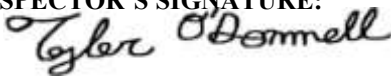




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Braley S&G Pit No. 1	MINE/PROSPECTING ID#: M-1980-020	MINERAL: Sand and gravel	COUNTY: Douglas
INSPECTION TYPE: Monitoring	INSPECTOR(S): Tyler V. O'Donnell	INSP. DATE: November 25, 2014	INSP. TIME: 10:00
OPERATOR: ARS Sand & Gravel CO., LLC	OPERATOR REPRESENTATIVE: Scott Reynolds	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$68,250.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 11, 2014

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.

INSPECTION TOPIC: Gen. Compliance With Mine Plan

POSSIBLE VIOLATION: Land has been affected outside of the approved permit boundary. This is a possible violation at this time pursuant to: C.R.S. 34-32.5-116(4)(i) for failure to protect areas outside of the affected land from slides or damages occurring during the mining operation.

CORRECTIVE ACTIONS: This possible violation will require a hearing before the Mined Land Reclamation Board. The schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the Operator.

CORRECTIVE ACTION DUE DATE: To be determined on January 28, 2014

OBSERVATIONS

This inspection was conducted by Tyler O'Donnell of the Division of Reclamation, Mining and Safety (DRMS). ARS Sand & Gravel CO., LLC, the Operator, was represented during the inspection by Kim Haarberg, Scott Reynolds, and Derek Garben. This inspection was conducted as normal routine monitoring inspection, DRMS also received a citizen complaint by phone. The complaint was received from a neighboring landowner. The landowner expressed concerns about changes in the mining operation and noise.

The Braley S&G Pit No. 1 is located approximately 2 miles south of Chatfield Reservoir. The Braley S&G Pit No. 1 is permitted as a sand and gravel pit. The approved permit area is 82.96-acres. The approved post-mining land use is rangeland.

At the time of the inspection, the sky was overcast and the ground was dry. This inspection consisted of a visual examination of the entire site. The site was operational during the inspection. The mining operation appears to be progressing from east to west. There were multiple stockpiles of product scattered throughout the site. The Operator was recycling asphalt and concrete in the southeast corner of the pit. DRMS approved the processing of asphalt and concrete in Technical Revision No. 1 on August 7, 1995. In general, the Operator appears to be following the approved, mine plan and reclamation plan.

During the inspection DRMS observed an additional site access road other than the approved access road. The new access road, accesses the site from the southwest. The new access road appears to only service the pit and ARS's facilities. DRMS will conduct additional review of the new access road and may contact the Operator regarding the results of the review.

During the inspection, some of the field-identified permit boundary markers could not be located or identified. During the inspection, DRMS used a hand held GPS unit to outline a portion of affected area. The field collected GPS data was overlaid with a georeferenced map of the permit boundary (please see Figure 1). DRMS concluded that the Operator had affected 1.4 acres outside of the approved permit boundary. The 1.4 acres of affected land outside of the permit boundary is composed of an irregular-shaped highwall and a stockpile of sandy loam material (see Photos 2 through 4). The highwall is approximately 550 feet long and 10 to 15 feet high.

CONCLUSION

Based on the comparison between the field-collected GPS data and the georeferenced map, it appears that the Operator has affected 1.4 acres outside of the approved permit boundary. DRMS believes that the 1.4 acres outside of the approved permit boundary had been affected by a mining operation based on: the close proximity to the active working face, close proximity to the screening plant, and the nature and age of the disturbance. Pursuant to sections C.R.S. 34-32.5-103(1) and (13) of the Colorado Land Reclamation Act for the Extraction of Construction Materials and C.R.S. 34-32.5 et seq., the 1.4-acre excavation outside of the approved permit boundary on the site appeared to constitute a mining operation. Therefore, DRMS has reason to believe a violation of C.R.S. 34-32.5-116(4)(i) has occurred and will schedule the matter for consideration by the Mined Land Reclamation Board (Board), to occur during the January 28, 2015 Board meeting. The Board meeting will occur at 1313 Sherman Street, Room 318, Denver, Colorado. Official notice of the January 28-29, 2015 Board meeting will follow under separate correspondence addressed to ARS Sand & Gravel CO., LLC. The Construction Material Act and Rules may be reviewed at DRMS website, www.mining.state.co.us.

Braley S&G Pit No. 1



Figure 1: Permit boundary (marked by red line) and affected area outside of the approved permit (marked by the blue-hatched line) area is approximately 1.4 acres.

PHOTOGRAPHS



Photo 1: Southeast corner of the pit where the Operator was recycling asphalt and concrete.



Photo 2: The red dashed line approximates the approved permit boundary. There appeared to be a mining disturbance outside of the approved permit boundary.



Photo 3: The red dashed line approximates the approved permit boundary.



Photo 4: The red dashed line approximates the approved permit boundary.

GENERAL INSPECTION TOPICS

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

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

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

Scott Reynolds
ARS Sand & Gravel Co LLC
7588 Storm Mountain
Littleton, CO 80127

CERTIFIED MAIL NO. 7014 0150 0000 9138 2838
Return Receipt Requested

cc: Tom Kaldenbach, DRMS