to the approved plan, and the amount of disturbance is limited. No contaminants, debris, junk, or noxious weeds were noted. The Division will review the reclamation costs in relation to the bond amount; if an increase in bond is indicated the operator will be notified.

The operator is reminded to include all activities which were carried out and which are planned, in the annual reports. There are no problems noted in this inspection report.

(Continued)

For questions related to this report, please contact this inspector at the Division's Durango Field Office:
telephone 970-247-5193, or 303-866-3567 ext 8175.

All written correspondence should be sent directly to the Division's Denver Office:
Division of Reclamation, Mining & Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Inspection Contact Address
Mario Bassi and Josephine Bassi
2000 N. Farm Rd.
Monte Vista, CO 81144

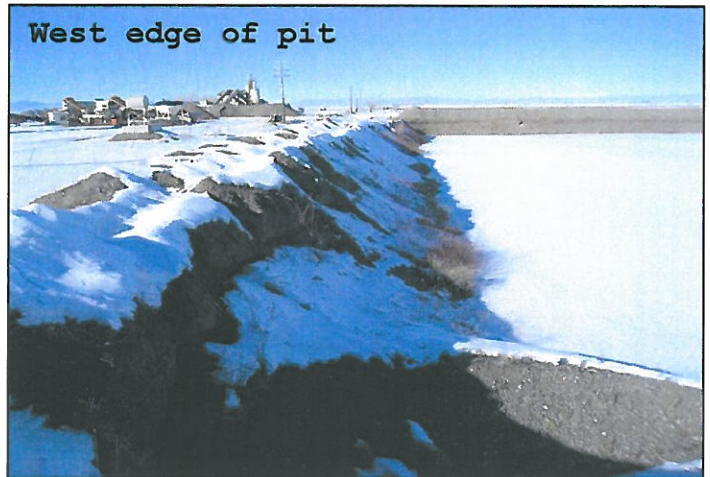
Photographs from the inspection are on the following page.

PHOTOGRAPHS

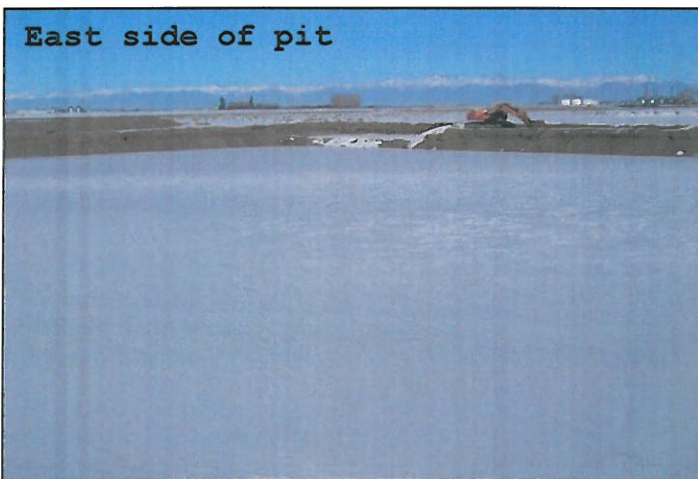
Permit ID sign



West edge of pit



East side of pit



South edge of pit



Pitrun stockpile area



Pit with pitrun

