




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: Neal Pit	MINE/PROSPECTING ID#: M-1983-148	MINERAL: Sand and gravel	COUNTY: Montrose
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Wallace H. Erickson	INSP. DATE: April 15, 2015	INSP. TIME: 15:30
OPERATOR: Montrose County	OPERATOR REPRESENTATIVE: Norm David, Dean Cooper	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: \$0.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 5, 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>NA</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>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE----- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION----- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN----- <u>NA</u>	(SB) COMPLETE INSP----- <u>N</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>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 inspection occurred as part of the Division's review process of AM-01. The Neal Pit is approved for excavation and processing of construction materials. Through AM-01, Montrose County (Operator) intends to expand the permit area from 39.4 acres to 66.9 acres, representing an increase of 27.5 acres. Affected lands will be reclaimed to support rangeland post-mining land use. This report is accompanied by one image from Google Earth, dated June 3, 2014, and nine photographs taken during the inspection.

Mining activities were dormant during the time of the inspection. Various stockpiles of mined materials were located on the pit floor. Storm water containment berms appeared intact and well maintained for the active pit area. The active pit area appeared stable; evidence of slumping, excessive erosion or infestation by prohibited noxious weeds was not observed. The Operator is conducting reclamation contemporaneously as the mining advances, as evidenced by the reclaimed highwalls located along the east and south portions of the active pit area. (Photos 1, 2 and 3)

On-site discussions included a possible realignment of the access road to reduce grade and increase sight distance for safer truck traffic. If the portion of the access road to be realigned is located outside the boundary of affected lands, the Operator must expand the boundary of affected lands to include the access road prior to construction. Options for amending the current AM-01 process, to incorporate the access road, were discussed.

Man-made structures located within 200 feet of the lands addressed under AM-01 include the following:

- Montrose County 57.5 Road, as illustrated on Exhibits C-1 and F-1 of the AM-01 application;
- Utility lines buried within the right of way for CR 57.5 and proximal to lands addressed under AM-01;
- CP Lateral irrigation ditch, with bridge, see Exhibits C-1 and F-1 of the AM-01 application and Photo 9;
- Exterior fence lines for the lands addressed under AM-01, possibly owned or partially controlled by adjoining property owners;
- Irrigation structures, see Exhibits C-1 and F-1 of the application, and Photos 4 and 8;
- Overhead power line, see Exhibits C-1 and F-1 of the application and Photo 5;
- Abandoned residential and agricultural structures, see Exhibits S, C-1 and F-1 of the application and Photos 5, 6, and 7; and
- Ground Water Well No. 4383, located nearby the east boundary of AM-01 lands, see Photo 8.

Regulated noxious weeds, including Russian knap weed, were established in portions of the lands addressed under AM-01. The weed infestation predates the application and may become a maintenance issue for the Operator subsequent to the approval of AM-01.

Inspection Contact Address

Dean Cooper
Montrose County
949 North 2nd Street
Montrose, CO 81401

Enclosure: 1) Google Earth image dated June 3, 2014; and
2) Nine photographs taken by the Division during the inspection

Neal Pit
M-1983-148
April 15, 2015
Photo 4



Irrigation valve and disconnected sections of pipeline were located within the Phase 1 area, as shown on Exhibits C-1 and F-1 of the AM-01 application.

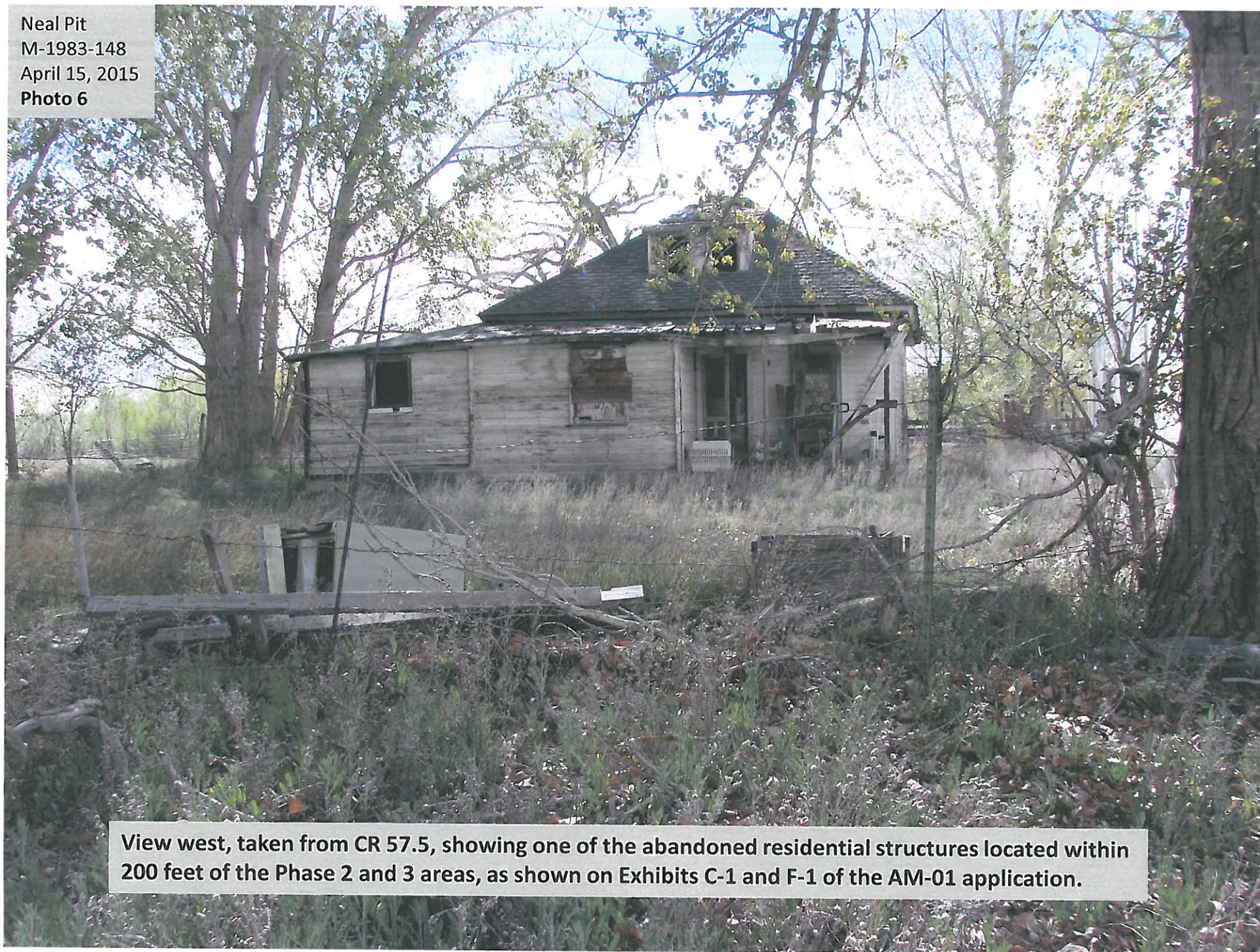
Neal Pit
M-1983-148
April 15, 2015
Photo 5

Overhead power line crosses
Phase 1, 2 and 3 areas.

View west, taken from CR 57.5, showing one of the abandoned residential structures within 200 feet of the Phase 2 and 3 areas, as shown on Exhibits C-1 and F-1 of the AM-01 application.

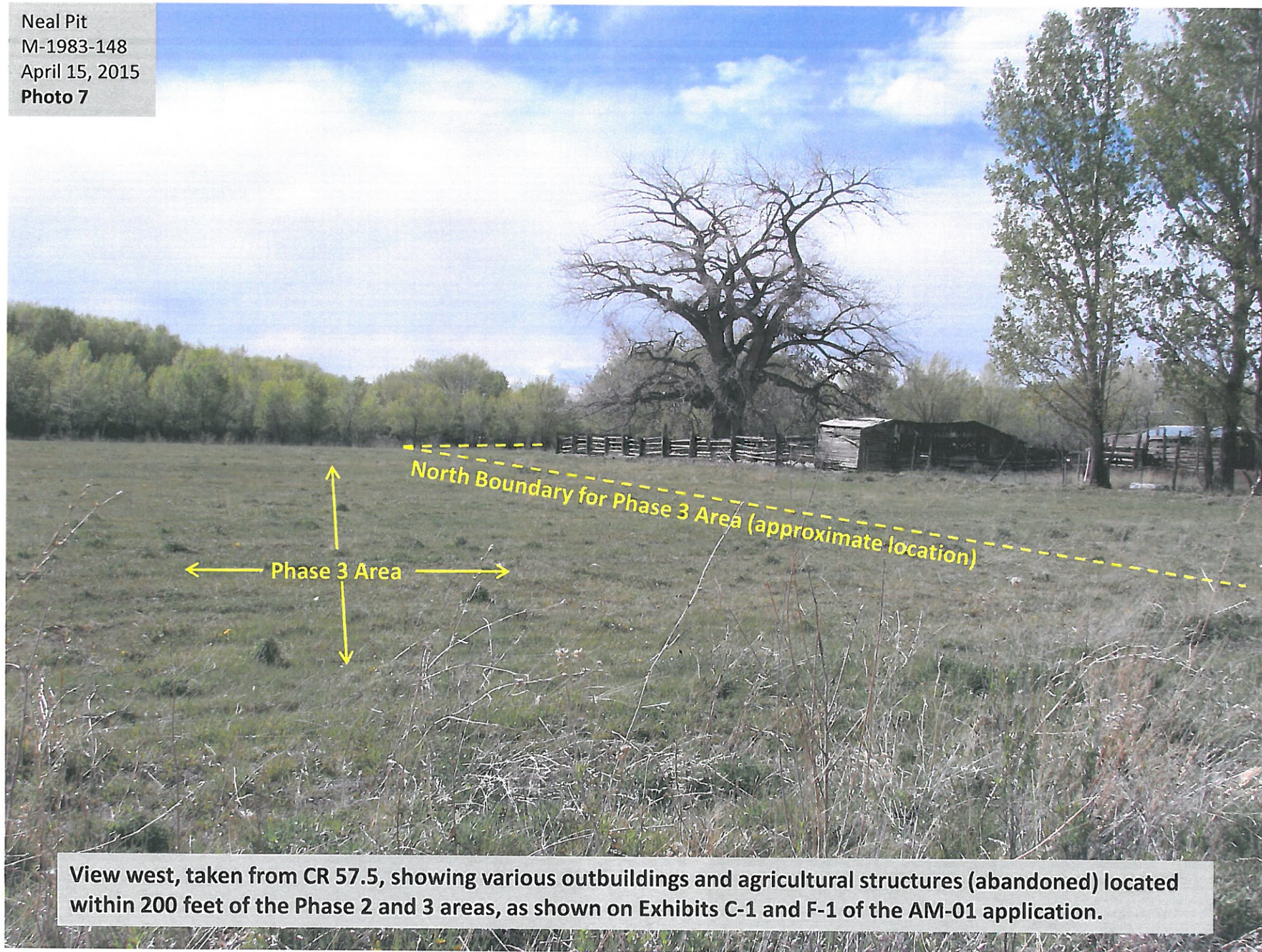


Neal Pit
M-1983-148
April 15, 2015
Photo 6



View west, taken from CR 57.5, showing one of the abandoned residential structures located within 200 feet of the Phase 2 and 3 areas, as shown on Exhibits C-1 and F-1 of the AM-01 application.

Neal Pit
M-1983-148
April 15, 2015
Photo 7



View west, taken from CR 57.5, showing various outbuildings and agricultural structures (abandoned) located within 200 feet of the Phase 2 and 3 areas, as shown on Exhibits C-1 and F-1 of the AM-01 application.

Neal Pit
M-1983-148
April 15, 2015
Photo 8

Irrigation pipeline located along south
boundary of Phase 2 and 3 areas.

South Boundary for Phase 3 Area

East Boundary for Phase 3 Area

Ground Water Well No. 4383 was
located within 200 feet of the east
boundary of the Phase 3 area.

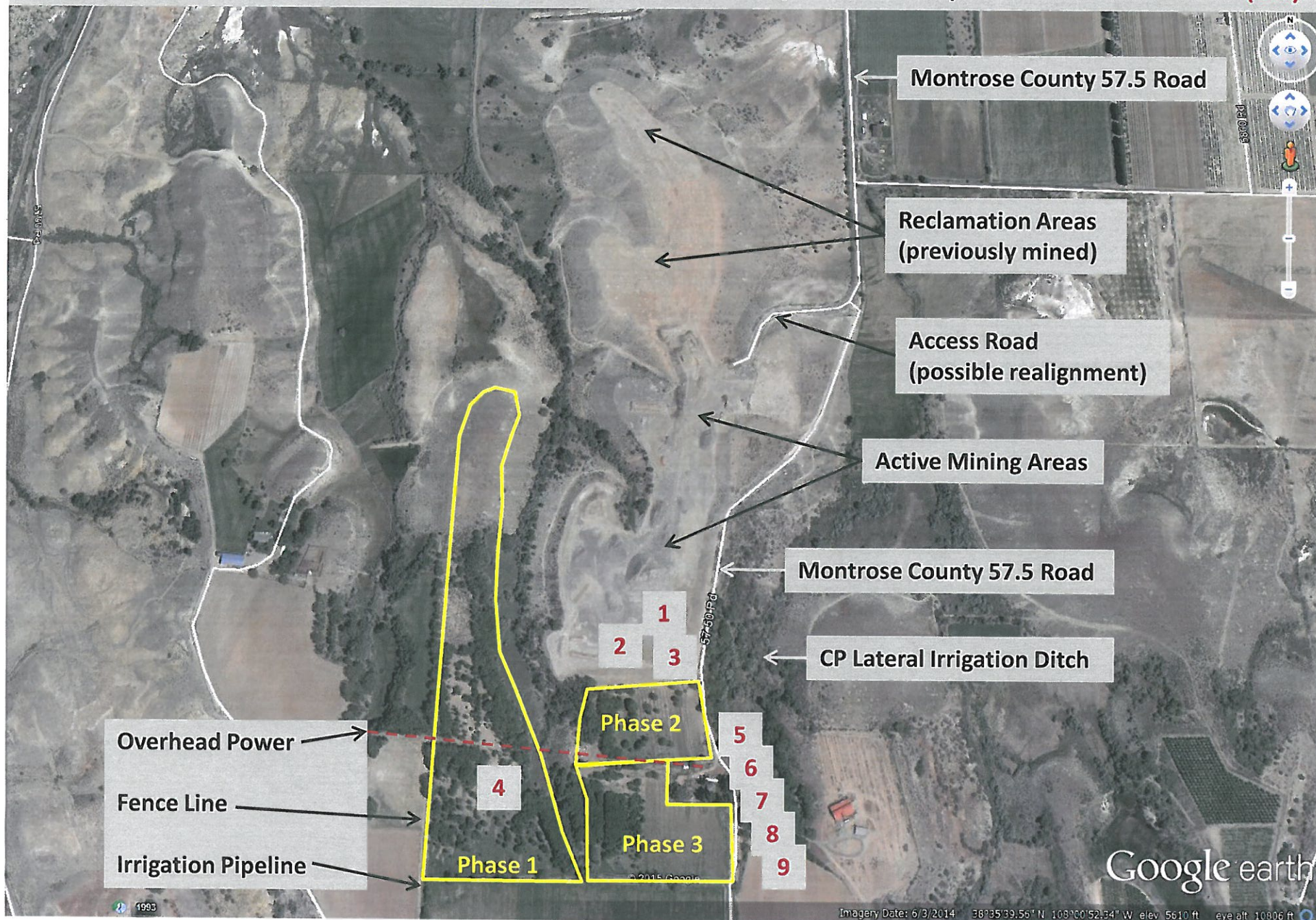


Neal Pit
M-1983-148
April 15, 2015
Photo 9



The CP Lateral irrigation ditch and bridge were located within 200 feet of the east boundary of the Phase 3 area.

Google Earth image, dated June 3, 2014, showing various features of the Neal Pit, M-1983-148. Lands addressed through AM-01 are indicated in yellow (Phase 1, 2, 3). Photo locations for the April 15, 2015 inspection are indicated in red (1–9).

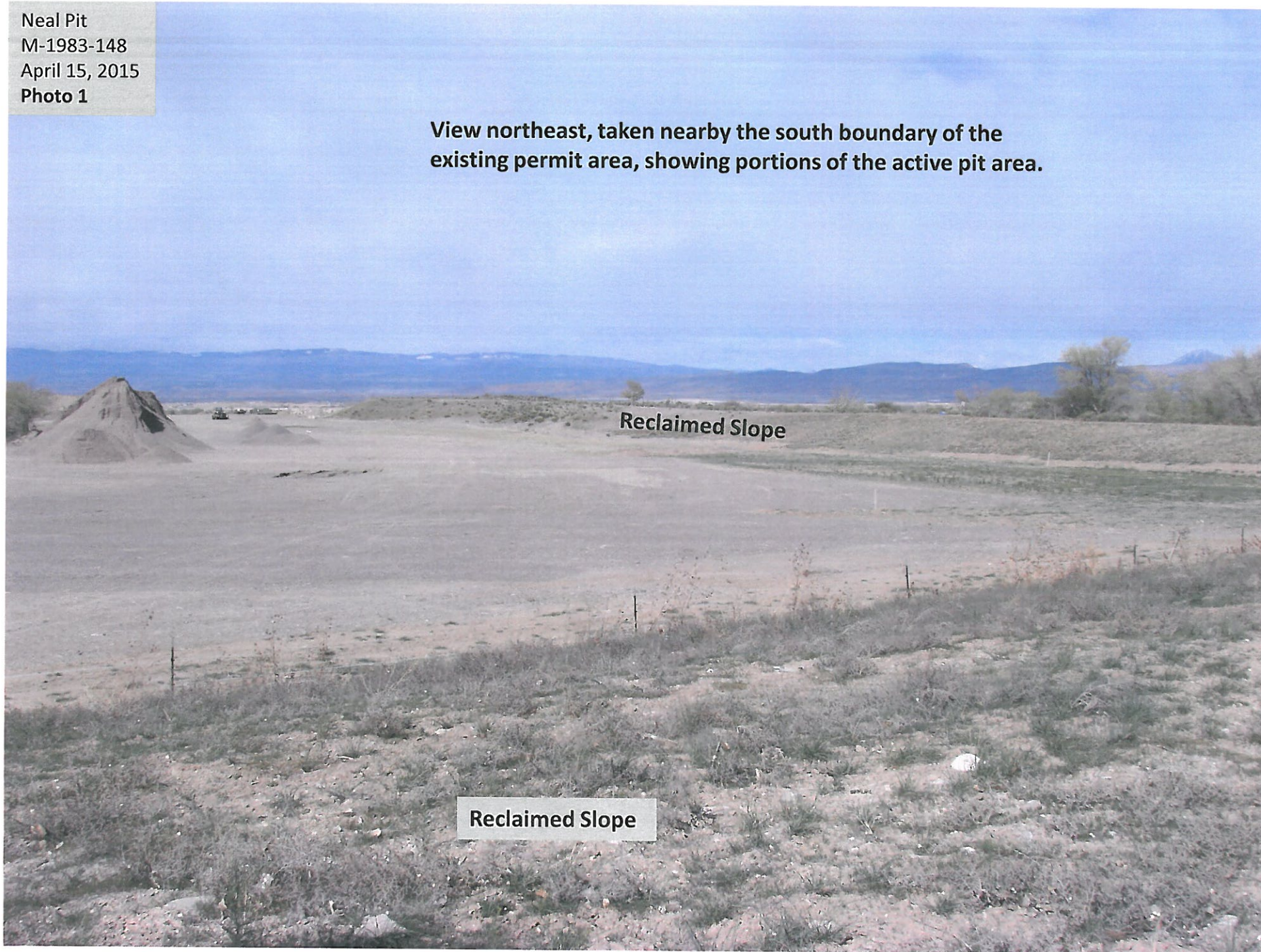


Neal Pit
M-1983-148
April 15, 2015
Photo 1

View northeast, taken nearby the south boundary of the existing permit area, showing portions of the active pit area.

Reclaimed Slope

Reclaimed Slope

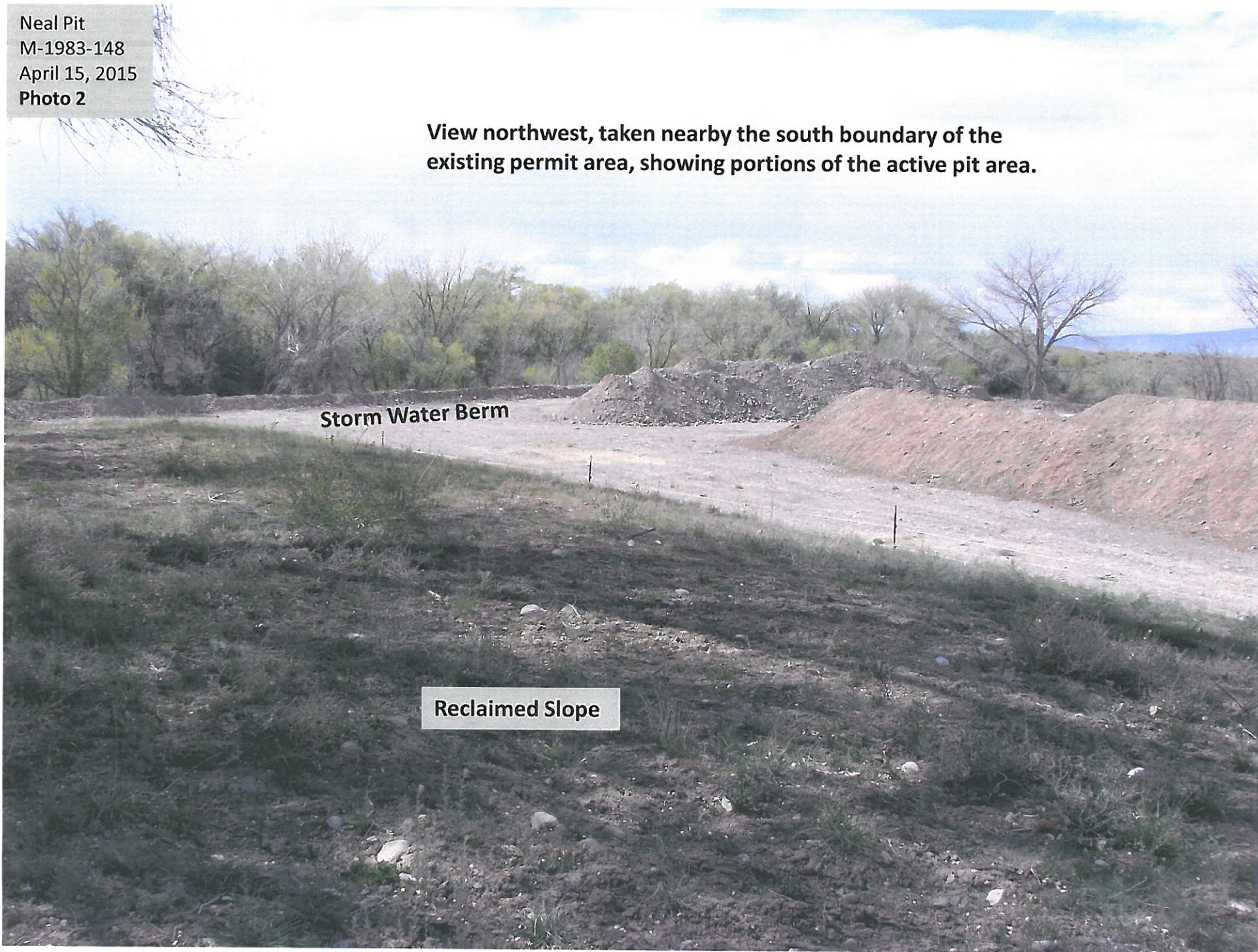


Neal Pit
M-1983-148
April 15, 2015
Photo 2

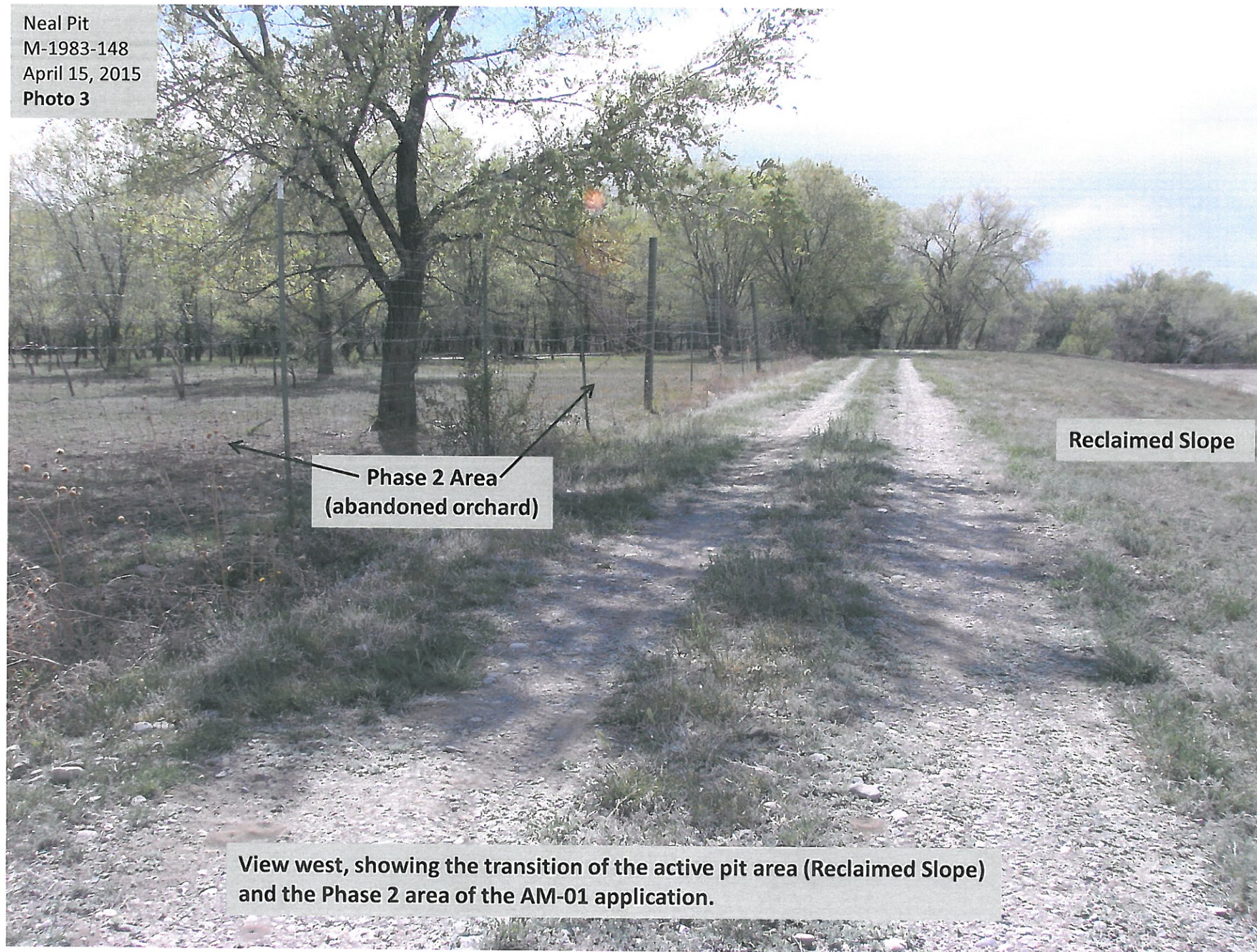
View northwest, taken nearby the south boundary of the existing permit area, showing portions of the active pit area.

Storm Water Berm

Reclaimed Slope



Neal Pit
M-1983-148
April 15, 2015
Photo 3



Phase 2 Area
(abandoned orchard)

Reclaimed Slope

View west, showing the transition of the active pit area (Reclaimed Slope) and the Phase 2 area of the AM-01 application.