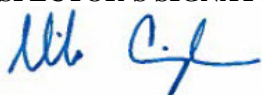




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Leone Gravel Pit	MINE/PROSPECTING ID#: M-2004-026	MINERAL: Sand and gravel	COUNTY: Las Animas
INSPECTION TYPE: Monitoring	INSPECTOR(S): Michael A. Cunningham	INSP. DATE: January 29, 2018	INSP. TIME: 10:00
OPERATOR: Leone Sand & Gravel LLC	OPERATOR REPRESENTATIVE: Franke Leone, Wayne Leone	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$21,500.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 20, 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>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</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>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

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

OBSERVATIONS

The inspection was conducted by Michael Cunningham of the Division of Reclamation, Mining and Safety (Division). Frank Leone and Wayne Leone were present on behalf of Leone Sand & Gravel, LLC. The Leone Gravel Pit is located approximately 4 miles northeast of Trinidad, Colorado in Las Animas County. The operation is permitted for 28.01 acres of disturbance and the post-mining land use is rangeland.

Mining at the Leone Gravel Pit is complete and the site is in final reclamation.

Financial Warranty:

The Division currently holds a financial warranty in the amount of \$21,500.00, which is adequate to complete the remaining reclamation.

Reclamation Success:

The 28.01 acres remaining in the permit boundary lie to the south of the Colorado Interstate Gasline. The permit are can be divided into an upper and lower area. The lower area lies immediately to the north of a natural terrace and is comprised of 16.22 acres. The lower area has been fully reclaimed. The slopes in the lower area have been graded to 3H:1V or less. The slopes are stable and did not show any signs of erosion and rangeland grasses are well established across the reclaimed slopes. The upper area lies on top of the terrace and accounts for 11.79 acres. The upper area consists of equipment storage and product stockpile areas. No reclamation has been performed on the upper terrace. The remaining reclamation tasks for the upper area include the following: removal or regrading of product stockpiles, removal of equipment, replacement of topsoil, and revegetation.

Roads:

A single access road connects the permitted area to U.S. Highway 160. The road will remain upon completion of reclamation and will be utilized as part of the post-mining land use.

Signs and Markers:

The permit sign was posted at the site entrance as required by Rule 3.1.12.

This concluded the inspection.

PHOTOGRAPHS



1. Overview of reclaimed lower area.



2. Reclaimed slope between upper and lower areas.



3. Product stockpile on upper area.



4. Equipment storage on upper area.

Inspection Contact Address

Franke Leone
Leone Sand & Gravel LLC
2400 E. Main St.
Trinidad, CO 81082

CC: Wally Erickson, DRMS