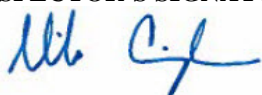




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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.

<b>MINE NAME:</b> Trout Valley Ranch	<b>MINE/PROSPECTING ID#:</b> M-2016-080	<b>MINERAL:</b> Sand and gravel	<b>COUNTY:</b> Park
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Michael A. Cunningham	<b>INSP. DATE:</b> January 31, 2017	<b>INSP. TIME:</b> 12:00
<b>OPERATOR:</b> Brannan Sand and Gravel Company, L.L.C.	<b>OPERATOR REPRESENTATIVE:</b> Alex Schatz	<b>TYPE OF OPERATION:</b> 112c - Construction Regular Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$415,073.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Snowing	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> February 8, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</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>N</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>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**

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Alex Schatz was present on behalf of Brannan Sand and Gravel Company and Ben Langenfeld was present on behalf of Greg Lewicki and Associates. The Trout Valley Ranch is located 1 mile south of Fairplay, Colorado in Park County. The proposed permit area encompasses 472.3 acres. The commodity of interest is river alluvium for construction materials and the proposed post-mining land use is rangeland. The ground surface was covered with snow at the time of the inspection.

Brannon Sand and Gravel Company submitted the 112 Construction Materials Reclamation Permit application on November 23, 2016 and the application was filed for review on December 5, 2016. The current decision date is scheduled for March 5, 2017. This pre-operational inspection was conducted in order to verify the site conditions, as presented in the Reclamation Permit application, are accurate. As required by Rule 1.6.2(1)(b), the Applicant has posted notice of the proposed operation at multiple locations.

The mine is situated between Highway 285 and the Middle Fork of the South Platte River. The mine site was historically mined for gold using dredge, which left large piles of glacial and river alluvium on the surface of the ground. The dredge piles will be the primary source of aggregate at the site. On site processing will include crushing, screening and sorting of aggregate material. In addition, the Operator is proposing to set up a gold recovery circuit. Upon removal of the dredge piles on the ground surface, the Operator will excavate up to a depth of 25 feet. There will be no exposure of groundwater at any time during the mining operation.

As noted above, the Middle Fork of the South Platte River is located approximately 200 feet northeast of the proposed permit boundary; no portion of the 100-year floodplain is located within the proposed affected area. There are provisionally identified wetlands on the south side of the mine site. The wetland areas will not be disturbed during the initial stages of the mining operation and the Operator will be required to consult with the Army Corps of Engineers to determine if the wetlands are jurisdictional prior to affecting these areas. In addition, there are numerous small artificial lakes throughout the site. The lakes are fed through the Antero Feeder Ditch through a water right owned by the Applicant. The lakes are situated within the dredge piles and are above the static water table.

The Division traversed the southern portion of the site, including on top of the dredge piles. The Division was unable to traverse the easternmost portion of the site due to deep snow cover. However, observations of the eastern portion of the site could be made from the top of the waste rock piles. Based on the observations made during the inspection, the site conditions presented in the application were found to be accurate. All adequacy issues will be addressed during the Division's review process. This concluded the inspection.

### **Inspection Contact Address**

Alex Schatz  
Brannan Sand and Gravel Company, L.L.C.  
2500 E. Brannan Way  
Denver, CO 80229

CC: Wally Erickson, DRMS

## PHOTOGRAPHS



1. Public notice sign at site entrance.



2. Top of dredge piles.



3. Artificial lake within dredge piles.



4. Central portion of mine, photo taken from top of dredge piles.



5. Western portion of the mine.



6. Western portion of the mine.