




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: 5 Mile Pit	MINE/PROSPECTING ID#: M-2016-026	MINERAL: Sand and gravel	COUNTY: Garfield
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Amy C. Yeldell	INSP. DATE: August 3, 2016	INSP. TIME: 08:00
OPERATOR: Elam Construction, Inc.	OPERATOR REPRESENTATIVE: Jon Muller	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS:	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 19, 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>NA</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>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>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>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>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 112c permit application that was submitted by the operator on May 19, 2016.

The 5 Mile Pit is a proposed 112c permit. The proposed permit area would include a total of 130.56 acres of which a maximum of 51 acres will be affected.

The site is located approximately five miles southwest of Parachute, CO. It is located at the junction of Old US Highway 6 and Stone Quarry Road (CR 300). Jon Muller represented Elam Construction, Inc. and accompanied Amy Yeldell of the Division on the inspection.

Evidence of the mine identification sign for the public notice requirement was observed. Mr. Muller indicated that he has replaced the sign several times however the weather has dilapidated it. Three sides of the proposed permit boundary are delineated by a fence and the southern boundary is the Colorado River.

The well indicated on the maps in the southeast corner was located in the field. It appears to be a ground water monitoring well. It was open with no locking cap and casing protruding out of the ground. Electrical had been run at one time however no pump or meter were observed. It's unclear if the electrical is still 'hot' or not. Elam indicated they have no intention of using this well for their mining operation and will likely plug it.

There appears to be some previous disturbances throughout the proposed boundary. Piles of pit run were observed and possibly may have been old test piles. Dirt was excavated and used to raise the berm between the site and the river. This bank varies in height from 3' above the river to as much as 15' in some spots. There are additional depressions along the east side that appear to be old pits or sediment basins.

Some of the depressions along the east side are considered to be wetlands. Additional wetlands are located in the southern portion adjacent to the river where there is evidence that the river has overtopped the banks and flooded.

The sediment pond that will be constructed for this operation will be located adjacent to an existing drainage and will be offset from the river.

The proposed pit area is largely dry rangeland. Some areas consist of mature undisturbed areas that are mostly saltbush with some undergrowth of grasses. Other areas have evidence of grazing or some sort of other cultivation. These areas are mostly void of larger shrub growth and consist of grasses and forbs. Areas towards the river have larger cottonwood, willows, Russian Olive trees and mature woody shrubs.

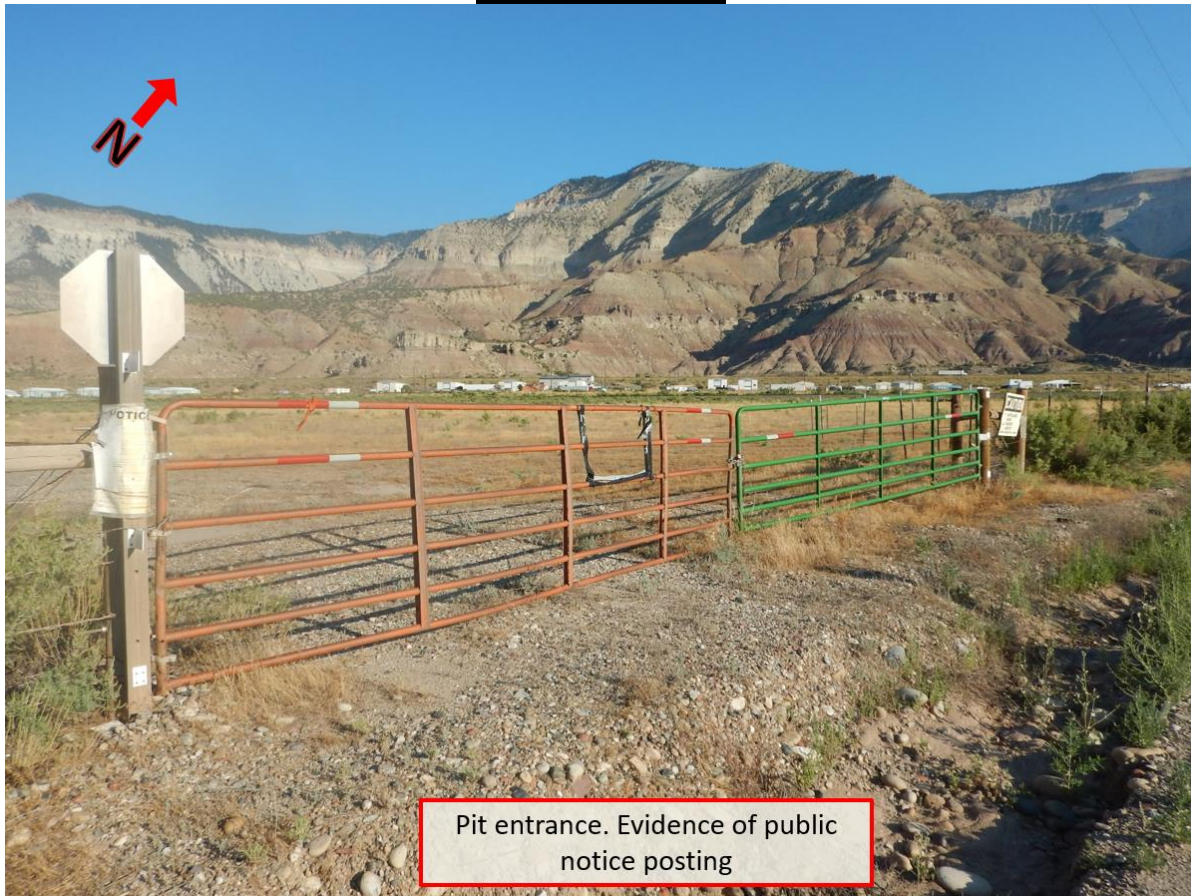
Tamarisk was identified in several locations throughout the site. Additional weeds such as kochia, Russian Olive, Halgeton were also observed.

To date no excavations or any other mining related activities have been conducted by the operator. Maps and documentation submitted by the operator appear to be an accurate representation of the site.

No problems or violations 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







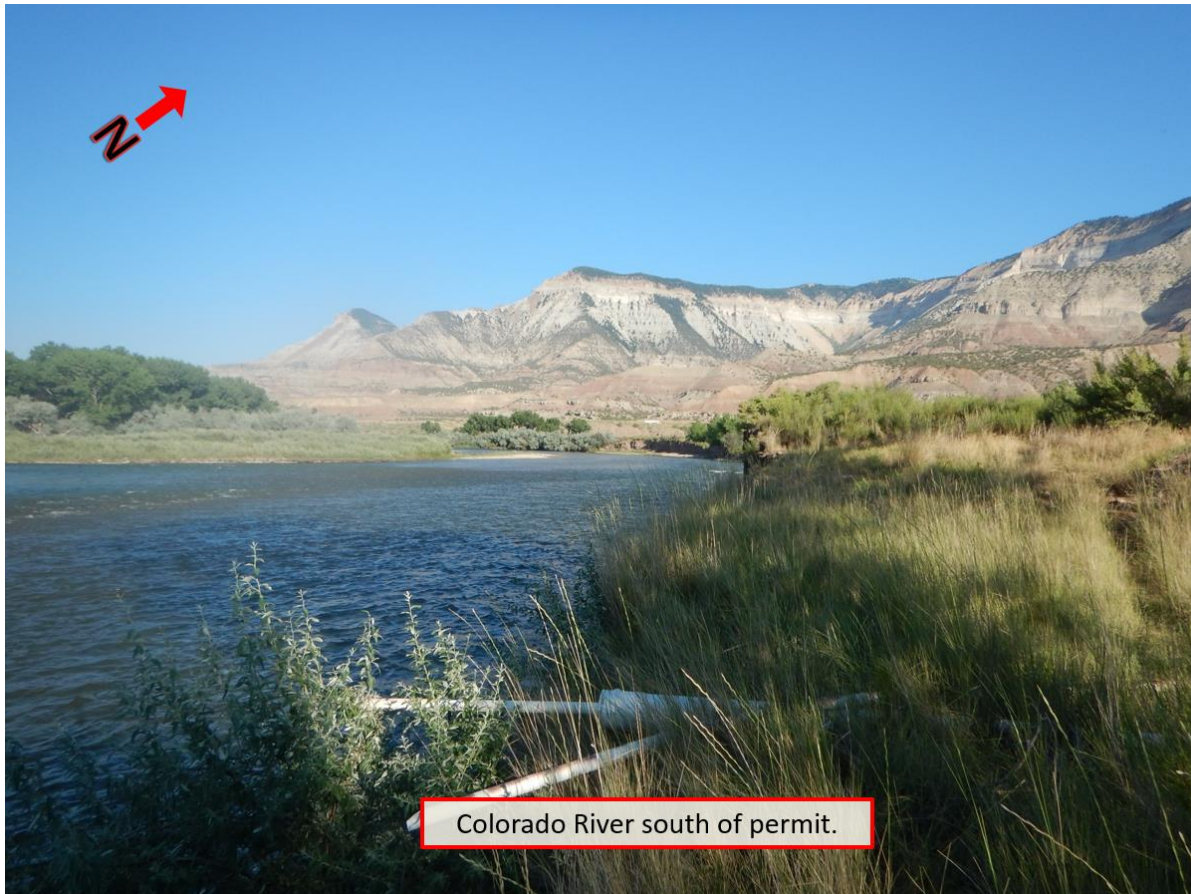


Depressions along east side. Wetlands area.



Woodland/tall shrubs. Some native and some weeds











Inspection Contact Address

Jon Muller
Elam Construction, Inc.
556 Struthers Ave
Grand Junction, CO 81501

Enclosure

CC: EC: Russ Means, Senior EPS, GJFO DRMS