




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: Franciscotti Pit #2	MINE/PROSPECTING ID#: M-2018-058	MINERAL: Sand and gravel	COUNTY: Huerfano
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Patrick Lennberg and Michael Cunningham	INSP. DATE: January 25, 2019	INSP. TIME: 12:15
OPERATOR: APC Southern Construction Co., LLC	OPERATOR REPRESENTATIVE: Jim MacDonald and Rick Pounds	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 13, 2019	

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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>Y</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>N</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

This was a pre-operation inspection for the proposed 112c Franciscotti Pit #2. The site was inspected by Patrick Lennberg and Michael Cunningham with the Division of Reclamation, Mining and Safety (Division/DRMS). Jim MacDonald and Rick Pounds with APC Southern Construction, Permittee, accompanied us during the inspection. The weather was cold, the sky was clear and there were patches of snow covering the ground.

The proposed 330 acre permit area is accessed from the eastside of the proposed permit boundary via County Road 613 approximately 2 miles from the intersection of County Road 611 and State Highway 69 which is 7.5 miles from Farista just north of Walsenburg, CO.

The permit notice was clearly posted at the mine entrance along County Road 613 and the proposed permit boundary was marked with 2-inch PVC casing painted yellow with orange flagging. The permit area is currently rangeland that is characterized by native grasses and cacti with some yucca. There are power poles that transect the permit area, a family cemetery (active), and an unlined ditch that is owned and operated by the land owner. All structures observed during the inspection were accurately depicted on the maps within the permit application. To the north of the permit area is the Huerfano River and Colorado Parks and Wildlife expressed a desire to have a raptor survey performed to determine if any nests are located near the proposed mine. A second adequacy letter was sent to the operator requesting a commitment to perform a survey prior to beginning mining operations.

No other issues were noted during the inspection and no objections have been received by DRMS during the public comment period that ended on January 16, 2019.

The financial warranty was calculated as part of this inspection. A copy of the Division's estimate will be provided to the Operator for review under a separate cover letter.

Photographs taken during the inspection are attached.

Please contact Patrick Lennberg (303)866-3567 ext. 8114 or email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address

Jim MacDonald
APC Southern Construction Co., LLC
14802 West 44th Ave
Golden, CO 80403

CC: Michael Cunningham, DRMS

PHOTOGRAPHS



Photo 1: Posted notice sign at mine entrance

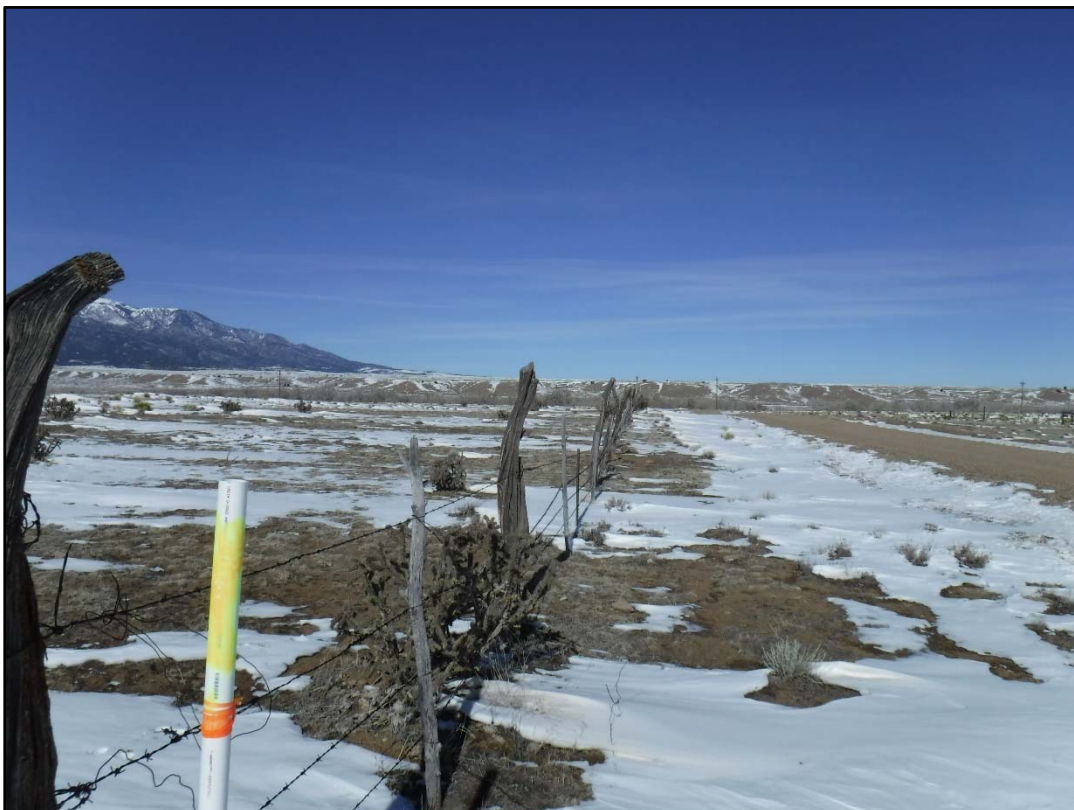


Photo 2: Boundary marker located at the southeastern corner



Photo 3: Typical vegetation occurring at the site



Photo 4: Active family cemetery



Photo 5: The Dan Mahan Ditch



Photo 6: Looking northwest from the northern permit boundary towards Huerfano River