




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: Hitch Rack Ranch	MINE/PROSPECTING ID#: P-2017-008	MINERAL: Granite, granite gneiss	COUNTY: El Paso
INSPECTION TYPE: Surety Release Inspection	INSPECTOR(S): Timothy Cazier, P.E.	INSP. DATE: January 21, 2021	INSP. TIME: 10:30
OPERATOR: Transit Mix Concrete Co.	OPERATOR REPRESENTATIVE: Jerald Schnabel	TYPE OF OPERATION: ME - Mineral Exploration	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$4,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 1, 2021

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>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted by Tim Cazier (DRMS) as part of a surety release request. Mr. Jerry Schnabel (representative for the exploration effort) was present during this inspection. The Hitch Rack Ranch is accessed from Hwy 115 about 15 miles southwest of Colorado Springs, in El Paso County. Snow was 2 to 4 inches deep along Little Turkey Creek next to the permanent access road.

Availability of Records: Annual fees are paid through July 2020. The previous inspection was on May 9, 2018. No problems were cited. There are some discrepancies in the Permanent Final Abandonment Reports for the monitoring wells and missing well permits from the Division of Water Resources (DWR). An adequacy letter for those issues was sent under separate cover.

Backfilling and Grading: Based on site observations during this and the previous inspections, no further grading is required. Borehole abandonment reports were received for all seven monitoring wells have been received. Some clarifications have been requested as stated above. The approved reclamation plan for this NOI left final reclamation status of the drill roads up to the landowner. The release request submitted to the DRMS include a letter from the landowner stating the desire to keep the drill access roads for additional site access. It should be noted that no new roads were constructed for the seven monitoring wells. All seven were drilled next to the existing permanent access road or on roads constructed for the initial drilling program under P-2014-016. Therefore, no road reclamation is required.

Financial Warranty: As no further reclamation is necessary, the \$4,000 bond held by the DRMS is recommended to be released, once the discrepancies in the Permanent Final Abandonment Reports has been addressed.

Fish and Wildlife: No impact to wildlife was observed.

Permit Stipulations: Transit Mix intends to leave LTC-GW boreholes as permanent monitoring wells, and these wells will not be abandoned. Transit Mix is in the process of obtaining monitoring well permits from the Department of Water Resources (DWR) and commits to following all DWR rules and regulations for monitoring wells. Transit Mix will provide copy of the permit filings to CDRMS. If at any time these wells are no longer intended for use as monitoring wells, Transit Mix will permanently abandon them according to Rule 16 of the Colorado State Engineers Water Resources Division regulation. Specifically, Sections 16.4.1 and 16.1.3. When the DRMS has received all seven DWR permits, this permit stipulation will be considered closed.

Reclamation Success: Reclamation appears complete based on this and previous inspections.

Revegetation: Grasses were observed protruding through the snow in the vicinity of the frames around the monitoring wells (see **Photos 1 - 3**). No noxious weeds were observed.

Storm Water MGT Plan: No oil or fuel spills were observed.

SUMMARY: The DRMS will recommend approval of the surety release request once the discrepancies in the Permanent Final Abandonment Reports has been addressed. We are required to wait 30 days after the decision to allow for an appeal. You will be notified under separate cover of our approval.

PHOTOGRAPHS



Photo 1. Grasses establishing near LTC-GW-2.



Photo 2. Grasses establishing near LTC-GW-6.

PHOTOGRAPHS (cont.)



Photo 3. Grasses establishing near LTC-GW-7.

Inspection Contact Address

Jerald Schnabel
Transit Mix Concrete Co. c/o Castle Aggregate
549 E Cucharas Street
Colorado Springs, CO 80903

ec: DRMS file
Jerry Schnabel