




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: Whitewater Pit 500	MINE/PROSPECTING ID#: M-1977-129	MINERAL: Sand and gravel	COUNTY: Mesa
INSPECTION TYPE: Surety Release Inspection	INSPECTOR(S): Travis H. Marshall	INSP. DATE: April 10, 2012	INSP. TIME: 10:00
OPERATOR: Whitewater Building Materials	OPERATOR REPRESENTATIVE: Mark Gardner	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$287,500.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 25, 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: Revegetation

PROBLEM/POSSIBLE VIOLATION: Problem: Premature grazing by horses has significantly reduced the success of revegetation at the site.

CORRECTIVE ACTIONS: Per Rule 3.1.10(4) the operator must restrict grazing during the initial establishment of vegetation. DRMS staff, in consultation with the landowner and the local soil conservation district, if any, shall determine when grazing may start. At this time grazing shall be restricted to allow for long term vegetation establishment at the property owned by Mr. McCurter. Documentation along with photographs that demonstrate the horses and mules have been restricted from the permitted site must be submitted to this office no later than May 14, 2012. Also the operator is advised to send the landowner documentation that states that grazing is not allowed inside the permit area at this time and copy this office of any such correspondence.

CORRECTIVE ACTION DUE DATE: 5/14/12

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. The Pit 500 is located off of Highway 141 approximately 0.5 miles south of Whitewater, Colorado. The Pit 500 is a multi phase operation that consists of two separate locations that are divided by the Gunnison River. The purpose of the April 10, 2012 inspection was to assess the success of the reclamation success in Stage 2 – Part B to and determine if the reclamation was completed according to what is required in the approved reclamation plan. Mark Gardner of Whitewater Building Materials Corp. along with associates accompanied the inspector during the inspection.

Conditions Observed in Stage 2 – Part B – This Portion of the permitted area is owned by James McCurter. All sloping appeared to be no steeper than the required 3H:1V. The majority of the area appeared to have adequate topsoil. The water inlet features that were considered an erosional issue during the previous inspection have been repaired and appear to be stable. A horse and a mule were observed within the permit area and appear to be compromising the success of revegetation. It appears that the animals grazing in the permitted area is delaying the reclamation success and negating the efforts for final reclamation put in by Whitewater. Please see photos of over grazed bare areas included with this report. Also, the area located between the eastern road and the Gunnison River appears to consist primarily of annual weeds and has very limited desirable perennial grass species established. The operator is required establish long term vegetation in the corridor between the Gunnison River and the road.

Due to the lack of adequate vegetation the release request cannot be approved at this time. The operator must restrict grazing of the permitted area until long term vegetation establishment is achieved.

This inspection was focused primarily on the reclamation release request and other components of the mining operation were not formally addressed during the inspection.

Photos that show the conditions observed during the April 10, 2012 inspection are included at the end of this report.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. 970-241.2042.

PHOTOGRAPHS





Photo of horse and mule located in permit area

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

(AT) ACID OR TOXIC MATERIALS----- NA (OD) OFF-SITE DAMAGE-----Y (ST) STIPULATIONS----- NA

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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