

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:	
Shults Gravel Pit		M-2000-073	Gravel	Rio Blanco	
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Monitoring		Travis H. Marshall	May 16, 2017	11:00	
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:		
XTO Energy Inc.			110c - Construction Limited Impact		
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:		
Normal I&E Program		IT.Bondcalculationtype.CD.Desc	\$22,885.67		
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:		
NA		None	None		
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:		
Clear	2. Quel		May 31, 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 \underline{Y}
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(CI) COMPLETE INSP $\underline{\mathbf{Y}}$
(ES) OVERBURDEN/DEV. WASTE NA	(SC) EROSION/SEDIMENTATION \underline{Y}	(RS) RECL PLAN/COMP <u>Y</u>
(AT) ACID OR TOXIC MATERIALS NA	(OD) OFF-SITE DAMAGE <u>Y</u>	(ST) STIPULATIONS <u>NA</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 = \ Possible \ PV = \ Possible \ PV = \$

PERMIT #: M-2000-073 INSPECTOR'S INITIALS: THM INSPECTION DATE: May 16, 2017

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Shults Pit is a 9.9 acre 110c permit that is located in Rio Blanco County south of the White River on private land. David Bowers with XTO Energy and Lonnie Shults the landowner and prospective operator both accompanied the inspector during the inspection.

The mine identification sign and area boundary markers were observed and in compliance with Rule 3.1.12.

The operation has affected approximately 6 acres of the maximum allowed disturbance of 9.9 acres. The site was not active during the inspection. Stockpiles of construction material of various sizes were observed during the inspection. The topsoil stock pile was located along the southern permit boundary and it appeared to have adequate vegetation.

The natural intermediate drainage the runs north from the mine site appeared to be adequately protected from potential impacts from the mine site.

The current operator XTO is no longer using the pit due to a slowdown in the development of natural gas in the area and is likely going to transfer the pit to the landowner.

The approved reclamation plan calls for a flat hay and equipment storage area. The current reclamation bond accounts for regrading and revegetation of the approximate 6 acres of disturbance. In order to reduce the required reclamation cost prior to permit transfer the Lonnie Shults a partial surety reduction request must be submitted and approved. If you need any assistance with this process please feel free to contact me in the Grand Junction Field Office.

No problems or possible violations were observed during the inspection.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. (970) 241-2042.





PERMIT #: M-2000-073 INSPECTOR'S INITIALS: THM INSPECTION DATE: May 16, 2017

Inspection Contact Address

David Bowers XTO Energy Inc. 21459 County Road 5 Rifle, CO 81650

cc: Lonnie Schultz P.O. Box 987

Meeker, CO 81641-0987