

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:
Angie Pit	M-2000-049	Gravel	Montrose
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Surety-Related Inspection	G. Russell Means	May 15, 2012	11:00
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Louisiana Land and Gravel Company, LLC	Ward Priestly	112c - Construction Regular Operation	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Surety Related	SI-01	\$54,893.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	D. Church Offer	May 29, 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.

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

OBSERVATIONS

This inspection is a follow up to the March 27, 2012 inspection conducted by the Colorado Division of Reclamation, Mining, and Safety (Division). The Angie Pit is a 112c permitted site located south of the Redvale in Western Colorado. Ward Priestly, representative for Williams Construction, the operator, accompanied the inspector on site.

The reason for the follow up is a requested, on site visit, to review the reclamation liability estimate and notice of increase sent to the operator on April 4, 2012. A substantial increase in the liability was noted due to on site observations on March 27, 2012. The primary issues were the amount of acreage disturbed and the amount of highwalls within the pit. The operator does not dispute the total disturbance acreage, or the length of the highwall estimate. Rather they are looking at ways to reduce the liability while still being able to operate.

The highwalls in the southern section of the pit are approximately 20 feet in height. The highwall on the southern end is up against the permit boundary so a cut-fill approach cannot be made. Complicating any concurrent reclamation is the location of the concrete batch plant and sedimentation ponds. The operator and inspector agreed that there was not much that could be done here until final reclamation of the entire site is undertaken. The inspector notes the far southeast corner transition point is sloped 2:1 or better.

The highwall tracking southeast to northwest runs along the Gurley Ditch. A required buffer zone takes cut-fill off the board as well. Williams has placed some materials along the foot of the highwall, however no formal reclamation attempt has been made. Slopes are 1:1 midway up and estimated at 1:5 or 2:1 at best with placed materials. Topsoil stockpiles at the top of the highwall are positioned for pushdown once the slopes are established. Williams will begin working on this area as soon as possible to establish the required 2.5:1 required slopes. The inspector noted that should revegetation be established on the reclaimed slopes the area could be released under a partial release request.

The west highwall area of the southern pit area will be daylighted out to the mesa edge. This will reduce the total length of highwall by almost half. Once stockpiles are removed this area can be reclaimed but it is not imminent.

The northern half of Phase 1 is where current mining has been conducted. Here again the highwall tracking southeast to northwest runs along the Gurley Ditch. Some backfill materials have been placed but no formal reclamation has been undertaken. This area has less material than the other section as well. The operator will begin working on backfilling along the area as soon as possible. Along the northern edge is the working face. The operator notes materials are fading out. The operator will cut and fill this area back to 3:1 and is evaluating whether mining in that direction will continue. Along the west side it is daylighted and utilized for stormwater controls.

Along with discussions of immediate reclamation liability reduction the operator and inspector discussed possible rephasing of mining operation. The discussions focused on possibly moving into Phase 3 before 2. The other idea discussed was breaking Phase 3 into subsections for concurrent reclamation as mining moved forward.

The inspector and operator discussed an extension of the increase notice so that the liability issue could be addressed. The requested extension will be addressed under separate cover.

Responses to this inspection report should be directed to Russ Means at the Division of Reclamation, Mining, and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. 970-241-1117.

Inspection Contact Address Ward Priestly Hank Williams, Inc. dba Williams Construction Contractors P.O. Box 704 Norwood, CO 81423