

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.

| MINE NAME: | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|--------------------------|--------------------------|---------------------------------------|-------------|
| Ignacio Pit | M-1977-446 | Sand and gravel | La Plata |
| INSPECTION TYPE: | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | Kate A. Pickford | March 15, 2012 | 14:00 |
| OPERATOR: | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Hocker Construction, LLP | Roy Hocker | 112c - Construction Regular Operation | |

| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$115.646.00 |
|---|--------------------------------------|------------------------------|
| DATE OF COMPLAINT: | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None |
| WEATHER: | INSPECTOR'S SIGNATURE: | SIGNATURE DATE: |
| Clear | Sate Mill | April 4, 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. 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.

| | | 490 |
|-------------------------------------|--|------------------------------|
| (AR) RECORDS <u>Y</u> | (FN) FINANCIAL WARRANTY <u>Y</u> | (RD) ROADS <u>Y</u> |
| (HB) HYDROLOGIC BALANCE Y | (BG) BACKFILL & GRADING \underline{Y} | (EX) EXPLOSIVES N |
| (PW) PROCESSING WASTE/TAILING N | (SF) PROCESSING FACILITIES \underline{N} | (TS) TOPSOIL \underline{Y} |
| (MP) GENL MINE PLAN COMPLIANCE- Y | (FW) FISH & WILDLIFE \underline{N} | (RV) REVEGETATION Y |
| (SM) SIGNS AND MARKERS <u>Y</u> | (SP) STORM WATER MGT PLAN N | (SB) COMPLETE INSP N |
| (ES) OVERBURDEN/DEV. WASTE <u>N</u> | (SC) EROSION/SEDIMENTATION \underline{Y} | (RS) RECL PLAN/COMP Y |
| (AT) ACID OR TOXIC MATERIALS N | (OD) OFF-SITE DAMAGE <u>N</u> | (ST) STIPULATIONS <u>N</u> |

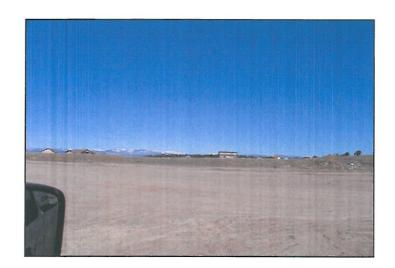
Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation Mining and Safety monitoring program. The site is nearly mined out. Stockpiles on the pit floor will be removed, slopes will be graded and the site seeded. The slope on the south end of the site will not be reclaimed, as the operator plans to do a conversion on the permit adding the acreage to the south.

No problems were cited during this inspection. The current bond amount of \$115,646 is adequate for reclamation of the site.

PHOTOGRAPHS

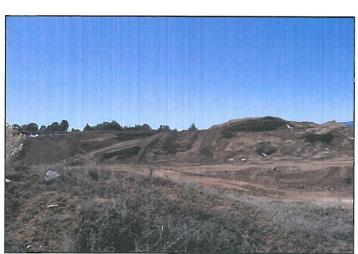












PERMIT #: M-1977-446 INSPECTOR'S INITIALS: KAP INSPECTION DATE: March 15, 2012

Inspection Contact Address Roy Hocker Hocker Construction, LLP P O Box 627 Ignacio, CO 81137