

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:
Cortez Pit		M-1976-059	Sandstone (silica, sto Montezuma	
			quartzite)	
INSPECTION TYPE:		WEATHER: Clear	INSP. DATE:	INSP. TIME:
Monitoring			March 26, 2025	09:00
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
PEPS Transport of Colorado LLC		None	112c - Construction Regular Operation	
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program			\$2,517.00	
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA		None	None	
INSPECTOR(S):	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:	
Todd Jesse			April 11, 2025	
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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 N	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>Y</u>	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES \underline{N}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION <u>N</u>	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(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 report was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining, and Safety's Active Mines Program. The Blue River Pit is a 112c Operation operated by PEPS Transport of Colorado LLC. The site consists of 36.4 acres and is located 4 miles southwest of Cortez, CO at an elevation of approximately 5800 feet. Public access is controlled by a gate - The site is on private land and is within a fenced compound. No representative of PEPS Transport of Colorado LLC was present during the inspection.

Financial Warranty:

The last bond calculation was completed in 2017. In an effort to ensure the financial warranty remains adequate to reclaim this site per the requirements of the approved reclamation plan, DRMS has updated the Reclamation Cost Estimate. The updated cost estimate shows that the current required surety is sufficient to complete reclamation. The only remaining reclamation task on the site is revegetation.

Fish and Wildlife:

Ungulate and coyote tracks were observed throughout the mine site. There were also multiple chipmunks and songbirds present on site.

Hydrologic Balance:

No evidence of exposed groundwater was noted within the permit boundary during the inspection. There are no surface water features within or near the permit boundary. No hydrocarbons are stored within the permit and there were no evidence of spills noted during the inspection.

Gen. Compliance With Mine Plan:

The site is in final reclamation and work is progressing in accordance with the approved reclamation plan. There was no activity or equipment present on site. No product stockpiles were noted.

Reclamation Success:

The site is at final reclamation grade. Slopes appear to be stable and well vegetated. There are no signs of excessive erosion. The only remaining reclamation task remaining is to revegetate.

Roads:

The main road to access the site is well maintained and with no ruts or washer boarding. The road approaching the pit is paved and does not require dust suppression. No erosion or slumping was observed on the roads during the inspection.

Signs and Markers:

The site is on private land and is within a fenced compound owned by PEPS Transport of Colorado LLC. The permit boundary is marked by posts.

All responses to this report should be directed to Todd Jesse with the Division's Active Mines Program 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 (720) 688-0626 or by email at todd.jesse@state.co.us.

PHOTOGRAPHS



Photo 1: View to the east of boundary marker.



Photo 2: View to the northeast of rock outcrop on western end of the upper bench within the permit area.



Photo 3: View to the northwest of lower bench.



Photo 4: View to the east of slope between upper and lower bench

PERMIT #: M-1976-059 INSPECTOR'S INITIALS: TJ1 INSPECTION DATE: March 26, 2025

Inspection Contact Address

None PEPS Transport of Colorado LLC 8060 Double R Blvd., Suite 100 Reno, NV 89511

Enclosure

CC: Travis Marshall, Senior EPS, DRMS