



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: King Mountain Sand & Gravel Mine	MINE/PROSPECTING ID#: M-1978-314	MINERAL: Sand and gravel	COUNTY: Routt
INSPECTION TYPE: Surety Release Inspection	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: October 28, 2015	INSP. TIME: 14:30
OPERATOR: King Mountain Gravel, LLC	OPERATOR REPRESENTATIVE: Theresa Cain	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$223,300.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: <i>Amy Yeldell</i>	SIGNATURE DATE: November 3, 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>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</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>	(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>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>Y</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 by the Division of Reclamation, Mining and Safety (Division) in response to the request for a surety reduction that was submitted by the operator on October 7, 2015. Theresa Cain represented the operator and Frank and Nathan Hewes, the land owners were present. Amy Yeldell of the Division conducted the inspection. Photographs are included in this report to illustrate some of the conditions that were observed during this inspection.

The King Mountain Sand and Gravel Mine is a 112c permitted site that consists of 341 permitted acres with a maximum allowed disturbance of 15 acres at one time. It is located approximately 5 miles west of Toponas, Colorado and is accessed from Routt County Road 3.

The mine identification sign and affected area boundary markers remain in place and in compliance with Rule 3.1.12. The mine identification sign is on the left side of the access road gate as you enter the site.

A permanent load scale and scale house on a cement foundation are located near the pit entrance.

The site is currently operational though no actives were occurring at the time of inspection. A portable crusher was observed and it was indicated that no washing of material occurs. Mining is still contained within the original 110c permit boundaries. The majority of the pit is excavate to a depth of approximately 40 ft., which according to Nathan Hewes is the maximum depth anticipated to be mined. Mining is moving north by northwest towards the draw. Of the 15 acres of max disturbance allowed it is estimated that approximately 8 acres are being excavated and an additional 5 acres are minimally disturbed by activities incidental to mining.

No fuel or other hazardous materials are store onsite. No powerlines or other utilities run through the permit boundary. All fuel for equipment is provided via transfer tank. To the west of the pit several piles of debris are being stored within the permit boundary. However according to the landowner the material is for personal use not related to the mining operation.

Most slopes appeared to be stable however there was some snow cover and staff could not fully evaluate stability at this time. Several stockpiles of material and topsoil were observed. All of which are stable and well organized.

Pit wall slopes vary from 1:1 to 3:1 depending on location and mining progress. The pit currently has approximately 2,300 lft of walls, where nearly all of the south west side meets final reclamation specifications. The bond calculations must take into account the worst case scenario under the approved permit so 3,000 lft which is the perimeter of 15 acres, the max disturbance, is the estimate used.

Some remnants of annual weeds were observed. Operator confirmed that treatments had occurred and acknowledge that due diligence will help improve reclamation success.

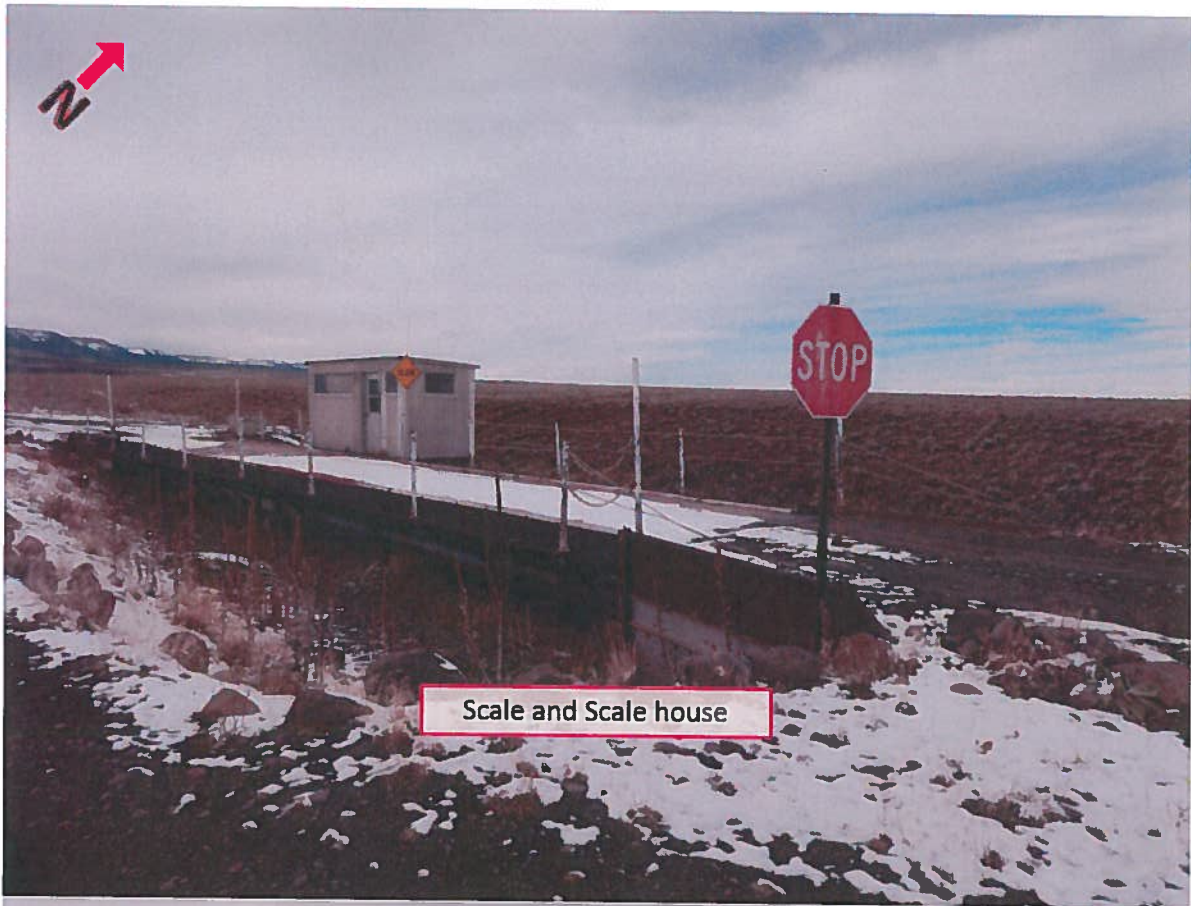
This pit has five ground water monitoring wells which the removal of were also accounted for in the bond calculation.

No problems were noted during this inspection.

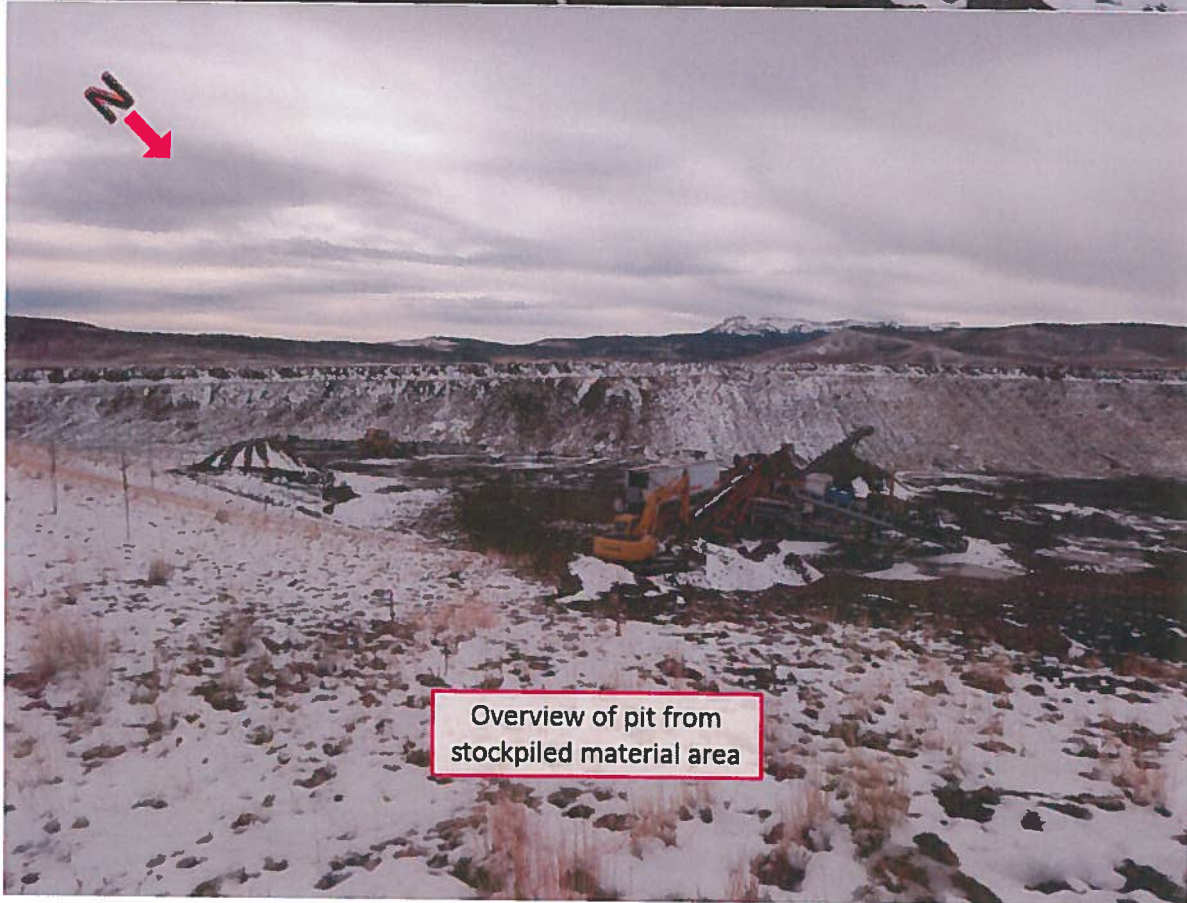
Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

PHOTOGRAPHS





Scale and Scale house



Overview of pit from
stockpiled material area



Overview of pit



Overview of pit. Partially reclaimed slopes



Pit overview. Partially reclaimed slopes.



Miscellaneous stored material
within permit boundary

Inspection Contact Address

Theresa Cain
King Mountain Gravel, LLC
7276 W. Mansfield Ave.
Lakewood, CO 80235

Enclosure

EC:
Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS
Theresa Cain, Eberl's Estate manager
Michael Stiff, Eberl's Attorney

CC:
Frank and Nathan Hewes, Landowners
King Mountain Sand and Gravel
28960 County Rd 5
Toponos, CO 80479