




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: Owl Canyon Quarry	MINE/PROSPECTING ID#: M-1977-302	MINERAL: Limestone (general)	COUNTY: Larimer
INSPECTION TYPE: Monitoring	INSPECTOR(S): Jared L. Ebert	INSP. DATE: July 18, 2017	INSP. TIME: 11:45
OPERATOR: Pete Lien & Sons, Inc.	OPERATOR REPRESENTATIVE: Rob Kisner	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$677,100.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 27, 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>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</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---- <u>NA</u>	(CI) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(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

OBSERVATIONS

This was a monitoring inspection of the Owl Canyon Quarry, DRMS Permit No. M-1977-302, operated by Pete Lien & Sons, Inc. (PLS). I, Jared Ebert with the Colorado Division of Reclamation, Mining and Safety (Division) conducted the inspection. Mr. Rob Kisner with PLS accompanied me during the inspection.

This is a 276 acre 112c mining operation for limestone. The approved post mine land use for the site is Wildlife Habitat. This site is directly adjacent to the Rex Quarry (Permit No. M-1977-304) also operated by PLS. These two sites are operated as a single unit.

Backfilling and Grading:

The Operator has concurrently backfilled previously mined areas as mining has progressed. Mining has progressed from west to east and to the south. Portions of the western mined area has been graded to a gentle slopes (4H:1V or less). A relatively new area at the southern end of "Back Fill Area" (BF-1) shown on the approved Exhibit C map was observed. Waste Rock and spoil material was backfilled in this area to the top of the highwall or within a few feet of the highwall. This area appeared stable.

Explosives:

At the time of the inspection, the Operator was drilling holes for a blast in the A4 mining area.

Financial Warranty:

The Division currently holds a financial warranty in the amount of \$677,100.00 in the form of a letter of credit. The Division evaluated the bond for this site and found it is adequate.

Gen. Compliance With Mine Plan:

The current mine plan was updated with the approval of Amendment No. 5 (AM05) that was approved in 2015. The Operator proposed to mine three mining areas: Area A, B and D. Mine Area A was further subdivided into four smaller blocks: A1, A2, A3, and A4. Mine Area D was further subdivided into Areas D1, D2 and D3. Mining appears to have occurred and is nearly complete in areas A1, A2 and A3. The Operator is actively mining in Area A4. Mine Areas B and D do not appear to have been affected.

Reclamation Success:

The Operator has backfilled, graded and revegetated a portion of the affected area west of the active mining area. These areas are stable and vegetated with native grasses and shrubs. Newly graded areas appear stable.

PHOTOGRAPHS



Figure 1. Blast pad preparation in Mine Area A4



Figure 2. From Mine Area A4 looking south.



Figure 3. From the south end of the BF-1 area looking south.



Figure 4. View of the southeast end of the BF-1 area.



Figure 5. View of the southeast corner of the A3 mining area.

Inspection Contact Address

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Enclosure

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