




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: Morrow/Murphy Gravel Pit	MINE/PROSPECTING ID#: M-1979-187	MINERAL: Sand and gravel	COUNTY: Grand
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Peter S. Hays	INSP. DATE: May 22, 2018	INSP. TIME: 12:30
OPERATOR: Kilgore Companies, LLC dba Peak Materials	OPERATOR REPRESENTATIVE: Jon Mueller	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$132,600.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 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.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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 Morrow/Murphy Gravel Pit was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) as required by the Transfer of Permit and Succession of Operators process and Rule 1.12. Mr. Jon Mueller with Kilgore Companies, LLC dba Peak Materials was present during the inspection. The site was previously inspected by the Division on August 7, 2014. A copy of the inspection map created based on the inspection is attached.

On March 24, 2017, Kilgore Companies, LLC dba Peak Materials submitted a Transfer of Permit and Succession of Operators Application Form (SO-03) and selected the option to maintain the right to a decision within 30 days. Peak Materials provided a replacement financial warranty in the amount of \$132,600.00. The Succession of Operators revision was issued by the Division on February 27, 2018. Kilgore Companies, LLC dba Peak Materials is the permitted operator of the Morrow/Murphy Gravel Pit and assumed all responsibilities concerning this operation from Everist Material, LLC.

Financial Warranty:

The Division is required to recalculate the reclamation bond as part of the permit transfer process. The Division currently holds a reclamation bond in the amount of \$132,600.00. The Division calculated the required financial warranty at \$474,700.00, an increase of \$342,100.00, based on the inspection observations and the financial warranty estimate from the 1998 permit amendment application. A copy of the financial warranty estimate is attached. The Division will allow the Operator 14 days to review the estimate prior to issuing the financial warranty increase (SI) notice. The Operator will be required to provide the increase financial warranty amount within 60 day of the notice date pursuant to Rule 4.2.1(2).

Mining Plan:

The site is permitted for 123.3 total acres with 88.8 acres of mining disturbance. The Operator reported 62 acres of mining disturbance in the 2017 Annual Report. The site was active during the inspection. Mining activity was occurring in the east highwall. Material was excavated and transported by a front-end loader to the processing plant located on the pit floor. The asphalt and concrete batch plants were observed in the southeast corner of the pit floor. A wash plant was observed in the southwest corner of the pit floor. Stockpiles of recycled concrete and asphalt were observed in the southeast and northwest corners of the pit floor.

During the 1998 permit amendment, the Operator committed to a maximum of 4700 lineal feet of working extraction face (highwall) with approximately 1000 feet of total vertical face and the remaining area sloped between 2H:1V to 3H:1V. The Division estimated the amount of vertical highwall at 997 feet and sloped highwall at 3,394 feet. The Operator is in compliance with the highwall length and grading requirements of the permit.

Sign and Boundary Markers:

An entrance sign was posted as required by Rule 3.1.12 and all mining disturbance appeared to be contained within the approved permit boundary.

Noxious Weeds:

Noxious weeds including common mullein and Canada thistle were observed during the inspection. The Operator must continue to implement the approved noxious weed management plan for the site to control the noxious weeds.

Water Recycling Plant and Sediment Ponds:

The water recycling plant and the sediment ponds were observed during the inspection. The Operator utilizes fluctuant to clarify the used wash plant water prior to returning the water to the wash plant through a series of sediment ponds.

Inspection Contact Address

Mr. Jon Mueller
Kilgore Companies, LLC dba Peak Materials
556 Struthers Ave
Grand Junction, CO 81501

Enclosure: SO-03 Bond Estimate, Inspection Map

Ec: Wally Erickson, DRMS

PHOTOGRAPHS



Morrow/Murphy mine sign



View of site from the north highwall looking south at batch and processing plants



View of site from the north highwall looking southeast at highwall and stockpiles



View of site from the north highwall looking southwest



View of the current highwall and graded section of highwall looking south



View of wash plant looking north from pit floor

Morrow/Murphy Gravel Pit

M-1979-187

May 22, 2018 Inspection Map

Legend

- Asphalt Plant
- Cobble Plant
- Concrete Plant
- Concrete Stockpile
- Highwall
- Morrow/Murphy Gravel Pit
- Processing Plant
- Vertical Highwall
- Wash Plant
- Water Recycling Plant

Morrow/Murphy Gravel Pit

Google Earth

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900 ft

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