




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: Alexander Pit	MINE/PROSPECTING ID#: M-1976-032	MINERAL: Sand and gravel	COUNTY: San Miguel
INSPECTION TYPE: Monitoring	INSPECTOR(S): Lucas J. West	INSP. DATE: May 25, 2016	INSP. TIME: 09:45
OPERATOR: Oldcastle SW Group, Inc. dba Telluride Gravel	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$50,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 6, 2016

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>N</u>	(SP) 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>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 Alexander Pit is listed as an active 112(c) operation located in San Miguel County. The site lies approximately 5 miles west of Telluride and is accessed by County Road 625. Public access is controlled by a locked gate just to the south of the County Road. The site consists of 32.7 permitted acres. The Division currently holds \$50,000.00 in financial warranty for the site. A reclamation cost update will be performed and any notice of a surety increase will be sent to the operator under a separate cover. Five Photos accompany this report to illustrate current site conditions.

Proper mine identification signs were observed at the entrance to the site shown in Photo One. The permit boundaries were also clearly outlined with signs, markers and fences and all disturbance is contained within the permitted area. The site was minimally active during the inspection, only hauling activities were taking place. The site is no longer being actively mined, it serves as a processing and stockpiling facility only. Photo Two shows the batch plant located on the pit floor, which was not active during the time of the inspection. Several stockpiles of various sized materials were located on site. Photos Three and Four show examples of the stockpiles that were observed. All stockpiles that were observed were in good condition and appeared to be stable. All graded slopes along the edge of the road are well vegetated and appear to be stable.

All fuel containers observed on site were in proper secondary containment. A small area along the southern edge of the permitted area as well as the southwestern corner is being used as a lay down yard for the storage of equipment, scrap metal and other various items. An example of the items being stored are shown in Photo Five and are being stored in an orderly fashion. Storm water control features were observed throughout the site and appeared to be functioning as designed. On-site conversations with the operator indicate that noxious weed management is ongoing. No noxious weeds were noted.

The overall footprint of the site was in good condition and was free from excessive trash and debris. The site exhibited positive drainage and no erosional features were noted during this inspection. No problems or possible violations exist at this time.

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

PHOTOGRAPHS

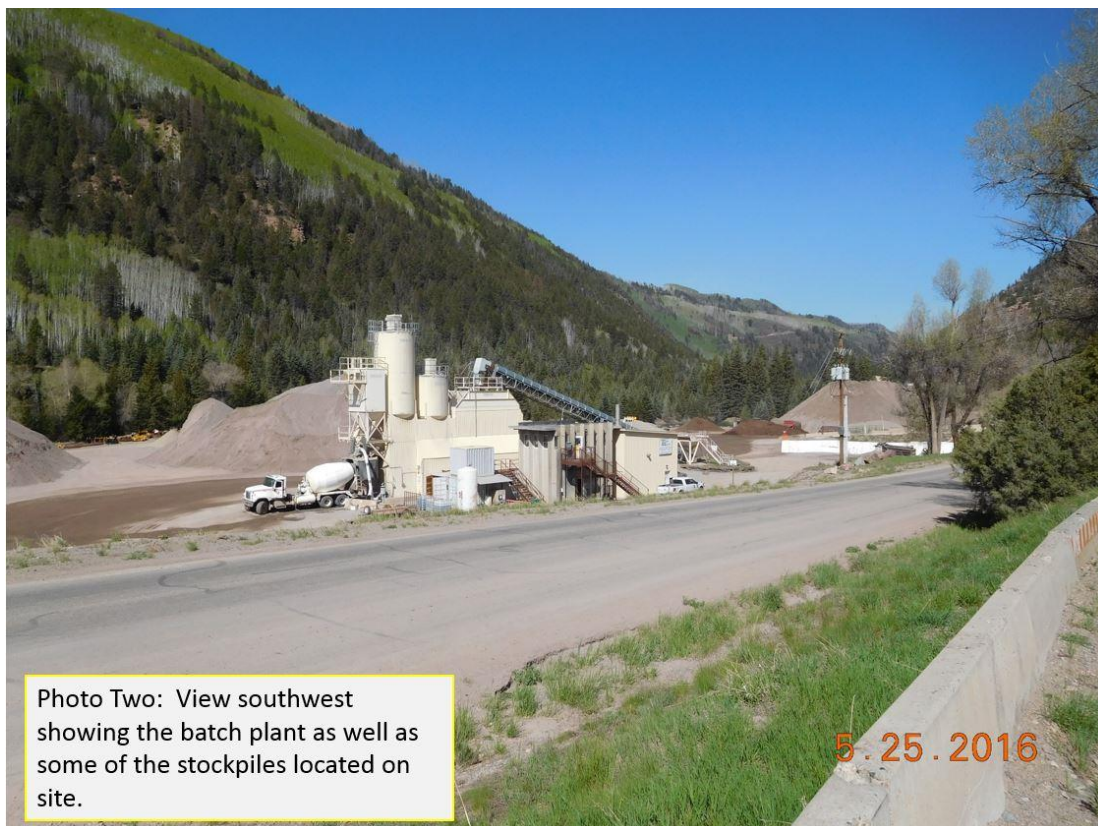




Photo Three: View south showing some of the stockpiles of various sized materials located on site.



Photo Four: View west showing another example of the material stockpiled on the pit floor.



Photo Five: View west showing the area being utilized as a lay down / storage yard.

Inspection Contact Address

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Enclosure

CC: