

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:
Bunn Ranch Pit	M-1980-131	Sand and gravel	Moffat
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Amy C. Yeldell	April 27, 2017	11:45
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Elam Construction, Inc.	None	112c - Construction Regular Operation	
DEL GON FOR MIGRE CENON		DOME AND AND	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program	Complete Bond	\$178,600.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	E:
Cloudy	Amy Geldell	May 10, 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{Y}	(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>Y</u>	(SP) STORM WATER MGT PLAN N	(CI) COMPLETE INSP <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(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 <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 \ PV = \ Possible \ PV = \$

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Bunn Ranch Pit is a 112c permitted site that includes a total of 133 permitted acres with a max disturbance of 50 acres. It is accessed from a private drive off of E 1st Street in Craig. No representative of Elam Construction, Inc. was present during the inspection however they were notified ahead of time. Amy Yeldell of the Division conducted 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.

The site is currently active. Several trucks were observed importing material for the Breeze Basin Pit (M-2008-022) to feed the asphalt batch plant. There were several large stockpiles of various material types neatly stored. A wash plant was on site but not active at the time of the inspection. It appears that the site is mostly used for stockpiling and processing of material. There were several fuel tanks of various sizes located throughout the pit, all of which were located within a secondary containment

The site consists of several large reclaimed ponds. The majority of them have proper sloping and are stabilized well with native vegetation. Several of the ponds are releasable if the operator no longer needs access to those areas. It's noted that one drives through several of these corridors to access other areas of the Bunn Ranch Pit as well as other pits permitted by the operator.

A permanent scale, scale house and office are located towards the entrance of the pit.

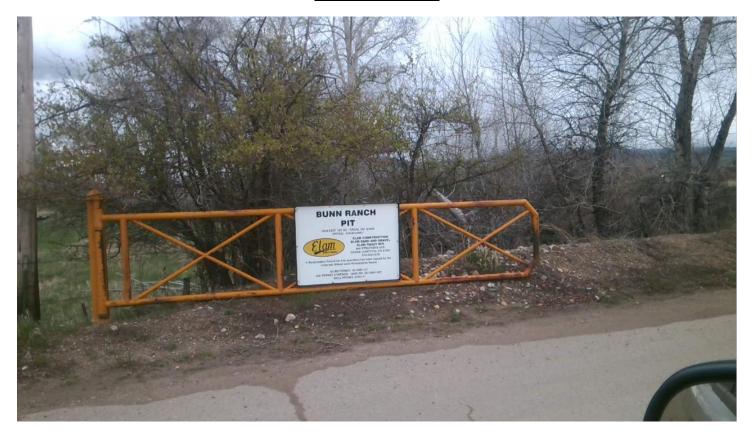
The EPA wetlands area remains fenced in. The Division was unable to access vegetation success as it was still early in the season and the majority of grasses remain dormant.

No problems were noted during this inspection.

The Division currently holds a financial warranty amount of \$178,600 for this site. The bond was last calculated 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.

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











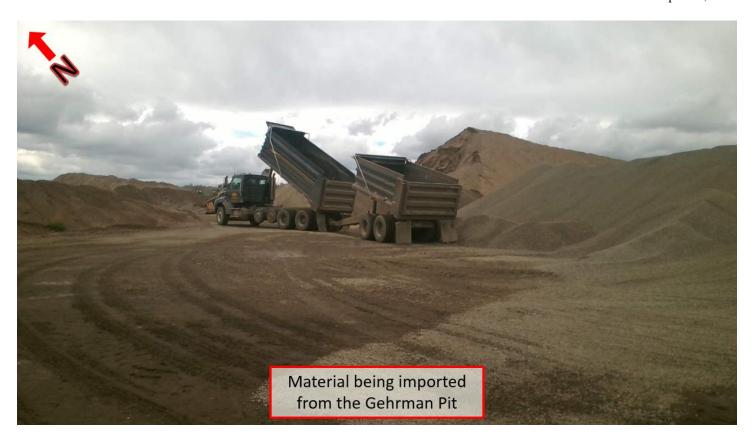


















PERMIT #: M-1980-131 INSPECTOR'S INITIALS: ACY INSPECTION DATE: April 27, 2017

<u>Inspection Contact Address</u> Jon Muller Elam Construction, Inc. 556 Struthers Ave. Grand Junction, CO 81501

Enclosure

EC: Russ Means, Senior EPS, Grand Junction DRMS