COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

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: Wagner Rock Pit	**MINE/PROSPECTING ID#:** M-1999-018	**MINERAL:** Gravel	**COUNTY:** Moffat
INSPECTION TYPE: Monitoring	**WEATHER:** Clear	**INSP. DATE:** July 25, 2023	**INSP. TIME:** 14:30
OPERATOR: Wagner Construction Inc.	**OPERATOR REPRESENTATIVE:** Jay Wagner	**TYPE OF OPERATION:** 112c - Construction Regular Operation	
REASON FOR INSPECTION: Citizen Complaint	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $71,428.00	
DATE OF COMPLAINT: July 7, 2023	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None	
INSPECTOR(S): Zach Trujillo	**INSPECTOR'S SIGNATURE:** 	**SIGNATURE DATE:** August 11, 2023	

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

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 Colorado Division of Reclamation, Mining and Safety normal monitoring program conducted by Zach Trujillo in response to a Citizen Complaint. The Wagner Rock Pit is a 112c sand and gravel pit that consists of a total of 27.91 Acres. It is located in Moffat County approximately four miles Southeast of Craig Colorado and is accessed via County Road 394. Jay Wagner (Operator) attended the inspection on behalf of the Wagner Construction Inc. According the Operator, the mine site has been inactive since the previous year.

The Division received the public complaint on July 7, 2023 by an adjacent landowner. The nature of the complaint as provided is in regards to Ground Water / Water Well Impact and Other ("North end concern"). The following is the detailed description of the potential issues as provided within the complaint:

"My family's property, the Ashbaugh ranch, borders the Wagner gravel pit. When I talked our property line this spring, it looked like the gravel pit had expanded closer to my fence line and therefore closer to the spring that feeds 6 families including ourselves and surrounding neighbors. My understanding after reading several documents regarding this pit is that the instance from the pit to the spring needs to be a certain distance. The neighbors and my family are continually concerned of the potential effects to our spring water if damaged by the Wagner pit through their mining operation.

The second concern myself and my neighbors have is the defacement of the north end of the pit. There were mini avalanches to the west of the pit this past winter on my property due to snow accumulation. The grade on the mountain where the pit is located is steep on the north end. We are concerned of erosion potential and the potential effects of the continued defacement in that area. My family and neighbors expressed that when this permit was first requested in 1997; we were told the mountain wouldn't change on that north side.

I look forward to discussions regarding these concerns in the future and potential resolutions/assurances to the viability of our spring and our properties that surrounding this pit. Thank you."

Prior to the inspection, the approved permit and associated maps were reviewed. The Division georeferenced the approved Exhibit C - Mining Plan Map within ArcGIS and uploaded to ArcGIS Field Maps (Field Maps) for use during the inspection. Field Maps is an all-in-one app that uses data-driven maps and mobile forms to help workers perform data capture and editing, find assets and information, and report their real-time locations with the use of GPS. This allowed the inspector to ensure he was able to document his location and any potential issues during the inspection with respect to the approved limits of the disturbance boundary and permit boundary.

During the inspection, the Division inspected the entire permit boundary, disturbance boundary, and the excavated pit for potential issues or violations associated with the complaint. Using Field Maps, the approved boundaries were traversed and inspected for any signs of groundwater exposure and off-site impact such as mining outside of the approved boundary, surface runoff, erosion, and/or gullying that would be associated with the mine.

Generally, the site elevation gradient dips gently from south to north. The northern portion of the mine is encompassed by a berm which captures all potential disturbed surface runoff from leaving off site. Just off

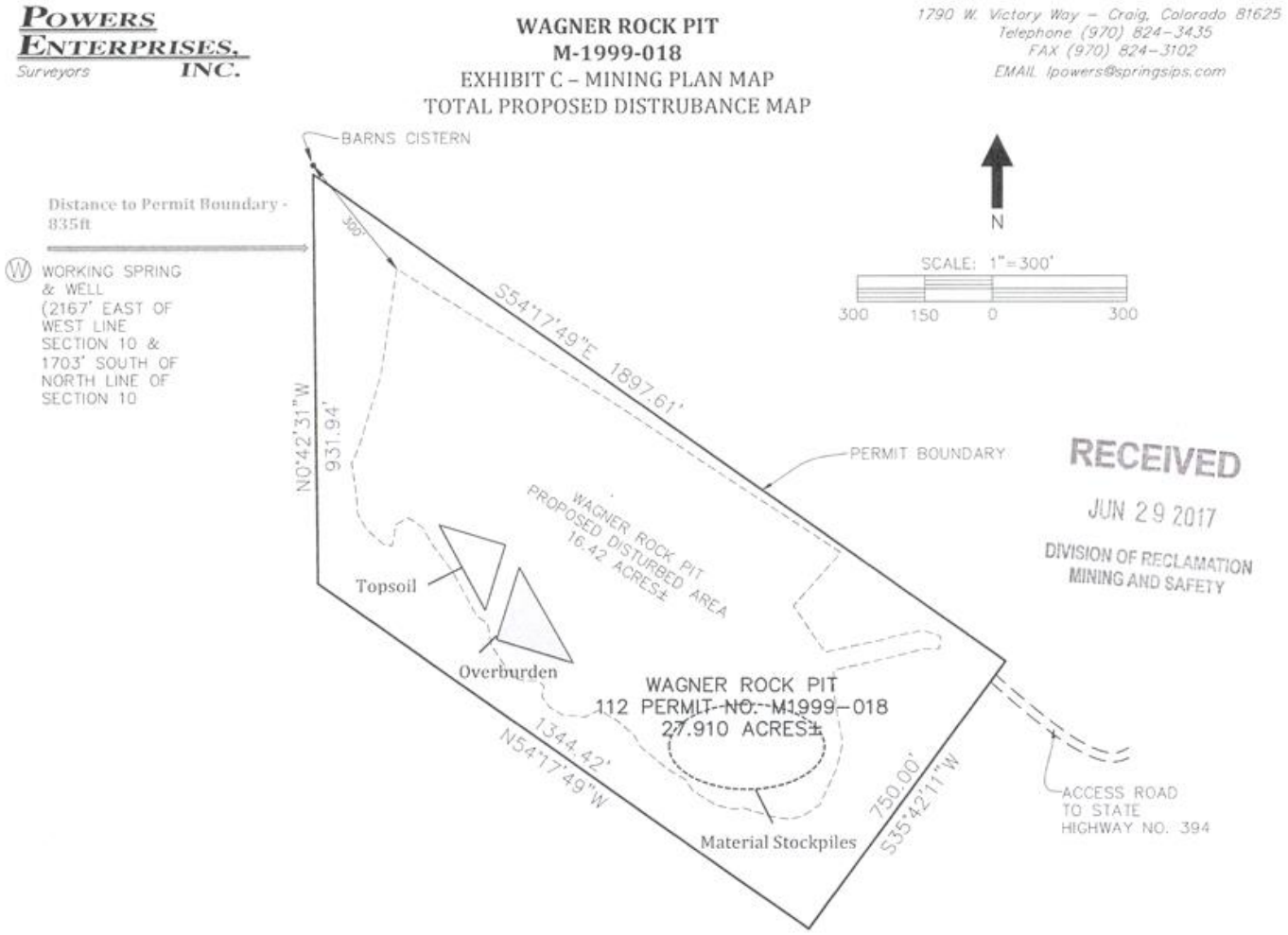
the crest of the berm to the north is where the disturbance boundary meets the native slope which is relatively steep. This slope is mostly undisturbed and native (Pictures 1, 2 and 3). A ditch exists southwest of the mine along with two retention ponds. These surface water control features capture water from the remaining portion of the site in which the surface dips south and west as shown on the approved map, Exhibit C - Mining Plan Map, Water Control Features. The retention ponds were dry during the inspection and the ditch was stable and functional. To the west of the site, there is a natural drainage that begins just along the western pit disturbance. This drainage directs potential runoff in the direction of the Murphy Spring which is the spring of concern listed within the complaint. The Murphy Spring is located approximately 850' from the nearest mining disturbance and surface water would have to travel approximately 1200' per the approved Exhibit G of the mining permit. This drainage (Picture 5) was walked until the permit boundary was encountered. The drainage is undisturbed native ground that is well vegetated and there was no erosion encountered within the permit boundary. The nearest mining disturbance is graded to the east with a slope of approximately 3H:1V so that no disturbed surface runoff can flow in the direction of the drainage. Overall, no off-site impacts such as mining outside of the approved boundary, surface runoff, erosion, and/or gullying that would be associated with the mine was observed.

As noted earlier, the excavated pit along with its associated highwalls were inspected (Pictures 7 and 8). The purpose for this was to look for any groundwater exposure, seeps or springs along the pit floor and highwalls that could indicate potential impacts to the Murphy Spring. The pit was inspected beginning from the west, nearest to the Murphy Spring, and walked in a counter-clockwise direction. During the inspection, there were no visible signs of any seeps or springs within any of the highwalls or groundwater coming from the pit floor. The pit floor and highwalls were completely dry, indicating the mining operation is occurring above the water table.

Based on the observations associated with this inspection, the Division did not find any evidence the mining operation is causing offsite impacts, including to the Murphy Spring. The operation appears to be following the approved mining and reclamation plans, and all mining-related disturbances are occurring within the approved permit area. There were no issues encountered during this inspection.

Responses to this inspection report should be directed to: Zach Trujillo at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 303-866-3567 Ext 8164 or via email at Zach.Trujillo@state.co.us.

FIGURES



Approved Exhibit C – Mining Plan Map: Location of Murphy Spring

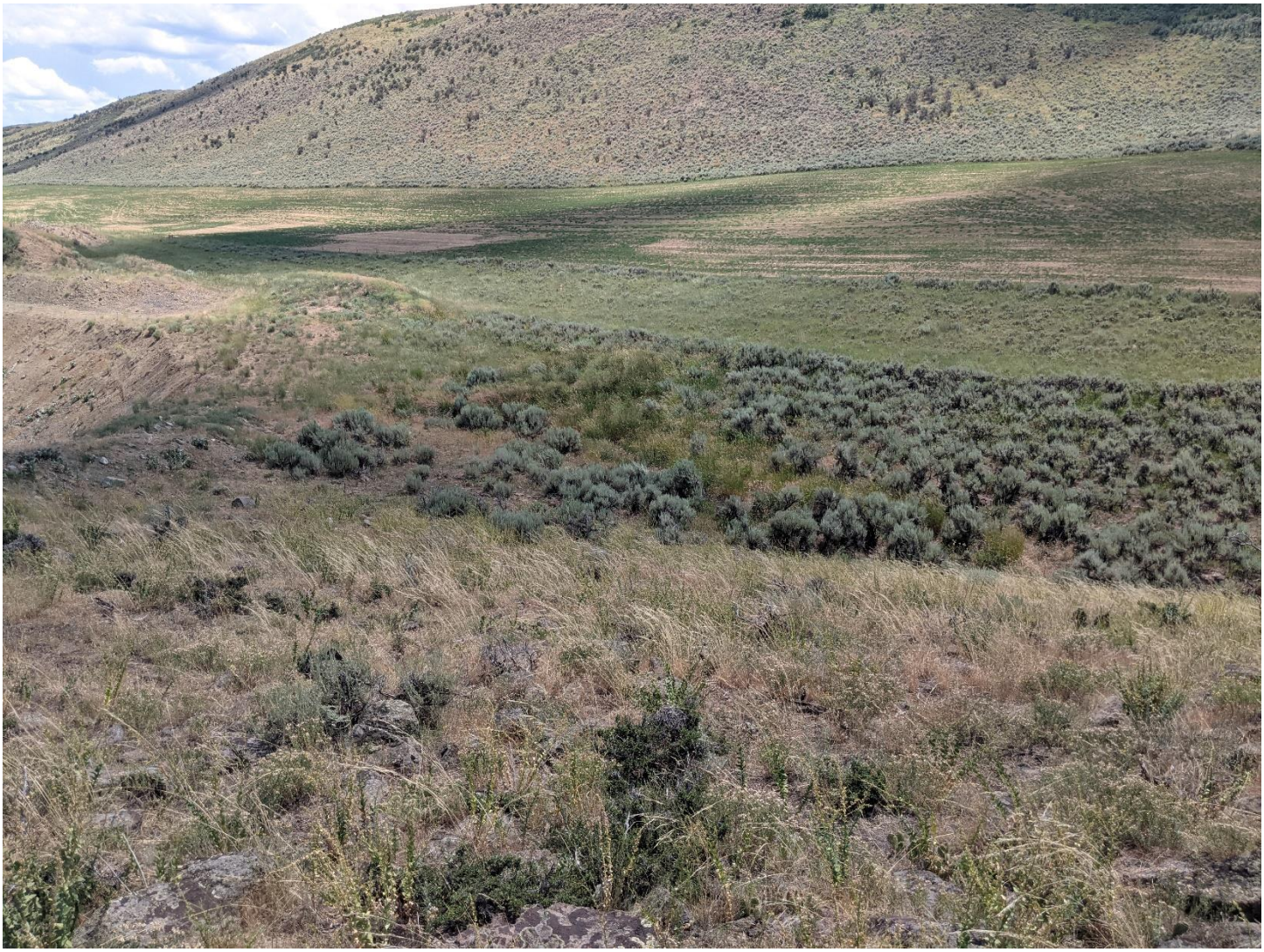
Wagner Pit – Inspection Picture Identification, Location and Direction

PHOTOGRAPHS

Picture 1.

Picture 2.

Picture 3.



Picture 4.

Picture 5.

Picture 6.

Picture 7.

Picture 8.

Inspection Contact Address
Jay Wagner
Wagner Construction Inc.
1850 E. 1st Street
Craig, CO 81625

Enclosure

CC: Amy Eschberger, DRMS
Wanda Ashbaugh, complainant