




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: 15 Road Gravel Pit | MINE/PROSPECTING ID#: M-2002-114 | MINERAL: Sand and gravel | COUNTY: Mesa |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Amy C. Yeldell | INSP. DATE: January 25, 2018 | INSP. TIME: 13:15 |
| OPERATOR: Oldcastle SW Group, Inc. dba United Compai County | OPERATOR REPRESENTATIVE: Jason Burkey | TYPE OF OPERATION: 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$854,778.00 | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None | |
| WEATHER: Cloudy | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: February 6, 2018 | |

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>N</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>N</u> | (RS) RECL PLAN/COMP-- <u>Y</u> |
| (ES) OVERBURDEN/DEV. WASTE----- <u>N</u> | (SC) EROSION/SEDIMENTATION--- <u>Y</u> | (ST) STIPULATIONS----- <u>Y</u> |
| (AT) ACID OR TOXIC MATERIALS----- <u>NA</u> | (OD) OFF-SITE DAMAGE----- <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 inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. The 15 Road Gravel Pit is a 112c permitted site that includes a total of 188.54 permitted acres. This site located approximately two mile northwest of Fruita, Colorado in Mesa County and is accessed from Highway 6. Jason Burkey with Oldcastle SW Group, Inc. dba Untied Companies of Mesa County represented the operator and accompanied Amy Yeldell of the Division conducted the inspection.

The mine identification sign and affected area boundary markers remain in place and in compliance with Rule 3.1.12. The mine identification sign is fastened to the gate at the site entrance. A fence delineates the permit.

This pit was active at the time of the inspection. During the inspection a portable crusher was being fed and new ground was being excavated. The wash plant and asphalt plant were in the laydown yard and slated to be mobilized in the near future. Additional equipment and stockpiled material is stored in phase 5. This includes several very large piles of recycled asphalt. A scale and scale house is located along the haul road near the pit entrance. Three fuel tanks were observed throughout the site. All were stored properly within secondary containments.

Phase 1 mining has been completed. The slopes have all been graded and the lake is filling with water. Once the water level is determined the banks will be seeded down to the water's edge.

Phase 2 mining has also been completed. The outer perimeter banks have been graded. The highwall adjacent phase 3 and the stockpiles is at approximately a 1:1 slope and requires future grading. Mr. Burkey was unsure if the stockpiles area in phase 2 would be mined at a future date. To date no seeding has occurred within phase 2.

Phase 3 is where active mining is occurring. The crusher is staged in the bottom of the pit and mining is moving towards the north. The excavated pit is approximately 30 feet deep with vertical highwalls along the active face. Based on site observations compared to the mining maps the operation appears to be reaching the limits of phase 3.

The Division currently requires a financial warranty amount of \$854,778.00 for this site. The bond was last updated in 2014 with the approval of TR-5. 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. If the current bond is found to be insufficient the Division will send a Notice of Surety Increase under a 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



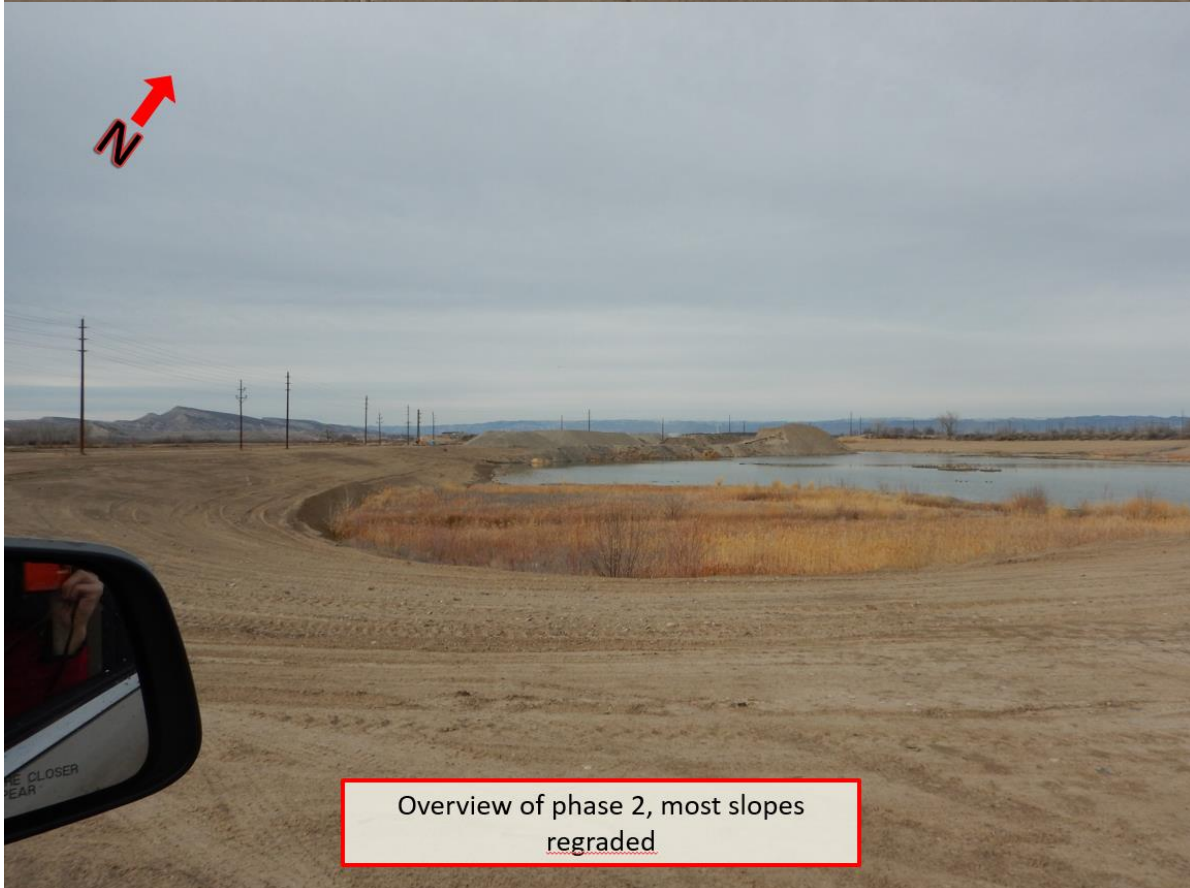
Fuel tank and parking area at entrance of pit



Graded phase 1



Fuel tank between phases 1 & 2





Stockpiles in Phase 2



Overview of phase 3 and
stockpiles on pit floor







Inspection Contact Address

Jason Burkey
Oldcastle SW Group, Inc. dba United Companies of Mesa County
P.O. Box 3609
Grand Junction, CO 81502

Enclosure

CC:
Russ Means, Senior EPS, Grand Junction DRMS