




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: Goldman Gravel Pit	MINE/PROSPECTING ID#: M-1978-279	MINERAL: Gravel	COUNTY: Garfield
INSPECTION TYPE: Monitoring	INSPECTOR(S): Stephanie J. Mitchell	INSP. DATE: March 4, 2015	INSP. TIME: 13:00
OPERATOR: Flag Resources Inc	OPERATOR REPRESENTATIVE: Fred Frei	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$17,300.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 10, 2015

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>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>Y</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>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</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

OBSERVATIONS

This was a monitoring inspection of Goldman Gravel Pit; M-1978-279 operated by the Flag Resources, Inc. This site is located approximately 2.5 miles southeast of Silt, Colorado in Garfield County. I, Stephanie Mitchell of the Colorado Division of Reclamation, Mining and Safety conducted the inspection. Mr. Fred Frei, of Flag Resources, Inc. accompanied me on the inspection.

This is a 8.5 acre 110c mining operation for sand and gravel. It appears that the area disturbed is right at 8 acres. A mine identification sign was in place at the entrance to the mine site. Permit boundaries were all clearly marked. The site is stable and no disturbance was observed outside of the approved permit boundaries.

There was a D-9 Dozer on site. Material stockpiles appear to be stable.
There is a small population of Scotch Thistle observed on site and should be sprayed in the spring.

No offsite damage, erosion, or other problems or violations were noted during this inspection.

Photos showing the conditions observed during the inspection are included at the end of this report. Responses to this inspection report should be directed to Stephanie Mitchell at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd Street, Suite 301, Grand Junction, Colorado, 81501, phone # 970.242.5025.

PHOTOGRAPHS



Mine Identification Sign



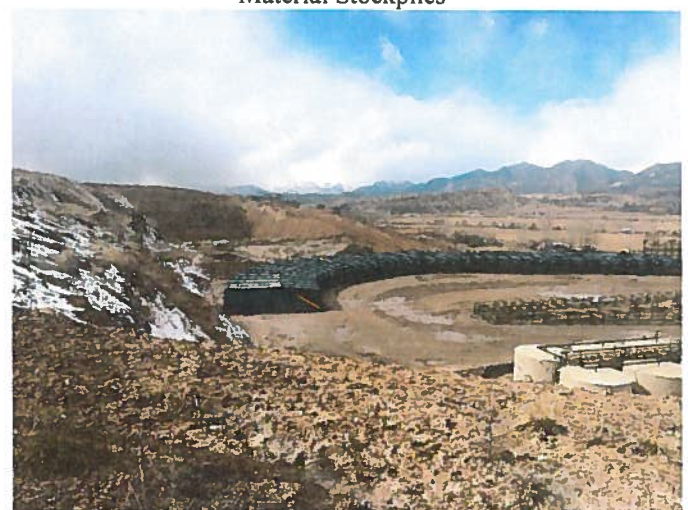
Looking North



Material Stockpiles



Reclamation initiated with topsoil cover



Well Pad within Permit area

Inspection Contact Address

Fred Frei
Flag Resources Inc
1412 CR 311
New Castle, CO 81647

CC: Russ Means, DRMS