

COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY 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.

OPERATOR: Connell Resources, Inc.	OPERATOR REPRESENTATIVE: Larry Johnson	TYPE OF OPERATION: 112c - Construction Regular Operation	
Monitoring	Dustin M. Czapla	April 2, 2012	13:00
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Lyster Pit	M-2008-009	Sand and gravel	Moffat
MINE NAME:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Normal I&E Program	None	\$142.149.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	Quetter Crued	April 2, 2012

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

Y = Inspected and found in compliance / 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 Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Larry Johnson and Mike Duster, representing the Operator, were present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed during this inspection.

The Lyster Pit is located approximately 2.5 miles southeast of Craig and accessed from Hwy. 394. The site is a 112c operation that includes a total of 60 permitted acres. The Division currently holds a financial warranty amount of \$142,149.00 for this site. The required financial warranty amount was determined during the recent review of Technical Revision 2 (TR2), which was approved on November 3, 2011, and is still considered adequate.

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

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

Mining of Phase 1 area was nearly completed and the Operator was preparing to mine Phase 2 area. During this inspection, overburden was being transported from the Phase 2 area to the north portion of the Phase 1 area, and used for backfilling the pit slopes.

Vegetation was well established on the berm along the north permit boundary.

Noxious weeds were noted at the site.

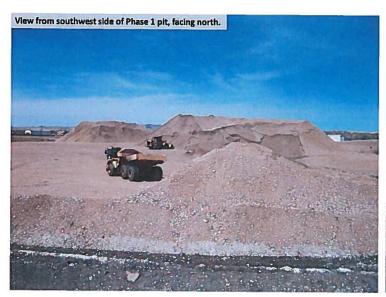
Offsite disturbance was not noted during this inspection.

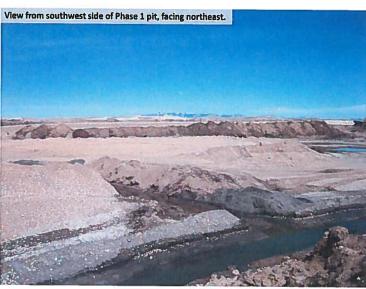
No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

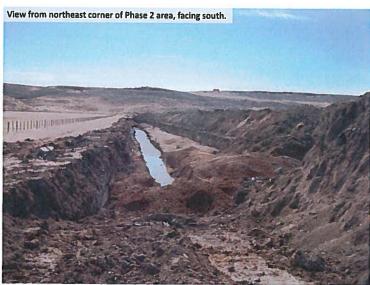
PERMIT #: M-2008-009 INSPECTOR'S INITIALS: DMC INSPECTION DATE: April 2, 2012

PHOTOGRAPHS









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Inspection Contact Address

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