




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: South Hinsdale Gravel Pit	MINE/PROSPECTING ID#: M-2022-018	MINERAL: Sand, gravel and bor for construction	COUNTY: Hinsdale
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Lucas West	INSP. DATE: August 22, 2022	INSP. TIME: 10:30
OPERATOR: South Hinsdale Sand & Gravel LLC	OPERATOR REPRESENTATIVE: Travis Texer	TYPE OF OPERATION: 110c - Construction Limited Impact	
REASON FOR INSPECTION: Preoperational Inspection	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: No Bond Held	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 24, 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----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</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>N</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>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 as a Pre-Operational Inspection completed as part of the application process established by the Colorado Division of Reclamation, Mining and Safety's Active Mines Program. The application is for the South Hinsdale Gravel Pit, located approximately 16 miles North of Pagosa Springs, CO in Hinsdale County at an elevation of 7650 Feet. The proposed operation is for the extraction of construction materials consisting of 9.4 Acres solely on private land. The primary present land use is pastureland and the application details that reclamation will be conducted to support a post mining land use of pastureland. The site lies at the intersection of Piedra Road and Kleckner Lane, access to the mining areas will be controlled by gates installed along the fence lines at the access point. A Reclamation Cost Estimate will be performed and the Request for Warranties will be sent to the Operator under a separate cover. Five Photos accompany this report to illustrate the current site conditions.

The proper notice sign was posted near the entrance to the site and can be seen in Photo One. The application details a phased mining plan, consisting of approximately 3 acres per phase, working in a counter clockwise fashion. The interior of the mining area will be mined using a traditional highwall mining techniques and as the mining operations near the permit boundary, mining will be conducted at reclamation grade. Mining will be conducted to an average depth of 20 feet with 40 feet possible in some areas. The proposed permit boundary includes Kleckner Lane, which is a private road on an existing US Forest Service Right of Way that will be mined through, and the road realigned to achieve a shallower grade with better line of site. Realignment of the road will serve as a benefit to the community it serves as well as improve safety concerns associated with the existing road. Permanent man-made structures within 200 feet of the proposed Permit Area include Kleckner Lane, Piedra Road (with bridge over the Piedra River), and fence lines. All structures were observed and verified to fall under the scope of the engineering evaluation submitted by the Applicant.

The site is completely undisturbed and well vegetated. Examples of the undisturbed areas can be seen in Photos Two through Five. The vegetative cover is dense and diverse with minimal evidence of annual weeds. On site discussions with the applicant indicate they have already begun working with Hinsdale County on an active weed management plan for the operation. Located within the site are two irrigation return flow ditches. One flows along the shoulder of Kleckner Lane that will be relocated as part of the road realignment process. This ditch was running at the time of the inspection. The other exists on the north side of Kleckner Lane that departs the road on the east side of the proposed area, and flows down an existing outfall, eventually returning to the Piedra River. During mining, these flows will be diverted to prevent impacts to the affected areas, and ensure the return flows still report to the Piedra River. Upon reclamation this ditch will be realigned with Kleckner Lane and allowed to flow unimpeded. This ditch was not running water within the proposed affected lands at the time of the inspection. Another feature located within the proposed permit is a small "wetland" area that exists along the fringe of an intermittent stream that enters and exits the proposed permit area in the very southeast corner. This area was observed, and exists at the toe of a long hill. Mining activities will not be conducted in this area, the only disturbance that will exist in this area is the installation of storm water control features designed to protect this area and cause no impacts to the stream or the "wetland" area.

Based on the observations made during this inspection, as well as details provided by the Applicant in the application and its supporting materials, the Division has determined the application has met the requirements of the Act and Rules and Regulations. Division staff has issued the Decision to Approve the Application over public objections. Please see the enclosed Application Approval and Request for Financial and Performance Warranties as well as the Division's Letter of Rationale to Approve the Application Over Public Objections for more information. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety's Active Mines Program at 1001 E. 62nd Ave, Room 215 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.

PHOTOGRAPHS



Photo One: view east, showing a portion of the proposed Permit Area as well as the notice sign posted at the entrance to the site. This area is south of Kleckner Lane and is well vegetated.



Photo Two: View east, showing the northwest section of the proposed Permit Area. The area is well vegetated and undisturbed. Also visible is the drainage associated with the privately owned irrigation return flow ditch that will be rerouted during mining.



Photo Three: View west, showing the northern section of the proposed Permit Area. The hill will be mined to blend in with the realigned road bisecting the permit area.

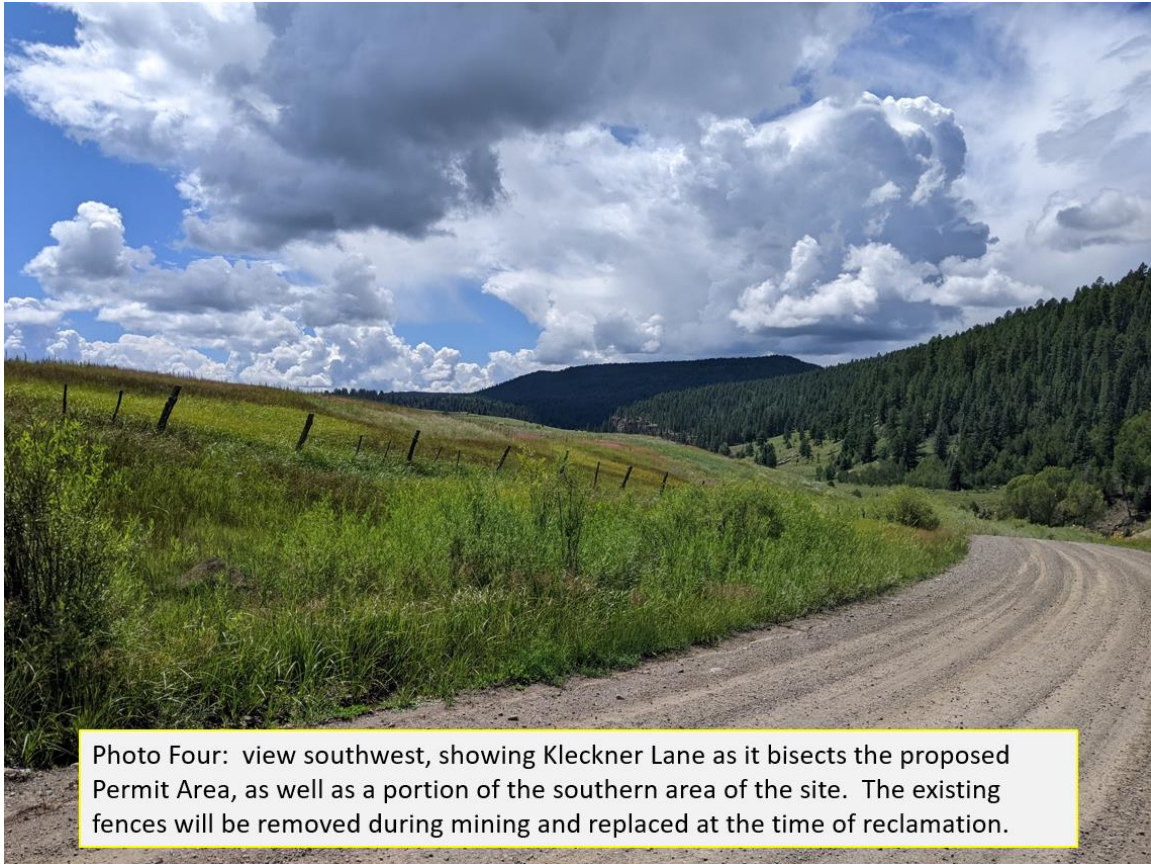


Photo Four: view southwest, showing Kleckner Lane as it bisects the proposed Permit Area, as well as a portion of the southern area of the site. The existing fences will be removed during mining and replaced at the time of reclamation.



Photo Five: View south, showing another view of the southern portion of the proposed Permit Area. The vegetative cover throughout the site is dense, diverse and is consistent with the stated pre-mining land use.

Inspection Contact Address

Travis Texer
South Hinsdale Sand & Gravel LLC
101 Kleckner Lane
Pagosa Springs, CO 81147

Enclosure 110(c) Application Approval Letter and Request for Financial and Performance Warranties
Letter of Rationale to Approve the Application over Public Objections

CC: Travis Marshall, DRMS

EC: Travis Texer, South Hinsdale Sand & Gravel LLC
Sandy Hines, Hinsdale County
Nathan Barton, WASTELINE Inc.