

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: | |
|------------------------------------|------------------------|--------------------------|------------------------------------|-------------|--|
| Van Valkenburg Quarry | | M-2016-033 | Gravel | Jackson | |
| INSPECTION TYPE: | | INSPECTOR(S): | INSP. DATE: | INSP. TIME: | |
| Monitoring | | Peter S. Hays | May 23, 2017 | 14:00 | |
| OPERATOR: | | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | | |
| Van Valkenburg Cattle Company, LLC | | None | 110c - Construction Limited Impact | | |
| | | | | | |
| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: | | |
| Priority | | Partial Bond | \$29,800.00 | | |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: | | |
| NA | | None | None | | |
| WEATHER: | INSPECTOR'S SIGNATURE: | | SIGNATURE DATE: | | |
| Clear | Ω_{1} 1 | | May 24, 2017 | | |
| | 1/49/ | | | | |
| | D | 16/res | | | |
| | 1 | | 1 | | |

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 N | (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 N | (SF) PROCESSING FACILITIES N | (TS) TOPSOIL <u>N</u> |
| (MP) GENL MINE PLAN COMPLIANCE- N | (FW) FISH & WILDLIFE <u>N</u> | (RV) REVEGETATION N |
| (SM) SIGNS AND MARKERS <u>Y</u> | (SP) STORM WATER MGT PLAN N | (CI) COMPLETE INSP N |
| (ES) OVERBURDEN/DEV. WASTE N | (SC) EROSION/SEDIMENTATION N | (RS) RECL PLAN/COMP N |
| (AT) ACID OR TOXIC MATERIALS N | (OD) OFF-SITE DAMAGE <u>N</u> | (ST) STIPULATIONS N |

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

PERMIT #: M-2016-033 INSPECTOR'S INITIALS: PSH INSPECTION DATE: May 23, 2017

OBSERVATIONS

The Van Valkenburg Quarry was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) to evaluate the acreage release request (AR-01) submitted by the Operator on May 2, 2017. The decision due date for the acreage release request is July 3, 2017. Mr. William Van Valkenburg with Van Valkenburg Cattle Co., LLC and Mr. Austin Rueschhoff with Holsinger Law, LLC were notified of the inspection, but were not present during the inspection. An entrance sign was observed as required by Rule 3.1.12.

The site is currently permitted for 9.668 acres. The Operator requested an acreage reduction for 0.333 acres with the reduction in the width of the permitted access road from 18 to 16 feet. The acreage reduction will allow the Operator to amend the permit boundary to accommodate a 0.6199 acre stockpile and transfer area at the end of the access road. The revised permit boundary acreage would be 9.335 acres.

The Division will approve the acreage release request for 0.333 acres based on the observations from this inspection. The existing access road to the mine site is unimproved and was measured at a current width of 10 feet. Access to the mine site was prevented due to a failed culvert at the Indian Creek crossing near the end of the access road and the proposed stockpile and transfer area. Survey stakes delineating proposed material stockpile and transfer area were observed during the inspection.

Photographs taken during the inspection are attached. A copy of the acreage release request (AR-01) approval letter was sent separately on May 24, 2017.

Inspection Contact Address

Mr. William Van Valkenburg Van Valkenburg Cattle Company, LLC 12353 Hwy 14 Walden, CO 80480

Ec: Wally Erickson; DRMS

Austin Rueschhoff; Holsinger Law, LLC

PHOTOGRAPHS



Van Valkenburg Quarry mine sign



View of unimproved access road from CR 53 looking southwest



View of unimproved access road crossing at Indian Creek



View of the unimproved access road southeast of CR 53