




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: Bunn Ranch Pit	MINE/PROSPECTING ID#: M-1980-131	MINERAL: Sand and gravel	COUNTY: Moffat
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin M. Czapla	INSP. DATE: March 28, 2012	INSP. TIME: 09:00
OPERATOR: Elam Construction, Inc.	OPERATOR REPRESENTATIVE: Gayle Lyman	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$48,320.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 19, 2012

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.

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: 6/20/12

OBSERVATIONS

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

The Bunn Ranch Pit is located approximately one mile southeast of Craig and accessed from a private road off of East 1st Street. The site is a 112c operation that includes a total of 133 permitted acres. The Division currently holds a financial warranty amount of \$48,320.00 for this site. This amount was set through SI-1 in 1987. Following this inspection, the Division reviewed the reclamation costs for this site, 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 will be 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 fencing that was clearly visible and adequate to delineate the affected area boundary.

Mining at the site has created eight distinct pits. Figure 1 shows the pits labeled as they will be referred to in this report.

Pit 1

This area appeared to have been mined out. The pit slopes were left at approximately 2H:1V and vegetation was well established. The approved reclamation plan requires that all final slopes be no steeper than 3H:1V. A topsoil berm was placed between the pit and the Ana Branch canal on the west and south sides of the pit.

Pit 2

Reclamation of this pit had not yet commenced. The pit slopes were approximately 1H:1V. The Ana Branch borders this pit on the south and west sides.

Fuel storage was noted in the operations area between pits 1 and 2 in adequate secondary containment.

Pit 3

The average grade of the slopes around this pit appeared to be approximately 1H:1V. The north side of this pit is near the north permit boundary. The Ana Branch borders this pit on the east and south sides. Pursuant to the approved reclamation plan, this pit may eventually merge with Pit 2.

Pit 4

All but the east highwall of this pit had been graded to 3H:1V or flatter. Vegetation was very well established on the reclaimed slopes. The east highwall appeared to be approximately 2H:1V. A small stockpile of concrete fragments was noted northeast of this pit.

Pit 5

All but the north and east highwalls of this pit had been graded to 3H:1V or flatter. Vegetation was very well

established on the reclaimed slopes. The north and east highwalls appeared to be approximately 2H:1V. Pursuant to the approved reclamation plan, this pit may eventually merge with Pit 4.

Pit 6

The west and northwest pit banks appeared to have been graded to 3H:1V or flatter, and were well vegetated. A portion of the northeast bank and most of the east bank were near vertical. The north and east sides of this pit are near the permit boundary. The south highwall of this pit is adjacent to the access road through the property. This highwall appeared to be approximately 2H:1V.

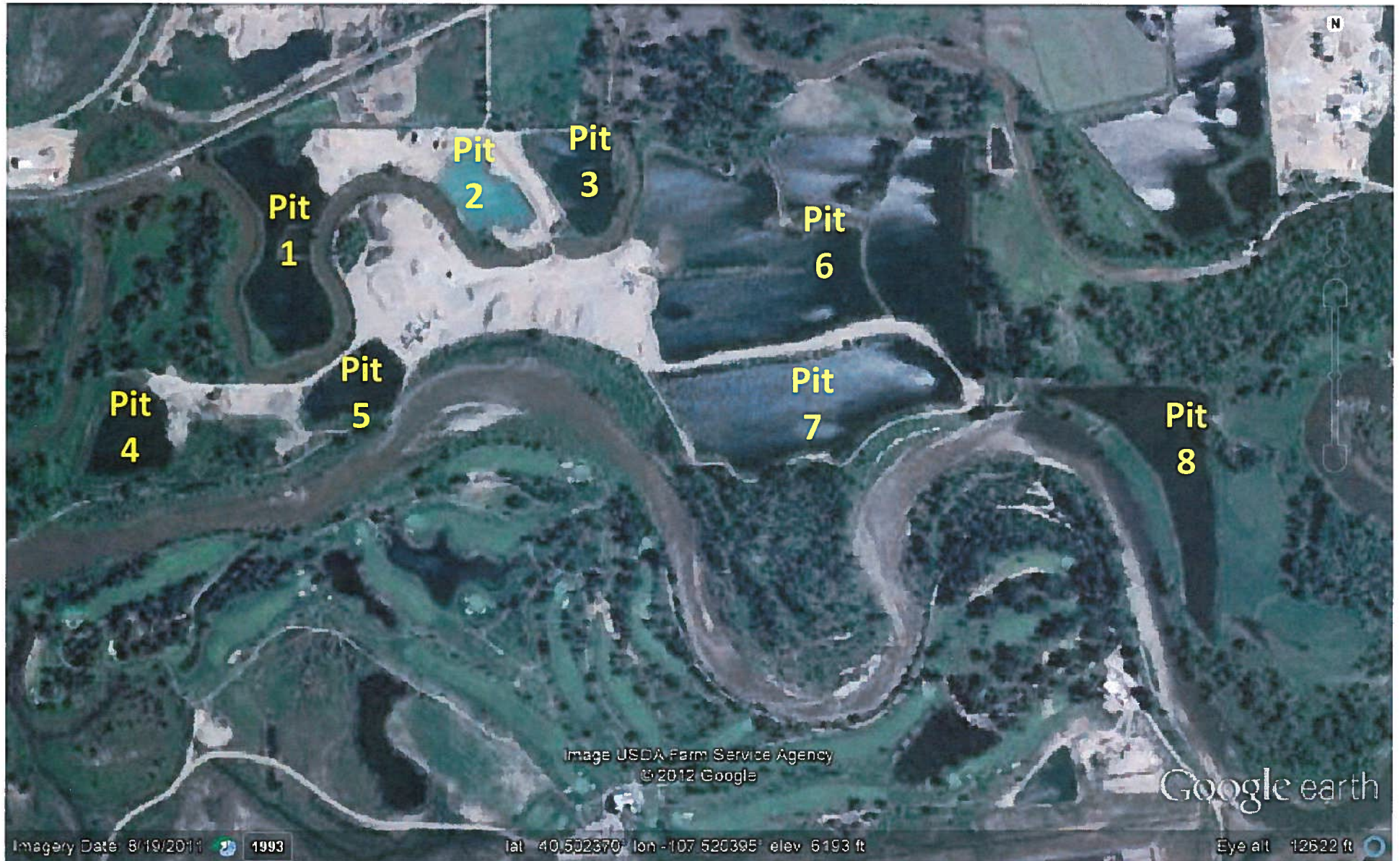
Noxious weeds were not noted on site.

No other problems or violations were noted during this inspection.

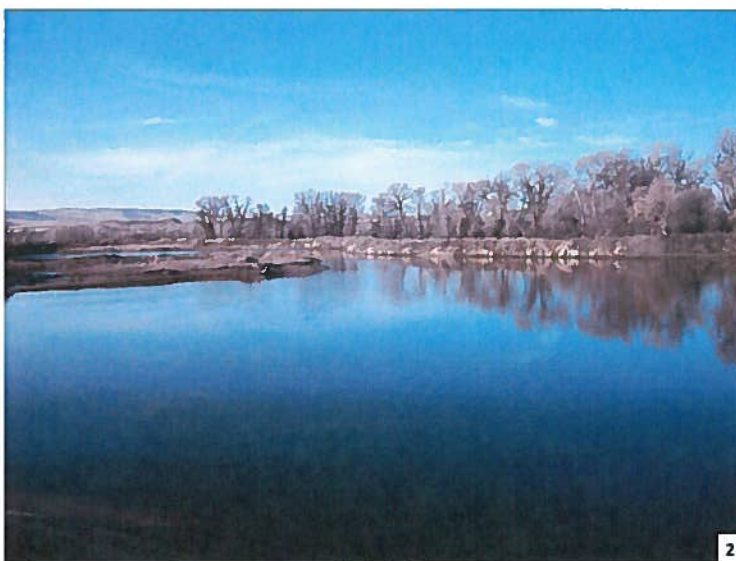
Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

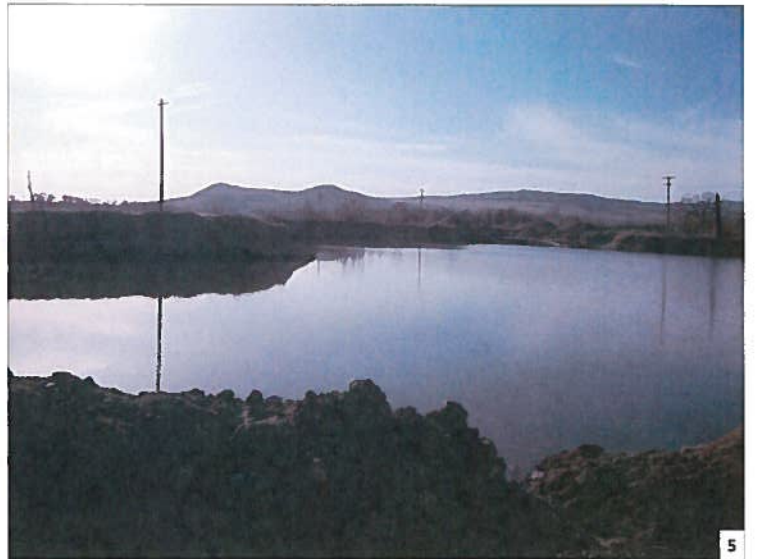
PHOTOGRAPHS

Figure 1

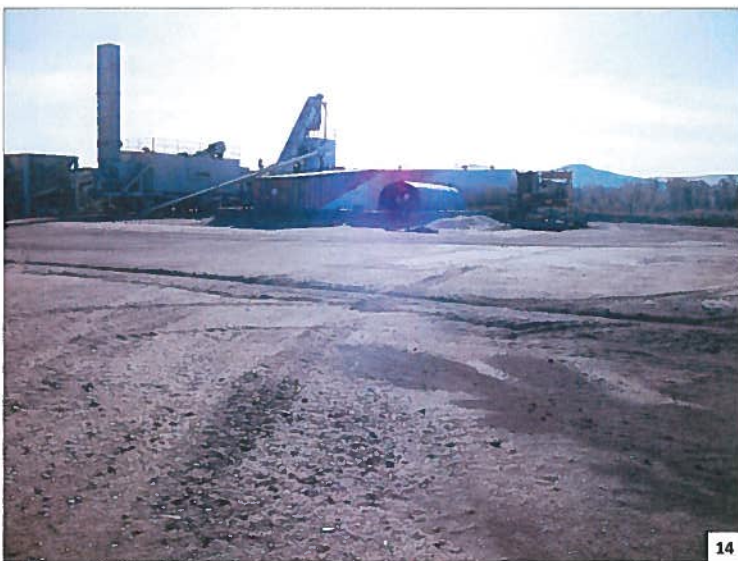


Approximate direction and orientation of photographs.













GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

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

Inspection Contact Address

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81501

Enclosure

CC: