

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: | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|------------------------|--------------------------|---------------------------------------|-------------|
| Mid-Continent LST | M-1982-121 | Limestone (general) | Garfield |
| INSPECTION TYPE: | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | Amy C. Yeldell | August 28, 2018 | 10:45 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| RMR Aggregates, Inc. | Robert Wagner | 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Normal I&E Program | None | \$222,081.00 | |
| DATE OF COMPLAINT: | POST INSP. CONTACTS: | JOINT INSP. AGE | NCY: |
| NA | None | U.S.BLM | |
| WEATHER: | INSPECTOR'S SIGNATURE: | SIGNATURE DAT | E: |
| Clear | Amy Geldell | September 13, 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>N</u> |
| (PW) PROCESSING WASTE/TAILING NA | (SF) PROCESSING FACILITIES \underline{Y} | (TS) TOPSOIL \underline{Y} |
| (MP) GENL MINE PLAN COMPLIANCE- <u>Y</u> | (FW) FISH & WILDLIFE \underline{Y} | (RV) REVEGETATION <u>Y</u> |
| (SM) SIGNS AND MARKERS <u>Y</u> | (SP) STORM WATER MGT PLAN N | (RS) RECL PLAN/COMP Y |
| (ES) OVERBURDEN/DEV. WASTE N | (SC) EROSION/SEDIMENTATION \underline{Y} | (ST) STIPULATIONS \underline{Y} |
| (AT) ACID OR TOXIC MATERIALS NA | (OD) OFF-SITE DAMAGE <u>N</u> | |

Y = Inspected / 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 Mid-Continent LST is a 112c permitted site that includes a total of 32.78 permitted acres. This site is located approximately 1.2 miles north of Glenwood Springs, Colorado and is accessed via the Transfer Trail Road. Currently the Division holds a Financial Warranty in the amount of \$222,081.00 for this site. This was a joint agency inspection with Jessica Lopez Pearce of the Colorado River Valley Field Office BLM. Wally Erickson and Amy Yeldell of the Division conducted the inspection. Robert Wagner and Justin Olin represented RMR Aggregates, Inc.

The mine was active at the time of the inspection. Trucks were actively being loaded and hauling material offsite. A fuel tank was observed on the mill bench in proper secondary containment. Additional hazardous materials were stored within the mill buildings. All hazardous materials were stored properly on a spill pallet.

The stormwater retention pond appears to remain adequate. Over the previous weekend the site experienced a significant rain event. Soil saturation was evident and some ponding of water was still visible. There appeared to be no leaking of water out the back side of the retention pond or erosion into the drainage below.

The mullein infestation to the east of the mill building appears to be improving. Several dead stalks were present but only a handful of live plants were observed. A follow up weed treatment is scheduled to occur in early fall.

Test reclamation plots were observed on the southeast aspect of the cut slope on the mill bench. A thin layer of topsoil was applied over the reject crusher fines. Seed was then applied and straw mulch was hand spread. Areas were then tracked over to help create soil to seed contact. The soil was wet when it was tracked so material often stuck to the metal tracks rather than being pressed into place. Success was limited as seeding occurred in late spring and was followed by an extremely dry and hot summer. Overall germination was around 30%. The soil was extremely hard packed. It is unlikely that any remaining seed will be able to germinate this coming fall/spring due to the soil crust. The Division spent a considerable amount of time discussing possible reclamation strategies moving forward. Mr. Wagner indicated that they are conducting soil tests to see what/if soil amendments/fertilizers would improve reclamation success.

The last blasting on site occurred in October of 2017. This allowed the operator time to crush the newly blasted material before the winter BLM restriction took effect. Blasting occurred along the western side of the highwall and affected approximately 50 LF.

Fines are currently being re-ran to eliminate waste. Any fines that are not marketable will be moved to the permanent fines storage area which will be on the northeast corner of the processing bench.

A large portion of the inspection was spent discussing future plans at the mine. Until RMR achieves BLM approval on a POO modification no additional disturbances outside of the current footprint will occur. Mr. Wagner indicated that the goal is to move the crusher to the east side of the production bench. The operator then intends to mine the processing bench down in 15 foot benches until it is flush with the mill bench. Ideally the crusher move will happen by the end of next summer but that is dependent on market sales. Ultimately the crusher will be at the same height as the mill building and material will be directly fed from the crusher into the mill building. Reject fines would then be moved to their final storage location via a super-stacker conveyor.

The Division was able to see one of the proposed groundwater monitoring well locations. One location will be

within the DMRS permit boundary and three will be outside. These monitoring wells are to obtain information for use in POO modification/expansion submittal.

A couple of the 2017 drill holes were inspected. Several of the holes were within the active mine bench and have been re-disturbed and mine through (drill holes #1-4). Drill holes #5 and #6 are to the east of the mine benches. Both holes were located on a pre-existing road. The drill holes were plugged and abandoned. Excess drill cuttings were graded and only the color variation in rock/soil was evident. Neither hole has resulted in an addition reclamation impact. These disturbances will be fully reclaimed along with the rest of the project. None of the additional drill holes permitted under TR-5 have taken place yet.

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

Robert Wagner RMR Aggregates, Inc. 4601 DTC Blvd., Suite 120 Denver, CO 80237

Enclosure

EC:

Wally Erickson, Senior EPS, Grand Junction DRMS Jessica Lopez Pearce, Colorado River Valley Field Office BLM







