

COLORADO Division of Reclamation, Mining and Safety Department of Natural Resources

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Goldman Gravel Pit	M-1978-279	Gravel	Garfield
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Amy C. Yeldell	March 3, 2017	13:00
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Flag Resources Inc	Fred and Eric Frei	110c - Construction Limited Impact	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program	Complete Bond	\$17,300.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGE	NCY:
NA	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	Е:
Clear	Amy Geldell	March 23, 2017	

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>NA</u>
(PW) PROCESSING WASTE/TAILING <u>N</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>N</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN <u>N</u>	(CI) COMPLETE INSP \underline{Y}
(ES) OVERBURDEN/DEV. WASTE <u>NA</u>	(SC) EROSION/SEDIMENTATION <u>Y</u>	(RS) RECL PLAN/COMP <u>N</u>
(AT) ACID OR TOXIC MATERIALS <u>NA</u>	(OD) OFF-SITE DAMAGE <u>NA</u>	(ST) STIPULATIONS Y

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 Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Goldman Gravel Pit is a 110c sand and gravel pit that consists of a total of 8.5 acres. It is located in Garfield County approximately three miles southeast of Silt Colorado and is accessed from CR 335. Fred and Eric Frei represented the operator and accompanied Amy Yeldell of the Division on the inspection.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. The sign is located at the entrance to the permit boundary.

The site was inactive at the time of the inspection. There has been no recent excavation activity. Activity consists of selling material out of existing stockpiles. A dozer is on site, no other equipment, structures or fuel is present.

There is a gas pad located within the permit boundary in the southeast corner. Oil and gas activity remains separate from mining areas and appears to be well maintained.

The existing highwall is mostly graded to a 3:1 with some intermittent benches. The main pit floor to the top of the cut is approximately 70 ft. Slopes appear to be stable with minimal erosion.

Vegetation was dormant at the time of the inspection. Staff was unable to determine if weeds are present or evaluate reclaimed areas. Current seed mix consists of three species. The operator may consider revising the seed mix to include more species and increase diversity. This should be done in the form of a technical revision.

The Division currently holds a financial warranty amount of \$17,300 for this site. The last surety increase occurred in 1994. 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. A copy of the staff calculations will be sent under separate cover.

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

PERMIT #: M-1978-279 INSPECTOR'S INITIALS: ACY INSPECTION DATE: March 3, 2017

PHOTOGRAPHS





Inspection Contact Address Fred Frei

Fred Frei Flag Resources Inc 1412 CR 311 New Castle, CO 81647

Enclosure

EC: Russ Means, Senior EPS, GJFO DRMS