

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: | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|-------------------------------|---------------------------------|---------------------------------------|-------------|
| Newett Quarry | M-1978-093 | Limestone (general) | Chaffee |
| INSPECTION TYPE: | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | Lucas West | June 22, 2022 | 09:00 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Pete Lien & Sons, Inc. | Dana Mellage | 112c - Construction Regular Operation | |
| | DOND GAL CHILATION TUDE | DOND AMOUNT | |
| REASON FOR INSPECTION: | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Normal I&E Program | Complete Bond | \$132,228.00 | |
| DATE OF COMPLAINT: | POST INSP. CONTACTS: | JOINT INSP. AGE | NCY: |
| NA | None | None | |
| WEATHER: | INSPECTOR'S SIGNATURE: | SIGNATURE DAT | E: |
| Clear | and | July 27, 2022 | |

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 Y | (RD) ROADS <u>Y</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 Y | (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 / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted in response to the Operator's Request for a second consecutive five year term of Temporary Cessation. The request was received on November 12, 2021 however due to weather conditions and prolonged snowmelt, the site was not accessible until June of 2022. The Newett Quarry is a 112c operation located approximately eight miles east of Buena Vista, CO at 9350 feet in elevation. The site is access by County Road 309 and public access is controlled by a locked gate at the County Road. The Division currently holds \$132,228.00 in Financial Warranty for the site. As part of the Temporary Cessation process a Reclamation Cost Estimate was performed and staff calculations found the currently held Financial Warranty to be sufficient to achieve reclamation of the site in accordance with the Act, Rules and approved Reclamation Plan. Five Photos accompany this report to illustrate the current site conditions.

The site was not active at the time of the inspection and no mining equipment was located on site as the operation is currently in Temporary Cessation. The proper Mine Identification signage was posted at the entrance to the site and can be seen in Photo One. The affected areas are clearly marked by T-Posts and all disturbances are within the affected area boundaries. The lower permit area contains stockpiled of various materials that were all observed to be stable and in good condition. No evidence of recent hauling activity was noted, and the floor of the stockpile area appears to exhibit positive drainage. Examples of the stockpiles and stockpile area can be seen in Photos Two and Three. An access road connects the stockpile area from the mining area. Along the access road several storm water control structures were observed. At the time of the inspection they were all in good condition and able to function as designed. The Operator is reminded that even in times of Temporary Cessation, storm water maintenance is required. The access road is in good condition and no significant erosion was noted.

The main mining area consists of a highwall approximately 20 feet tall and spans nearly 100 Linear Feet of exposed competent rock. No evidence of sloughing or instability was noted. The highwall can be seen in Photos four and five. Adjacent to the highwall, various stockpiles of overburden and waste material is staged. The piles were stable at the time of the inspection and appear to be of sufficient volume to achieve the post reclamation topography.

Topsoil has been salvaged throughout the life of the mine, and all topsoil stockpiles were observed. The topsoil piles have been stabilized with vegetation and show no signs or erosion or transport. Other storm water control structures not along the access road were also observed and appeared to be in good working order. The site as a whole exhibits positive drainage and no evidence of impounding storm water was noted. Conversations with the Operator indicate that active weed management is ongoing and no State Listed Noxious Weeds were noted.

The overall footprint of the site is in excellent condition and free from any trash or debris. No problems or possible violations were observed. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at DRMS, Room 215, 1001 E. 62nd Ave., Denver CO 80216. Direct Contact can be made at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

PERMIT #: M-1978-093 INSPECTOR'S INITIALS: LJW INSPECTION DATE: June 22, 2022

PHOTOGRAPHS



lower permit area. All stockpiles appeared stable and no evidence of erosion or material transport was noted.



AND RECEIPTING AND A CARD



Page 4 of 5



Inspection Contact Address Dana Mellage Pete Lien & Sons, Inc. P.O. Box 440 Rapid City, SD 57709

CC: Travis Marshall, DRMS