




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: Moon Pit No 2	MINE/PROSPECTING ID#: M-1977-443	MINERAL: Sand and gravel	COUNTY: Moffat
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: December 24, 2015	INSP. TIME: 13:30
OPERATOR: Northwest Aggregates, Inc.	OPERATOR REPRESENTATIVE: Jack Paulson & Penny Lewis	TYPE OF OPERATION: 110c - Construction Limited Impact	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$16,500.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 7, 2015	

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The affected area boundary markers are missing or incorrectly placed. This is a problem for failure to maintain boundary markers around the affected area as required by Section 3.1.12(2) of the rule.

CORRECTIVE ACTIONS: The operator shall conduct a survey and replace the boundary markers in the correct location(s). The operator shall provide proof to the Division that this has been done by the corrective action date.

CORRECTIVE ACTION DUE DATE: 2/05/16

OBSERVATIONS

This inspection was conducted by Colorado Division of Reclamation, Mining and Safety in response to the Succession of Operator approval on November 10, 2015. The Moon Pit No. 2 is a 110c permitted site that includes a total of 9.95 permitted acres with a maximum disturbance of 5 acres. It is located approximately 12 miles west of Craig, CO and is accessed from Highway 40 and Moffat County road 15. Jack Paulson and Penny Lewis represented Northwest Aggregates, In. and accompanied Amy Yeldell of the Division on the inspection.

The mine sign was in place however the lettering has be weathered by the elements. This is not cited as a problem since the sign will need to be replace since the operator name has changed. The sign must comply with Rule 3.1.12. The northern permit boundary adjacent to pre-existing mining was unclear. Boundary markers didn't not clearly delineate the permit area. This is cited as a problem. Please remark the permit boundary and send the Division photo documentation by the corrective action date.

A small wood shed with no foundation is located in what appears to be the northern portion of the permit boundary. This will need to be removed during reclamation. Also two small in-operational scales are also stacked next to the shed. According to Mr. Paulson they will never be installed at this site since they are too short to be legal.

A portable screen/sifter was observed but not in operation at the time of the inspection. No fuel, trash or other hazardous material is stored at this site.

It was indicated by Mr. Paulson that the sand at this location is very fine and only a small amount is required for their concrete. They process a stockpile large to last them a couple of months, this is the only stockpile on site. Mining is moving very slowly to the southwest. This site is approved for intermittent operations.

Rejected material has been moved to the eastern permit boundary along CR 15 and is partially recontoured.

Recently approximately 2 acres has be reseed. Approximately 5 acres remain disturbed and affected by mining. Several dead thistle stalks were observed in the seeded area, and it is likely that drill seeding buried the noxious seed. The operator is encouraged to aggressively manage all noxious weeds especially in those areas recently reseed. This site may benefit from mechanical treatments such as mowing to keep additional seed from being deposited. Chemical treatments are also recommended.

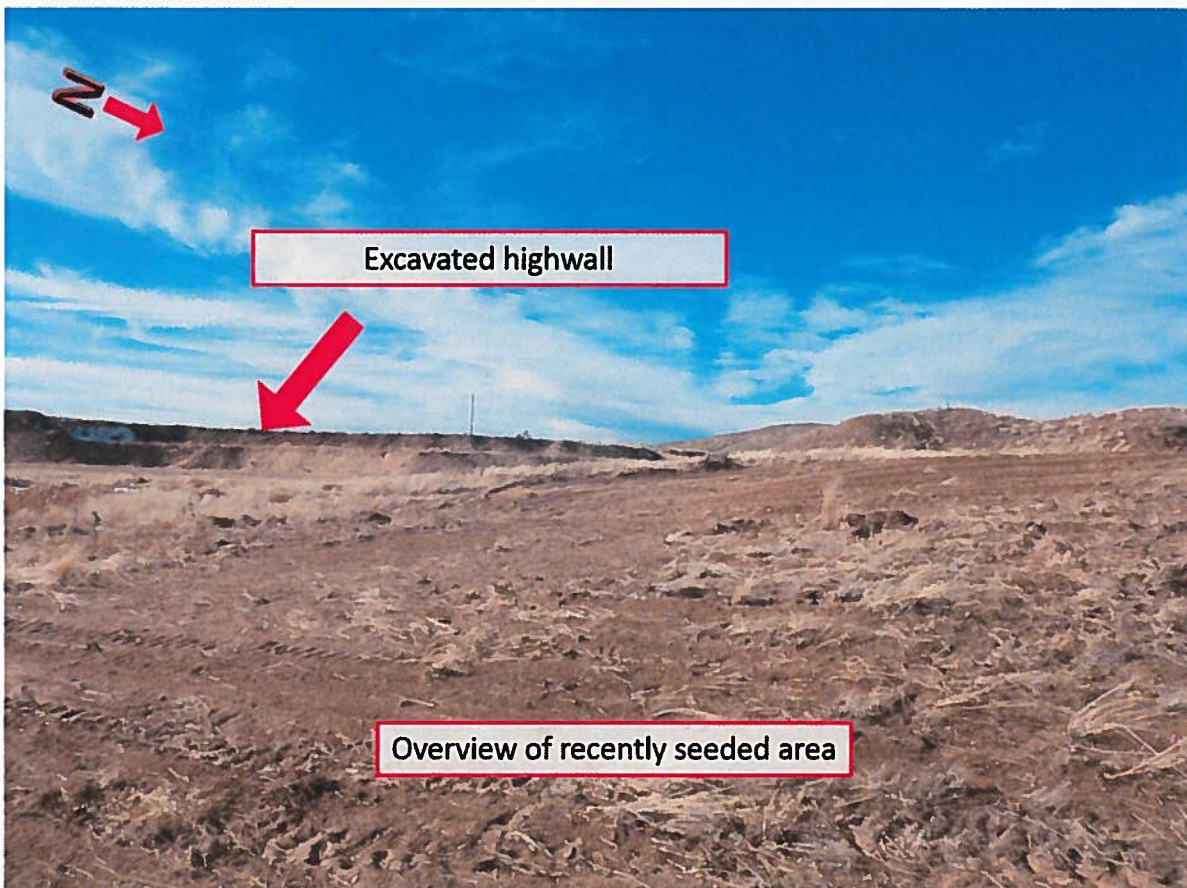
The overburden is approximately 4ft thick and the sand goes much deeper. Mining is only occurring to approximately 15 ft deep which is high enough to avoid encountering ground water. This is a dry pit. There is no well or other water at this site.

Slopes are mostly 1.5:1 to 2:1in areas where mining is actively occurring. All slopes are stable with no erosion. In an effort to ensure the Financial Warranty adequately, reflects the actual current cost of fulfilling the requirements of the approved reclamation plan the Division will be updating the reclamation cost estimate. The bond currently held in the amount \$16,357 is adequate to compete the approved reclamation plan.

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

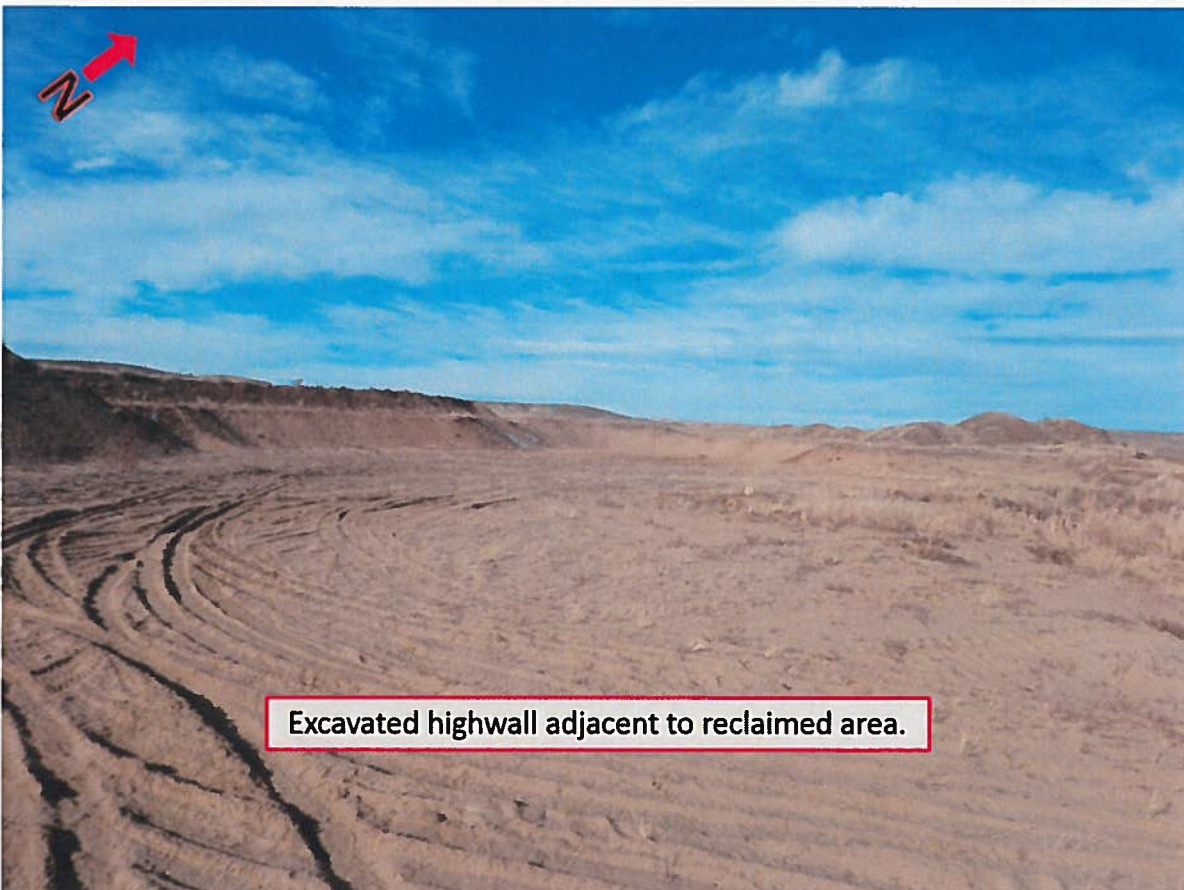
PHOTOGRAPHS



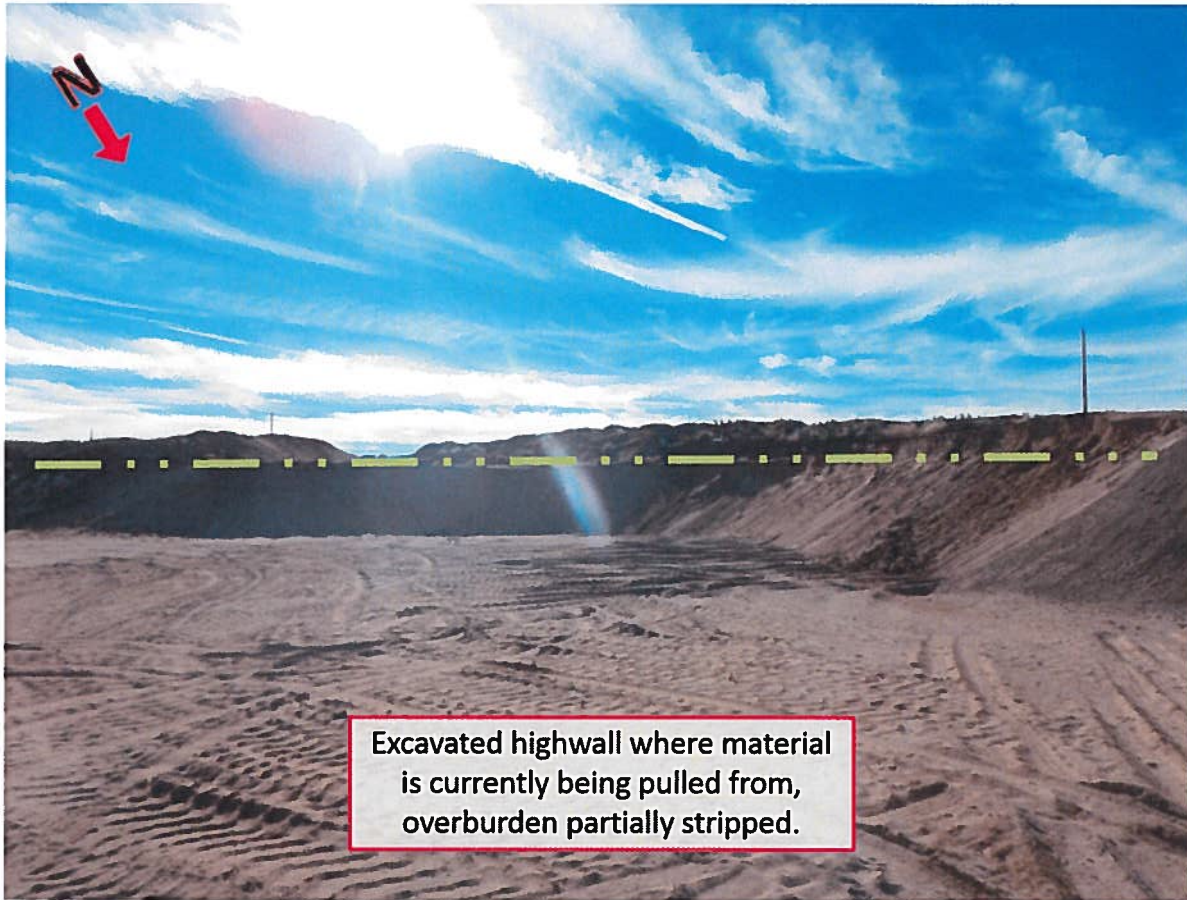




Portable processing plant



Excavated highwall adjacent to reclaimed area.



GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(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>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>N</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>PB</u>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</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>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

Inspection Contact Address

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2930 E. U.S. Hwy. 40
Craig, O 81625

Enclosure

CC:

Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS