

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:
Deakins Pit	M-2001-060	Sand and gravel	Moffat
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Amy C. Yeldell	April 26, 2017	14:35
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
3B Enterprises, LLC	Steve Baker	112c - Construction Regular Operation	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program	Complete Bond	\$66,800.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:	
Cloudy	Amy Geldell	May 9, 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 <u>Y</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 NA	(SF) PROCESSING FACILITIES $\underline{\mathbf{Y}}$	(TS) TOPSOIL \underline{Y}
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE $\underline{\mathbf{Y}}$	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(CI) COMPLETE INSP Y
(ES) OVERBURDEN/DEV. WASTE N	(SC) EROSION/SEDIMENTATION Y	(RS) RECL PLAN/COMP <u>Y</u>
(AT) ACID OR TOXIC MATERIALS NA	(OD) OFF-SITE DAMAGE <u>N</u>	(ST) STIPULATIONS \underline{Y}

 $Y = Inspected \ and \ found \ in \ compliance \ / \ N = Not \ inspected \ / \ NA = Not \ applicable \ to \ this \ operation \ / \ PB = Problem \ cited \ / \ PV = Possible \ violation \ cited \ A = Not \ applicable \ to \ this \ operation \ / \ PB = Problem \ cited \ / \ PV = Possible \ violation \ cited \ / \ PV = Possible \ PV = Possible \ violation \ v$

PERMIT #: M-2001-060 INSPECTOR'S INITIALS: ACY INSPECTION DATE: April 26, 2017

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Deakins Pit is a 112c permitted site that includes a total of 57.5 permitted acres with a 32.6 ac max disturbance. It is located off of East 1st Street in Craig Colorado. Steve Baker represented 3B Enterprises, LLC 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 of the permit boundary fastened to the gate that secures the pit. The entire permit boundary is fenced in. It is noted that East 1st street divides the pit in two (East and West).

The site is currently operational. Activity is occurring on both sides of the road.

At this time the office and load scale remain on the east side. The east side of the pit is primarily used for stockpile storage. A small wash plant was also processing material. The north eastern and south western portion have been partially reclaimed. Site conditions on the east side are similar to the previous inspection. Eventually once the scale and scale house are moved to the west side the remaining land on the east side will be mined. Additionally the pit floor can be excavated approximately 10' deeper. The majority of the slopes have been re-contoured properly. Some dewatering is needed periodically and is discharged to the other previously mined pits that are separated by berms. Overall the pooling of water in the previously mined pits is minimal and no actual ponds have been created yet.

Processing equipment includes a wash plant and a crusher plant, both of which run off of diesel generators. All fuel is stored properly in secondary containment.

The majority of the active mining operation is on the west side. A processing plant was operational during the inspection. There is a small pond with water at the deepest point of the pit but the majority of excavations were dry. Exposed highwalls appear to be approximately 15' high.

Cement and asphalt are stockpiled in the far northwest corner of the west pit. Import of coal waste material was approved under TR-1. If the operator wishes to import other material a technical revision must first be submitted with the \$216 revision fee. Per Rule 3.1.5 (9). "The notice shall include but is not limited to: a narrative that describes the approximate location of the proposed activity; the approximate volume of inert material to be backfilled; a signed affidavit certifying that the material is clean and inert, as defined in Rule 1.1(20); the approximate dates the proposed activity will commence and end, however, such dates shall not be an enforceable condition; an explanation of how the backfilled site will result in a post-mining configuration that is compatible with the approved post-mining land use; and a general engineering plan stat how the material will be place and stabilized in a manner to avoid unacceptable settling and voids."

The Division currently holds a financial warranty amount of \$66,800 for this site. The bond was last reviewed in 2015. 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. You will be notified if the current bond is found insufficient. 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

PHOTOGRAPHS































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<u>Inspection Contact Address</u> Steve Baker

Steve Baker 3B Enterprises, LLC P.O. Box 1665 Craig, CO 81626

Enclosure

EC: Russ Means, Senior EPS, GJFO DRMS