

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:	MI	NE/PROSPECTING ID#:	MINERAL:	COUNTY:
Zellitti Pit	M-1980-246		Gravel	La Plata
INSPECTION TYPE:	WEATHER: Clear		INSP. DATE:	INSP. TIME:
Monitoring			May 7, 2024	15:40
OPERATOR:	OP	ERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Anthony Zellitti	Bar	ry Zellitti	112c - Construction Regular Operation	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:		BOND AMOUNT:	
Normal I&E Program	Complete Bond		\$44,818.00	
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA None		None	None	
INSPECTOR(S):	INS	PECTOR'S SIGNATURE:	SIGNATURE DATE:	
Dustin Czapla			May 31, 2024	
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The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

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INSPECTION TOPIC: Financial Warranty

PROBLEM/POSSIBLE VIOLATION: Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

CORRECTIVE ACTIONS: The operator shall submit adequate financial warranty, as determined by the Division. The Division will be sending a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.

CORRECTIVE ACTION DUE DATE: 7/01/24

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Barry Zellitti, representing the Operator, was present during the inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Zellitti Pit is located approximately nine miles south of Durango and accessed from CR 300. The site is a 112c operation that includes a total of 60.1 permitted acres. The Division currently holds a financial warranty amount of \$44,818.00 for this site. 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 insufficient. The Operator has been notified under separate cover of a financial warranty increase.

Adequate mine identification signage was noted at the entrance to the site.

The affected area was marked by posts and fencing that was clearly visible and adequate to delineate the affected area boundary.

Mining was not occurring during this inspection. A dozer, loader, conveyors and other various equipment were stored on site. Several stockpiles of crushed gravel remain on site.

The mined slope at the west end of the Phase 1 area has been regraded to approximately 3H:1V and appears stable. The remainder of the highwall on the east side of the access road is approximately 1H:1V.

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.

Inspection Contact Address

Barry Zellitti Anthony Zellitti 2001 CR 300 Durango, CO 81301

PERMIT #: M-1980-246 INSPECTOR'S INITIALS: DMC INSPECTION DATE: May 7, 2024

