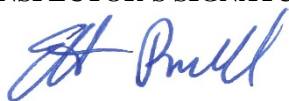




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Lindsey Pit | MINE/PROSPECTING ID#: M-2013-015 | MINERAL: Gravel | COUNTY: Phillips |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Elliott R. Russell | INSP. DATE: October 14, 2015 | INSP. TIME: 10:45 |
| OPERATOR: Mike L. Koellner dba L&L Ready Mix | OPERATOR REPRESENTATIVE: Jason Frost | TYPE OF OPERATION: 110c - Construction Limited Impact | |
| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$30,137.39 | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None | |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: October 30, 2015 | |

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---- <u>NA</u> | (SF) PROCESSING FACILITIES----- <u>NA</u> | (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---- <u>NA</u> | (CI) COMPLETE INSP---- <u>Y</u> |
| (ES) OVERBURDEN/DEV. WASTE----- <u>NA</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>NA</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 normal routine monitoring inspection was conducted by Elliott Russell of the Division of Reclamation, Mining and Safety (Division). Mike L. Koellner dba L&L Ready Mix (Operator), was represented by Jason Frost.

The Lindsey Pit is located in Phillips County approximately 5.4 miles south-southeast of Haxtun, Colorado. The Lindsey Pit is a Construction Materials 110c Reclamation Permit. The primary commodity mined at the site is gravel, for ready mixed concrete base. The 110c Construction Materials Reclamation Permit was issued October 17, 2013. The approved post-mining land use is rangeland.

No problems or possible violations were observed during the inspection. During the inspection, the sky was clear and the ground was dry. The site appears to see relatively frequent use. At the present time it appears that the mining operation has affected approximately 2 acres throughout the life of mine. All mining activity appeared to be within the approved affected land boundary. There appeared to be no significant impacts to the prevailing hydrologic balance, but the Operator should ensure no impacts are created to the South Fork of the Frenchmen Creek, the ephemeral drained the site it permitted along. There were several stockpiles of product scattered around the pit floor. The internal pit haul roads and the access road appeared to be stable and well maintained. It appears that the mining operation was progressing from the southwest to the northeast. There was no evidence of excessive erosion. No noxious weeds were observed during the inspection, however, the Operator is encouraged to continue to monitor and treat noxious weeds as they appear in the permit boundary. A mine I.D. sign was located at the entrance to the mine site. The permit boundary was marked by t-posts. The reclamation cost estimate for this site was updated during the file review for this inspection. It was determined that the current required financial warranty amount is adequate.

Inspection Contact Address

Mike Koellner
Mike L. Koellner dba L&L Ready Mix
900 West Denver
Holyoke, CO 80734

PHOTOGRAPHS



Photo 1. Mine identification sign; looking east.



Photo 2. Western portion of the excavation; looking south.



Photo 3. Active mining face of the northern portion of the excavation; looking east.



Photo 4. Pit overview; looking north.