




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: Cortez Pit | MINE/PROSPECTING ID#: M-1976-059 | MINERAL: Sandstone | COUNTY: Montezuma |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Dustin Czapla | INSP. DATE: April 28, 2021 | INSP. TIME: 10:00 |
| OPERATOR: PEPS Transport of Colorado LLC | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$2,517.00 | |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None | |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: May 13, 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>N</u> | (FN) FINANCIAL WARRANTY----- <u>N</u> | (RD) ROADS----- <u>N</u> |
| (HB) HYDROLOGIC BALANCE----- <u>Y</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>N</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>N</u> | (SP) STORM WATER MGT PLAN---- <u>N</u> | (RS) RECL PLAN/COMP-- <u>Y</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 / 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 Division of Reclamation, Mining and Safety's (Division) normal monitoring program. A representative for the operator was not present. Photographs are included with this report in order to illustrate some of the conditions observed.

The Cortez Pit is located approximately three miles southwest of Cortez and accessed from G Road. The site is a 112c operation that includes a total of 36.4 permitted acres. The Division currently holds a financial warranty amount of \$2,517.00 for this site. The required financial warranty amount was established through approval of SO-01 in September 2017. The Division has reviewed the reclamation costs, in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan, and determined that the current financial warranty amount is sufficient.

The site is in the final stages of reclamation, with limited re-vegetation of pit slopes remaining to be completed. The slopes that required grading have been mostly left at 2H:1V. Native vegetation is establishing itself on the slopes. No erosional or stability problems were noted.

No noxious weed infestations were noted.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, 1313 Sherman Street Room 215, Denver, Colorado, 80203, phone number (303) 866-3567, ext. 8188.

PHOTOGRAPHS



Inspection Contact Address

Daniel Pokrajac
PEPS Transport of Colorado LLC
8060 Double R Blvd., Suite 100
Reno, NV 89511