

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Red Rock Pit	M-1978-315	Sand and gravel	Routt
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Dustin M. Czapla	May 6, 2014	12:30
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Peabody Sage Creek Mining, LLC	Katryna Snowden	112c - Construction Regular Operation	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Normal I&E Program	None	\$31,550.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear		May 14, 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>Y</u>	(FN) FINANCIAL WARRANTY <u>Y</u>	(RD) ROADS <u>NA</u>
(HB) HYDROLOGIC BALANCE <u>Y</u>	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES <u>NA</u>
(PW) PROCESSING WASTE/TAILING NA	(SF) PROCESSING FACILITIES NA	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(SB) COMPLETE INSP Y
(ES) 0VERBURDEN/DEV. WASTE NA	(SC) EROSION/SEDIMENTATION Y	(RS) RECL PLAN/COMP N
(AT) ACID OR TOXIC MATERIALS NA	(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

PERMIT #: M-1978-315 INSPECTOR'S INITIALS: DMC INSPECTION DATE: May 6, 2014

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Katryna Snowden, representing the Operator, was present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Red Rock Pit is located approximately ten miles south of Hayden and accessed from CR53. The site is a 112c operation that includes a total of 41.8 permitted acres. The Division currently holds a financial warranty amount of \$31,550.00 for this site. The Division has reviewed the reclamation costs and determined that the current financial warranty amount is adequate.

Adequate mine identification signage was noted at the entrance to the site.

The affected area was marked by fencing and posts that were clearly visible and adequate to delineate the affected area boundary.

Mining was occurring during this inspection. Material is removed by excavator and dozer and trucked to the Sage Creek Mine. Less than five acres are currently disturbed, located primarily in the south part of the permit area.

There is no fuel storage on site.

No erosion concerns were noted.

No problems or violations were noted.

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.

PHOTOGRAPHS



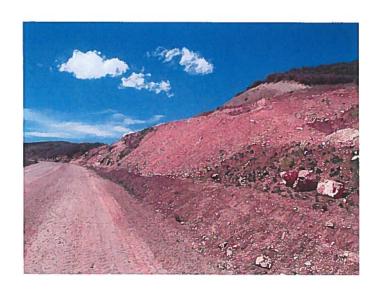














Inspection Contact Address

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