

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 Pit	MINE/PROSPECTING ID#: M-1987-012	MINERAL: Sand and gravel	COUNTY: Alamosa
INSPECTION TYPE: Monitoring	INSPECTOR(S): Stephanie J. Mitchell	INSP. DATE: November 17, 2015	INSP. TIME: 15:30
OPERATOR: Southway Construction Company, Inc.	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Normal I&E Program	Complete Bond	\$216,866.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	3xmitmell	December 10, 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 Y	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>Y</u>	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION Y
(SM) SIGNS AND MARKERS <u>Y</u>	(SW) STORM WATER MGT PLAN N	(CI) COMPLETE INSP Y
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION Y	(RS) RECL PLAN/COMP Y
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</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 Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Photographs are included at the end of this report in order to illustrate some of the conditions observed during this inspection.

The King Pit is located approximately 16 miles northeast of Alamosa and accessed from Colorado Highway 150. The site is a 112c operation that includes a total of 100.60 permitted acres. The Division currently holds a financial warranty amount of \$216,866.00 for this site. The Division will review the reclamation costs for this site in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan. The Operator will be notified if the Division determines that the current financial warranty amount is insufficient.

Adequate mine identification signage was noted at the entrance to the site. The affected area was adequately marked with markers. The pit is split into two areas, the north and the south with an access road that connects the two.

Mining was not taking place during this inspection. Materials stockpiles were located at various locations throughout the pit floor. An office and scale had been constructed near the entrance to the mine site. A portable crusher was on site in the northern part of the pit. Overall, the site looked orderly and clean, with minimal debris.

Slopes along the south and east pit perimeter had been graded to 3H:1V or less. There are some large gully's forming on the southeastern corner that appears to be from upland drainage. The active highwall, approximately 20 feet high or less, was located at the north and south sides of the pit.

Noxious weeds were not observed onsite.

Topsoil stockpiles are protected with adequate vegetation and are located along the western edge of both pits. The east wall of the south pit also contains bank material. Fuel containers observed on site were stored in adequate secondary containment structures.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Stephanie Mitchell at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 242-5025.

PHOTOGRAPHS



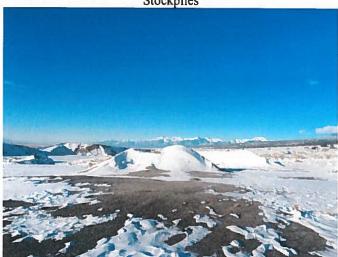
Upland erosion into the pit



Stockpiles



Upland erosion into the pit from the east



Stockpiles



Looking South



Looking North

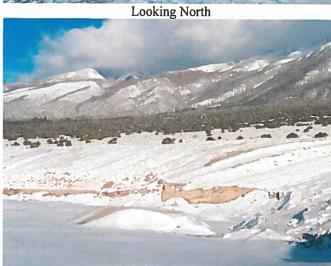






Northern part of pit- toe of slope cut out on east side







Mine ID sign

PERMIT #: M-1987-012 INSPECTOR'S INITIALS: SJM INSPECTION DATE: November 17, 2015

Inspection Contact Address
Ralph Martinez
Southway Construction Company, Inc.
117 White Pine Dr Alamosa, CO 81101