




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: Cortez Pit	MINE/PROSPECTING ID#: M-1976-059	MINERAL: Sandstone (silica, st quartzite)	COUNTY: Montezuma
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: August 12, 2015	INSP. TIME: 10:30
OPERATOR: Skanska USA Civil West	OPERATOR REPRESENTATIVE: Todd Schieffer,	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$18,838.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 2, 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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Cortez Pit is a 112(c) operation located approximately Southwest of Cortez, CO. The site is on private land and is within a fenced compound owned by Skanska USA Civil West Rocky Mountain District, Inc. The site consists of 36.40 permitted acres with approximately 13 acres disturbed. Access to the site is controlled by a locked gate that also serves as security for the compound. Operator representative, Todd Schieffer of Skanska USA Civil West was present during this inspection. The Division currently holds \$18,838.00 financial warranty for the site. Five photos accompany this report to illustrate current site conditions.

The site has been approved for intermittent operations and according to the annual reports provided by the Operator, the last date of excavation was in 2012. Proper signage and markers along the permit boundaries were observed during the inspection as seen in Photo One. As identified by the Operator the site was approved for intermittent status but is currently being used as a lay down yard for some mining related and other non-mining related equipment. As seen in Photos Two-Four the equipment located onsite includes but is not limited to trailers, conveyors, and Grizzly Screen. All equipment stored within the permitted area was done so in a neat and orderly fashion, the overall footprint of the site was in good condition and free of trash and debris.

The mining activity on site appeared to be confined to a small highwall on in the Northwest corner with two larger areas used for processing and stockpiling. No processing equipment or stockpiled material was observed onsite. An access road follows along the East permit boundary leading to the topsoil stockpile as seen in Photo Five. The topsoil stockpile was well vegetated and stable showing no signs of erosion. The entire site exhibited positive drainage and no erosional features were observed onsite. The operator expressed that weed management is active despite the lack of mining, and no noxious weeds were observed on site.

As indicated by the annual report provided by the operator the last date of excavation, processing or hauling activity on site. Discussions with the Operator indicate that mining operations have ceased and will not commence in the future at the site. This is not being cited as a problem at this time. **The Division requires that the Operator complete one of two options;**

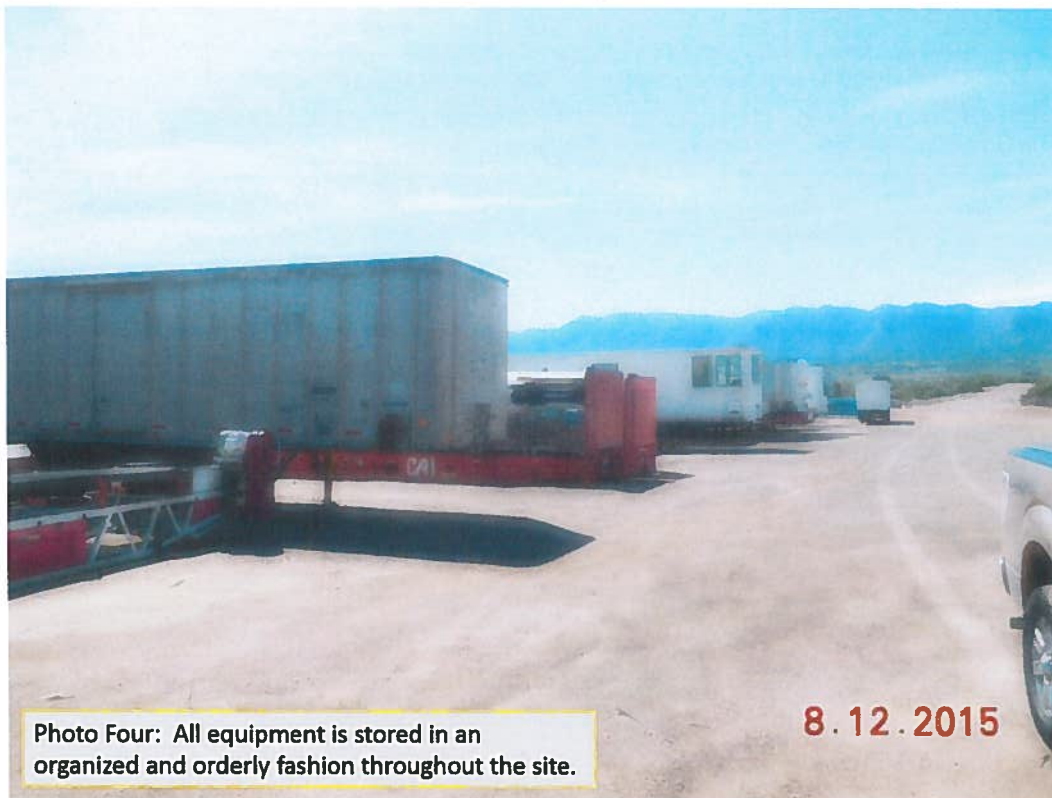
1. Apply for Temporary Cessation status in compliance with Section 1.13.5 (1) and (2) of the Construction Materials Rule.
2. Submit notice in writing, to the Division stating the operator is entering the final reclamation phase of mining. According to Section 3.1.3 Time Limit and Phased Reclamation, all reclamation shall be completed within Five years of entering final reclamation.

The Division will be recalculating the reclamation bond according to the current site conditions as of this inspection. The bond calculation will be sent to the Operator under a separate cover.

Responses to this inspection report should be directed to Lucas West at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Denver CO, 80203.

PHOTOGRAPHS





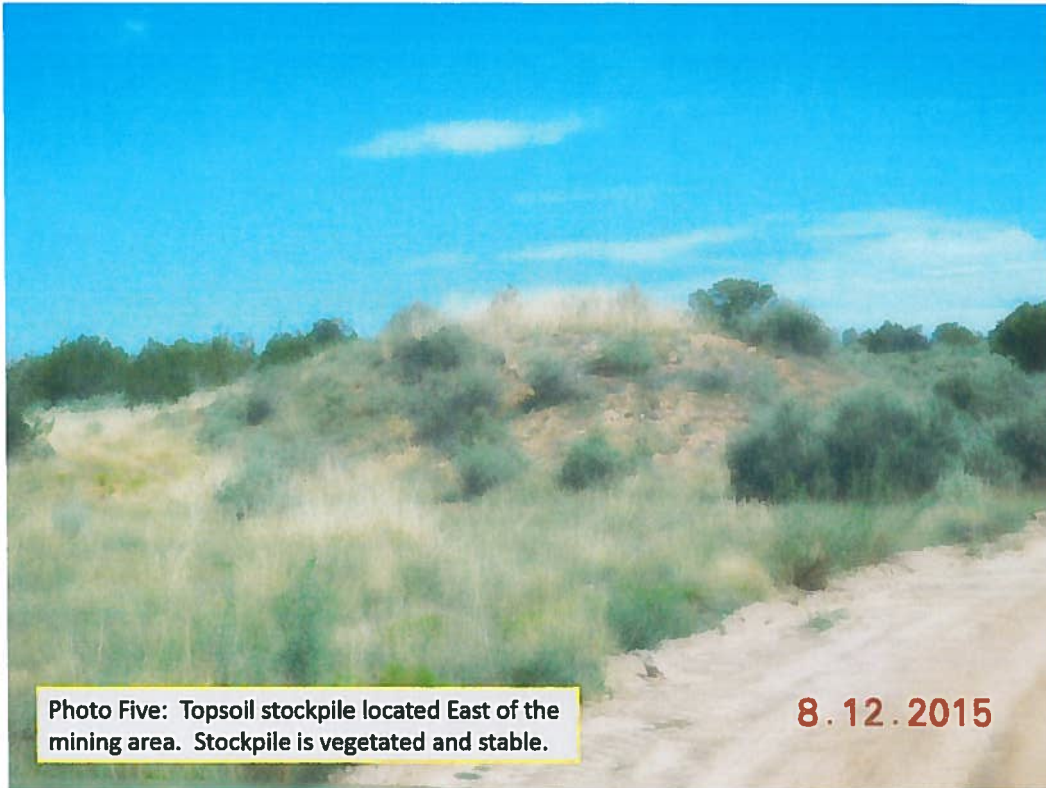


Photo Five: Topsoil stockpile located East of the mining area. Stockpile is vegetated and stable.

8.12.2015

Inspection Contact Address

Todd Schieffer, Skanska USA Civil West
Skanska USA Civil West Rocky Mountain District Inc.
22419 CR G
Cortez, CO 81321

Enclosure

CC: