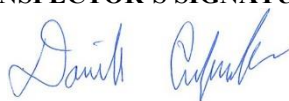




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Rocky Ford East Pit	MINE/PROSPECTING ID#: M-1977-560	MINERAL: Sand and gravel	COUNTY: Otero
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Daniel Cunningham	INSP. DATE: July 2, 2020	INSP. TIME: 11:00
OPERATOR: VALCO, Inc.	OPERATOR REPRESENTATIVE: Tom Brubaker	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$193,678.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 20, 2020	

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>NA</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>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</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 an inspection to assess reclamation work conducted at the Rocky Ford East Pit by DRMS representative DJ Cunningham. Mr. Tom Brubaker was present during the inspection representing the Operator. This site is an active, 107.33 acre, 112c permit with 74 acres disturbed to date.

On May 29, 2019 the Operator submitted Technical Revision No. 3 (TR-3). TR-3 addressed the backfill and grading of the two large ponds that were onsite. The TR was approved on September 26, 2019 and raised the financial warranty to \$795,478.00, which was due on December 3, 2019, The Division approved a conditional extension on January 17, 2020 granting additional time to complete reclamation.

As of the date of this inspection, the Operator has completed backfilling and grading the two ponds. In addition to the two ponds, the Operator has also completed laying down six inches of topsoil and seeding the entire disturbed area.

The Division currently holds a letter of credit in the amount of \$193,678.00, but requires a financial warranty of \$795,478.00. At this time, the Division estimates the required surety would be well below the currently held amount. The Operator will need to submit a Surety Reduction application, which can be found on our website at <https://www.colorado.gov/pacific/drms/minerals-program-forms>. The Division will approve a surety reduction down to \$127,990.00 if the application is submitted by **August 17, 2020**.

PHOTOGRAPHS



Mine Entrance Sign



Mine Site Facing Southwest



Mine Site Facing Southeast



Mine Site Facing Northeast.

Inspection Contact Address

Tom Brubaker
VALCO, Inc.
9121 Sunshine Meadow Pl.
Parker, CO 80134

Enclosure

CC: