

DELHUR INDUSTRIES, INC.
GENERAL CONTRACTORS

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March 15, 2019

To: Patrick Lennberg CO-DRMS
From: Rick Hurworth Delhur Ind.

Reg: McKenna Limestone Quarry M-2000-039

Dear Sir,

We are in receipt of your inspection report of said location dated February 20, 2019.

Corrections are noted and will be addressed by date stipulated.

At this time we would like to proceed with "Final Reclamation" pursuant to the requirements set forth by the Division and our reclamation plan on file with the Division.

Please send any Division paperwork or "link" to us which will guide us through this process when you can.

Patrick, thank you for your help on this matter.

Sincerely,
Rick Hurworth

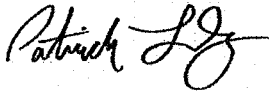
**COLORADO**Division of Reclamation,
Mining and Safety

Department of Natural Resources

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: McKenna Limestone Quarry	MINE/PROSPECTING ID#: M-2000-039	MINERAL: Limestone (general)	COUNTY: Huerfano
INSPECTION TYPE: Monitoring	INSPECTOR(S): Patrick Lennberg	INSP. DATE: February 20, 2019	INSP. TIME: 12:30
OPERATOR: Delhur Industries, Inc.	OPERATOR REPRESENTATIVE: Rick Hurworth	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$17,100.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 5, 2019

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The mine identification sign is very faded and the mine permit number is no longer legible. This is a problem for failure to maintain a mine identification sign as required by Section 3.1.12(1) of the rule.

CORRECTIVE ACTIONS: The operator shall, at the entrance of the mine site, repost a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 5/04/19

OBSERVATIONS

The McKenna Limestone Quarry was inspected by Patrick Lennberg with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as part of the Division's routine monitoring inspection program. The site was previously inspected by the Division on April 30, 2013 with a follow up inspection occurring on July 19, 2013 to verify GPS coordinates. Rick Hurworth with Delhur Industries, Inc. was present during the inspection. The weather was windy, clear with a few patches of snow covering the ground.

The quarry is located approximately 3.5 miles southeast of the intersection of Colorado Highway 10 and County Road (CR) 210, which is about 8 miles northeast of Walsenburg, Colorado. The mine entrance road is approximately 1.5 miles southeast of the intersection of CR 210 and CR 211. The quarry is a 110c mining operation. The approved post-mining land use is rangeland. A mine sign was observed as required by Rule 3.1.12, although the sign is very faded and peeling away. It should be replaced.

The disturbed area consists of a pit highwall located in the southern portion that is 6-12 feet high and is approximately 350 feet long. In the central part of the area there are two stockpiles of dimensional stone in a matrix of fine grained material. To the north there is a large stockpile of dimensional stone similar to the other piles. Finally, there is a large topsoil stockpile along the northern boundary of the permit area. Rick indicated that the limestone was mined in support of remediation efforts at the Summitville Mine Superfund Site.

The pit and surrounding disturbed area is sloped to drain to the adjacent arroyo. There was some minor rilling observed. The haul road is in a 30 foot easement and is approximately 0.3 miles long from CR 211 that is allowed to remain in place after mining is complete.

The site was granted Temporary Cessation beginning April 2013 and the first five year term expired in April 2018. The Operator has not applied for a second term of Temporary Cessation. If granted a second term it would be back dated to the date that the first term of Temporary Cessation expired. During the inspection it was discussed entering the site into final reclamation. The operator wondered if during the final reclamation process they could resume mining if market conditions warranted. If the operator wanted to resume mining while in final reclamation that would be allowed. At this time the site is considered active and the Operator should resume mining or commence with reclamation. Pursuant to Rule 3.1.3, the Operator has five years to complete reclamation at the site. The bond was recalculated as a part of this inspection and the current bond amount is adequate.

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

Rick Hurworth
Delhur Industries, Inc.
P.O. Box 883
Hermiston, OR 97838

CC: Michael Cunningham, DRMS

PHOTOGRAPHS



Photo 1: Mine sign at junction of haul road and CR 211

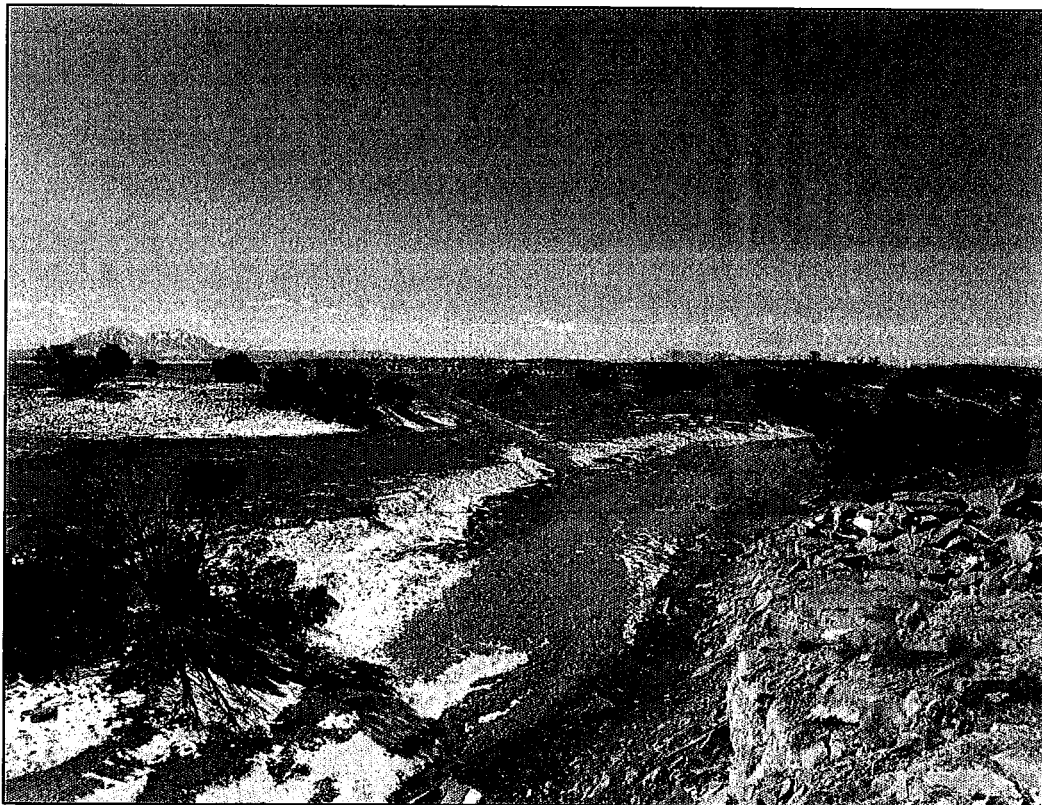


Photo 2: Haul road as it comes to the site crossing the arroyo

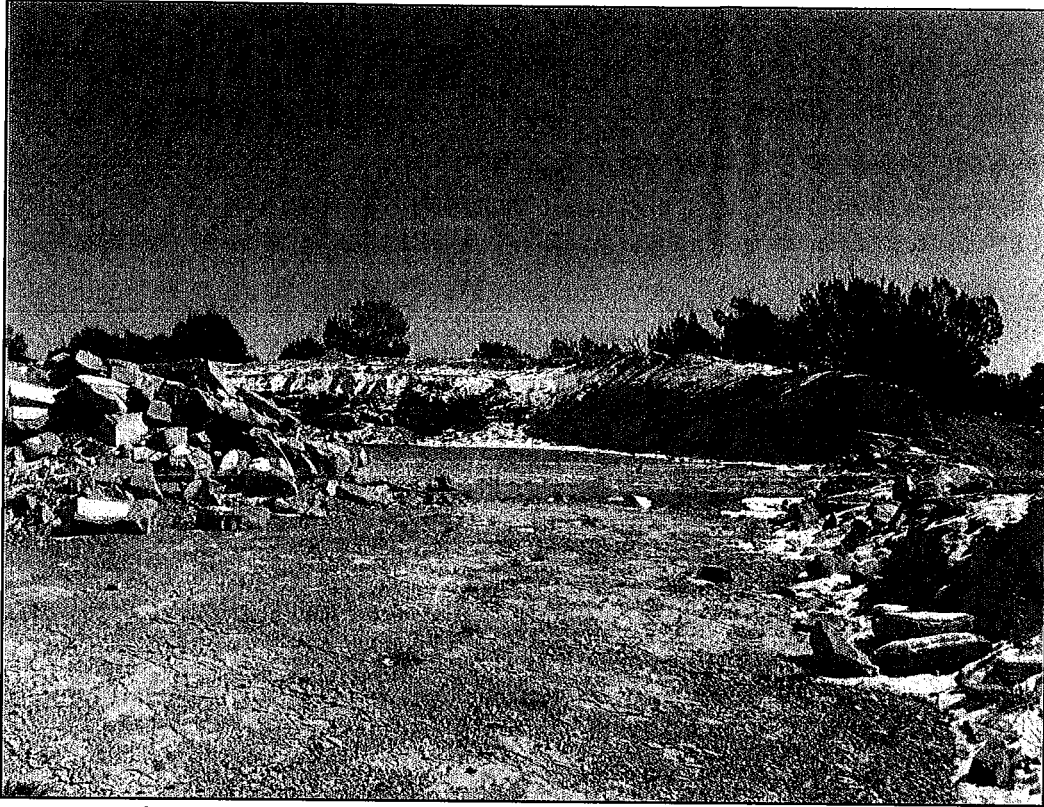


Photo 3: Highwall area with a small stockpile of dimensional stone to the left

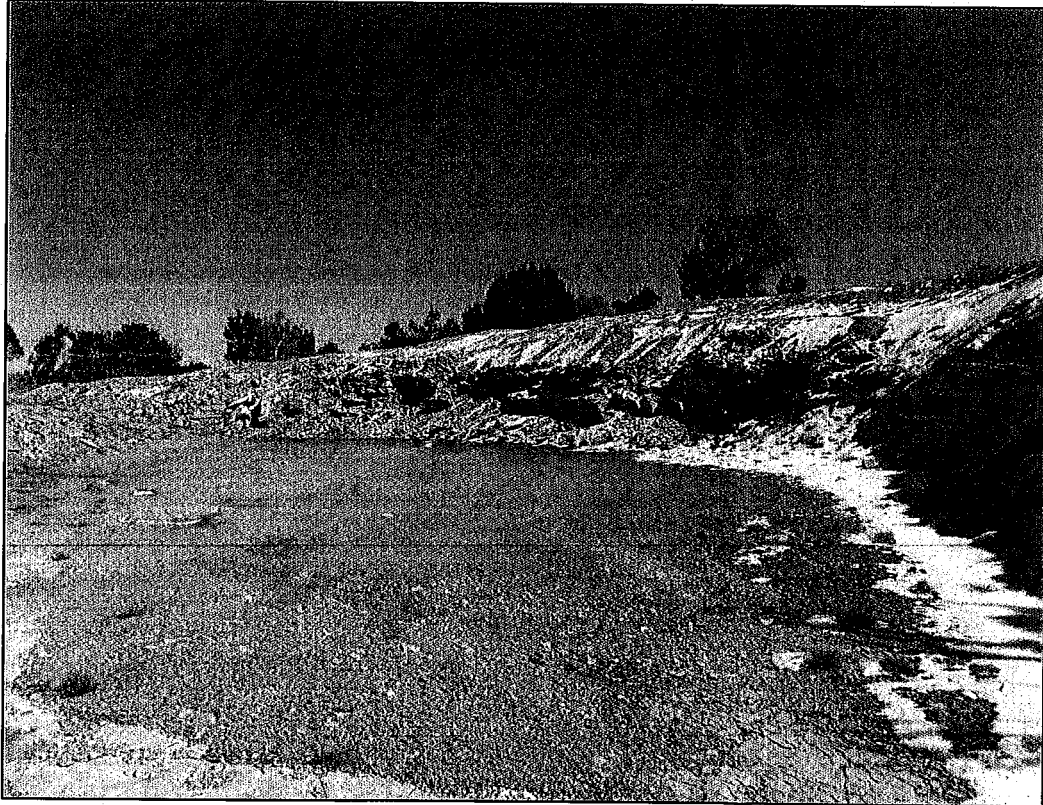


Photo 4: Highwall area looking east

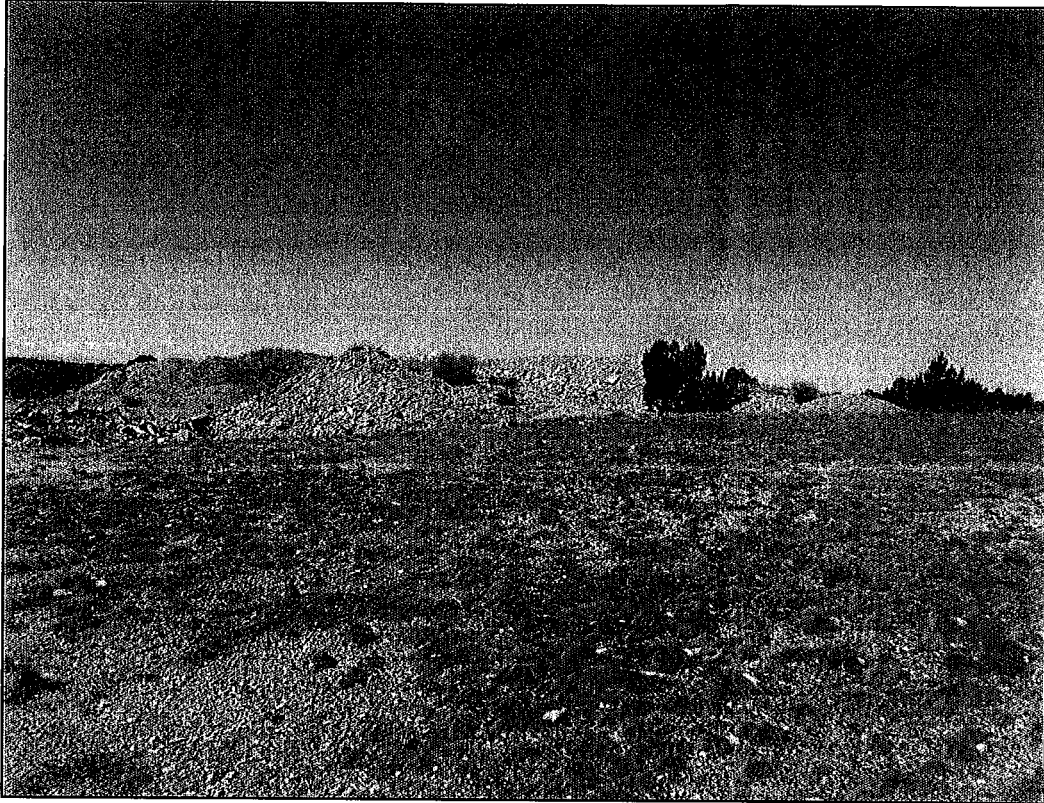


Photo 5: Looking north towards topsoil stockpile background with undisturbed land in the foreground

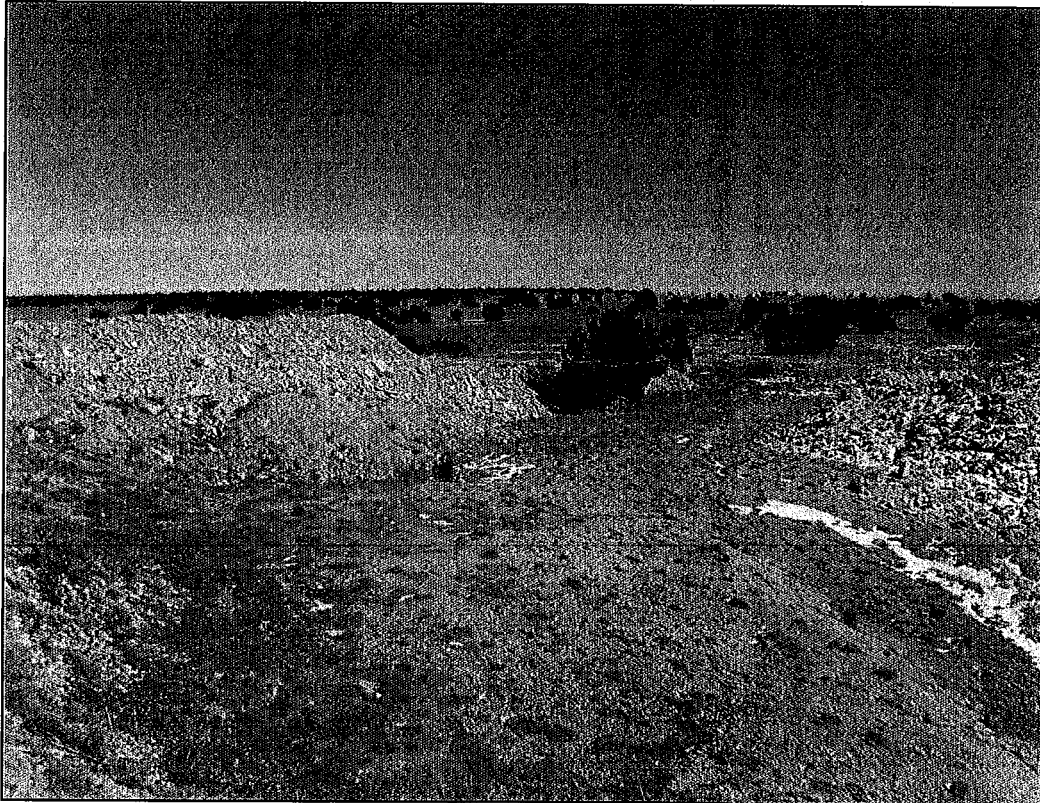


Photo 6: Looking southeast from the top of the topsoil stockpile, larger material stockpile to the right of photo

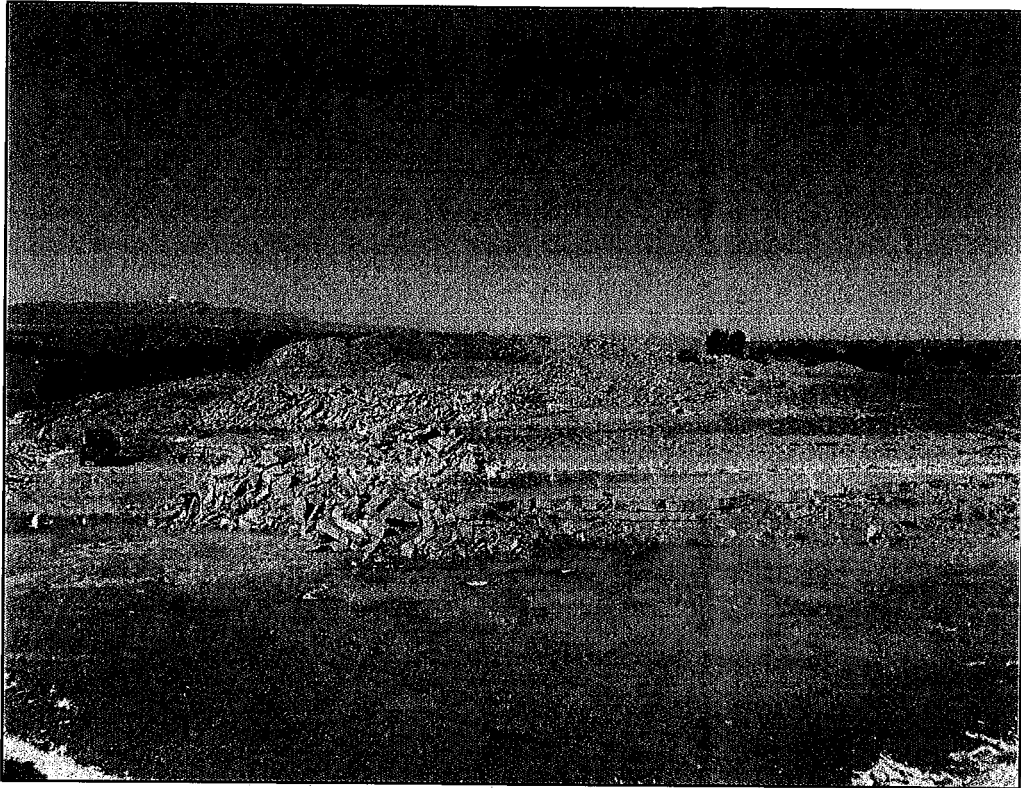


Photo 7: Looking north across the site

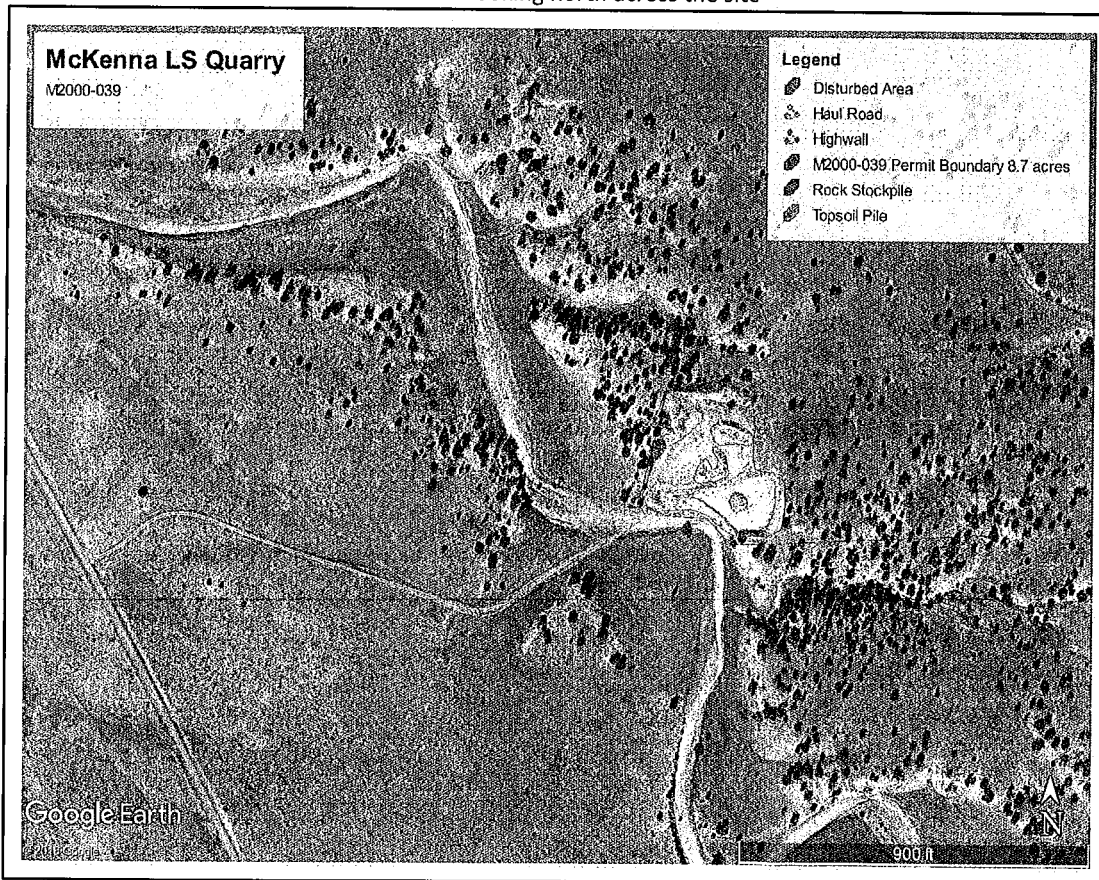


Figure 1: Site map

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>PB</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

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Delhur Industries, Inc.
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Enclosure

CC: