




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.

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| MINE NAME: Mule Farm Gravel Pit | MINE/PROSPECTING ID#: M-1991-079 | MINERAL: Sand and gravel | COUNTY: Mesa |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Amy C. Yeldell | INSP. DATE: March 20, 2018 | INSP. TIME: 11:30 |
| OPERATOR: Elam Construction, Inc. | OPERATOR REPRESENTATIVE: Jon Muller | TYPE OF OPERATION: 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$124,488.00 | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None | |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: March 29, 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.

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| (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>N</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>N</u> | (RS) RECL PLAN/COMP-- <u>Y</u> |
| (ES) OVERBURDEN/DEV. WASTE----- <u>NA</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>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

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. The Mule Farm Gravel Pit is a 112c permitted site that includes a total of 89 permitted acres. The site located one mile southwest of Orchard Mesa, Colorado and is accessed from 26 3/8 Road. Jon Muller of Elam Construction, Inc. represented the operator and accompanied Amy Yeldell of the Division conducted the inspection.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. A signs was attached to the entrance gate. The permit boundary is delineated by a fence on the north and west sides. The river delineates the south and east boundary. The scale has been removed but the concrete footers remain in place. The scale house has been moved but is still stored on site.

This site was inactive at the time of the inspection. This pit is approved for intermittent status.

Approximately 1 acre is left to be mined. This area has been stripped and is above water. The rest of the pit is inundated and dewatering will be required for mining. Approximately 1200 linear feet of highwall 20 feet tall requires grading. This site has a maximum disturbance of 18 acres, approximately 38 acres is currently affected. However the majority of this area will be a pond so the actual reclamation liability is less than 18 acres. One main large stockpile of processed material remains on site. The topsoil and overburden pile is located on the southeast side of the pit adjacent to the river.

A trailer and a few screens and misc. parts remain on site. No other structures, equipment or fuel is on site. The large berm on the north side of the pond has metal, cement and other debris intermixed. This debris should be removed prior to the berm being graded. Adjacent to the scale area is an asphalt test strip. This will need to be removed unless it will be used to support the post mining land use of recreation and is on the reclamation map.

Last summer due to the roller damn being closed just downstream, the Gunnison River swelled significantly. In some areas the river overtopped the buffer between the river and the pit. In several areas established reclamation was also washed away. The areas where erosion had taken place have been repaired by the addition of material to strengthen the berm. In other low areas the berm has been elevated. No reseeding efforts have taken place to date. A significant Kochia infestation has taken hold of these disturbed areas. Mr. Muller has indicated that their weed contractor has been scheduled. They will manually remove last year's dead growth before herbicide treatments to this year's growth. The Division also recommends reseeding this area as soon as practical to help stabilize the slopes.

The Division currently requires a financial warranty amount of \$124,488 for this site. The bond has was last increased with the approval of TR-2 in 1999. 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.

No problems or violations were noted during this inspection.

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

Inspection Contact Address

Jon Muller
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Grand Junction, CO 81501

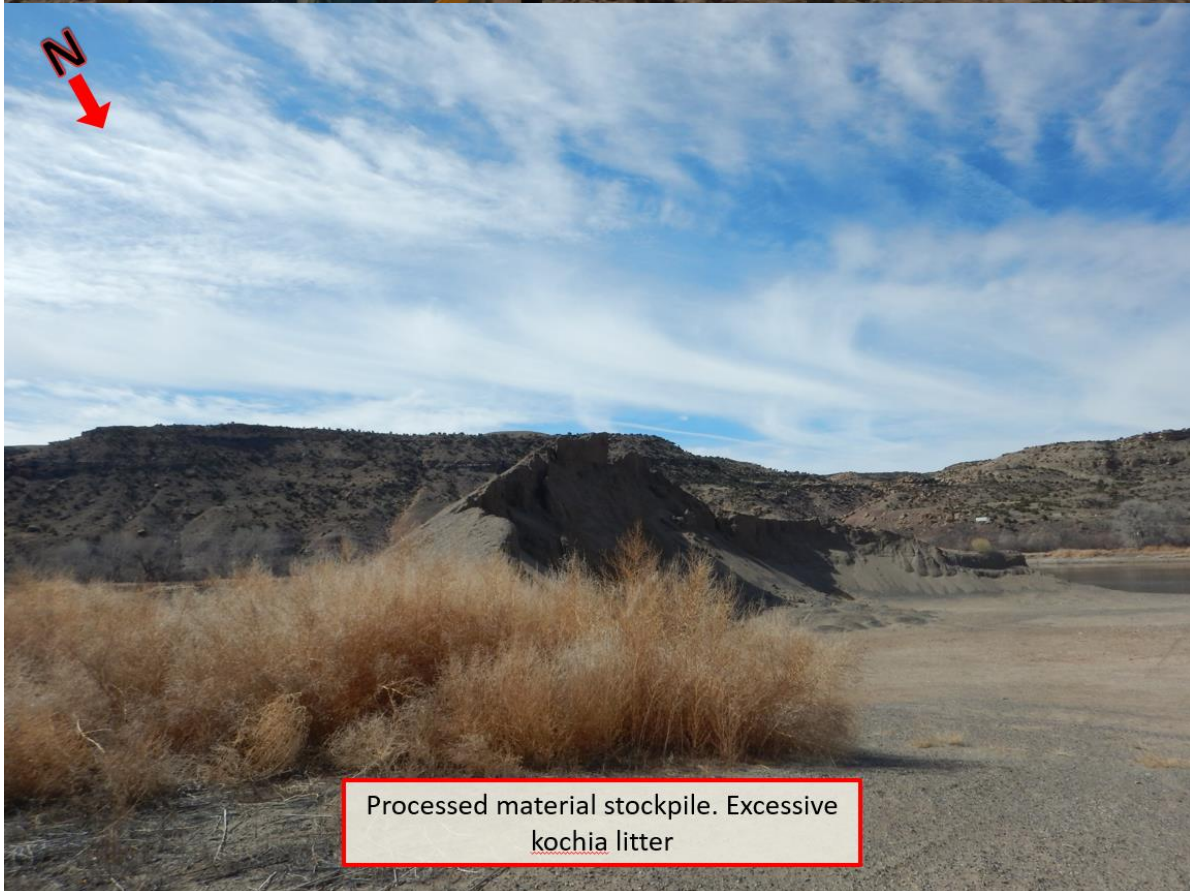
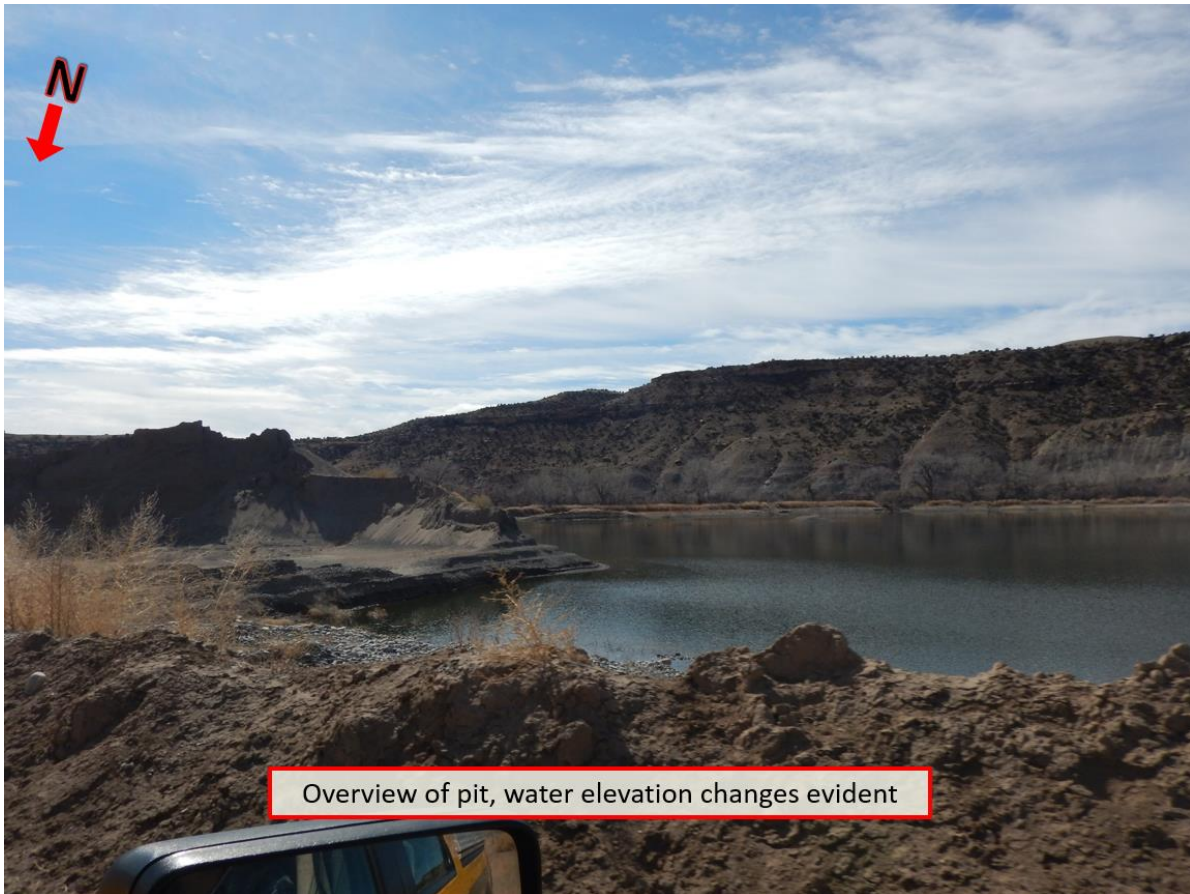
Enclosure

CC: Russ Means, Senior EPS, Grand Junction DRMS

PHOTOGRAPHS









Overview of pond from backfilled berm area



Overburden and topsoil stockpile