




**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: Ignacio Pit	MINE/PROSPECTING ID#: M-1992-054	MINERAL: Sand and gravel	COUNTY: La Plata
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: October 7, 2015	INSP. TIME: 14:45
OPERATOR: LBCR, LLC	OPERATOR REPRESENTATIVE: Jay Nielson, Crossfire Aggregate Services	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$117,893.26
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 20, 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>N</u>	(EX) EXPLOSIVES----- <u>N</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>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 Ignacio Pit is a 112(c) operation located approximately eight miles South of Ignacio, CO on County Road 172. The site consist of 140 permitted acres, with a 40 acre maximum disturbance allowed at any given time. The Division currently holds \$117,893.26 in Financial Warranty for the site. Four Photos accompany this report to illustrate the current site conditions.

The Permit is located just west of County Road 172, South of Ignacio. The site is a phased mining operation currently being mined in Phase D. Proper signage was observed during the time of the inspection as seen in Photo One, as well as Permit Boundary Markers by way of earthen berms, fencing and T-posts. The site was not active during the time of the inspection, however equipment was observed on site. Several stockpiles were located on the pit floor of the active phase as seen in Photo Two. All slopes within the disturbed area, including the stockpiled material and mining highwalls are stable and show no signs of erosion. The Operator expressed that currently, and in future phases of mining, they would maintain an approximate 20 foot buffer from the East Permit Boundary as seen in Photo Three. The Fence delineating the Eastern Permit Boundary is part of an easement associated with the County Road. Standing water was observed in the pit floor due to recent precipitation events, the site does not encounter groundwater during their mining operations.

Topsoil and overburden stockpiles were observed on site. The top soil stockpiles were seeded and stable, shown in Photo Four, and the overburden stockpiles have grown volunteer species and are also stable. In one drainage on the West side of the haul road a small isolated population of Thistle was observed. It is recommended that the Operator employ a non-chemical treatment such as cut and bag method, for weed management in this area.

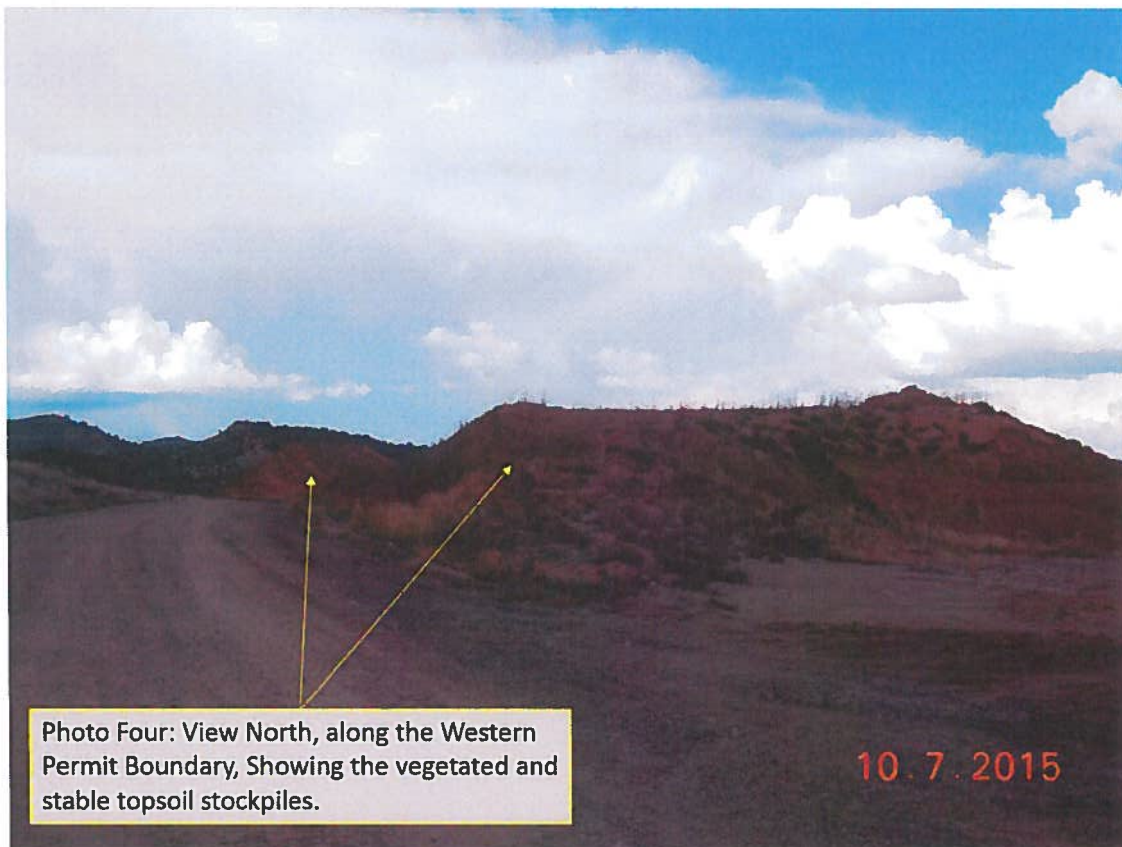
The overall footprint of the site was in good condition, with no excess trash and debris associated with the mining operations on site. No erosion or sedimentation problems were observed at the time of the inspection. No fuel storage was currently observed on site, however the Operator expressed they will be installing some soon, and that proper secondary containment would be installed as well. The Division has reviewed the current financial warranty, which was recently increased in January 2015, and found it to be adequate to achieve the post mining land use of general agriculture. No problems or possible violations were observed at this time.

The Operator discussed the possibility for a Technical Revision to the reclamation plan that would incorporate a small stock pond located in the Southern section of the mining area, currently referred to as Phase D. In order for a Technical Revision of this nature to be approved, the Operator must submit an addendum to the current approved reclamation plan showing the location, size and volume of the pond, proof of appropriate water rights to fill the pond, and a signed letter from the landowner stating it is his intention to use the pond in the post mining land use.

All responses to this report should be directed to Lucas West at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203 or by phone at 970-243-6368.

PHOTOGRAPHS





Inspection Contact Address

Todd Fisher
LBCR, LLC
1440 Blue Sage Ct.
Boulder, CO 80305

Enclosure

CC: Jay Nielson, Crossfire Aggregate Services
Deb Koenig, Crossfire Aggregate Services