




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: Jolly Pit	MINE/PROSPECTING ID#: M-2012-010	MINERAL: Borrow material for	COUNTY: Las Animas
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): T C. Wait	INSP. DATE: June 18, 2012	INSP. TIME: 12:20
OPERATOR: Las Animas County	OPERATOR REPRESENTATIVE: Phil Dorenkamp	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: N/A
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear, hot, dry, breezy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 25, 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>NA</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</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>NA</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>

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

OBSERVATIONS

A pre-operation inspection was conducted by TC Wait of DRMS. Mr. Phil Dorenkamp of Las Animas County Road and Bridge attended the inspection as a representative of the mine operator. This pre-operation inspection was conducted as part of the normal permit application process of the DRMS.

The required public notice per Rule 1.6.2(b) was observed at the access point on a fence post just off the main road. The access road consists of old ranch roads. Some stretches will need improvement to accommodate the mine traffic. No major improvements to the road are anticipated other than occasional grading.

The permit area is not currently marked. The permit boundary coincides with the topography of the hill top where mine operations will occur. Mr. Dorenkamp estimates 15-25 feet of material will be removed from the top of the hill. **The operator will need to clearly mark permit boundaries prior to operations to ensure no off-site disturbances occur.**

The area is typical pinon/juniper rangeland with an understory of sage and native grasses. Total cover averages 90 percent. The post mine land use is to return the area back to rangeland grasses. Topsoil is minimal and appears to range from 1 to 6 inches.

The area is remote and surrounded by ranchland. No structures or utilities are observed within the immediate area.

No major drainages are within the immediate proposed permit area. Stormwater controls will be focused on controlling precipitation that falls onto the area and preventing erosion and sediment transport no offsite.

Since this is a county site no reclamation liability estimate is required.

No issues or problems are noted at this time.

Hydrologic Balance:

There are existing dry runoff channels extending down the sides of the hill below the permit boundary. The Operator will need to ensure that increased erosion does not occur beyond boundary limits during operations.

Roads:

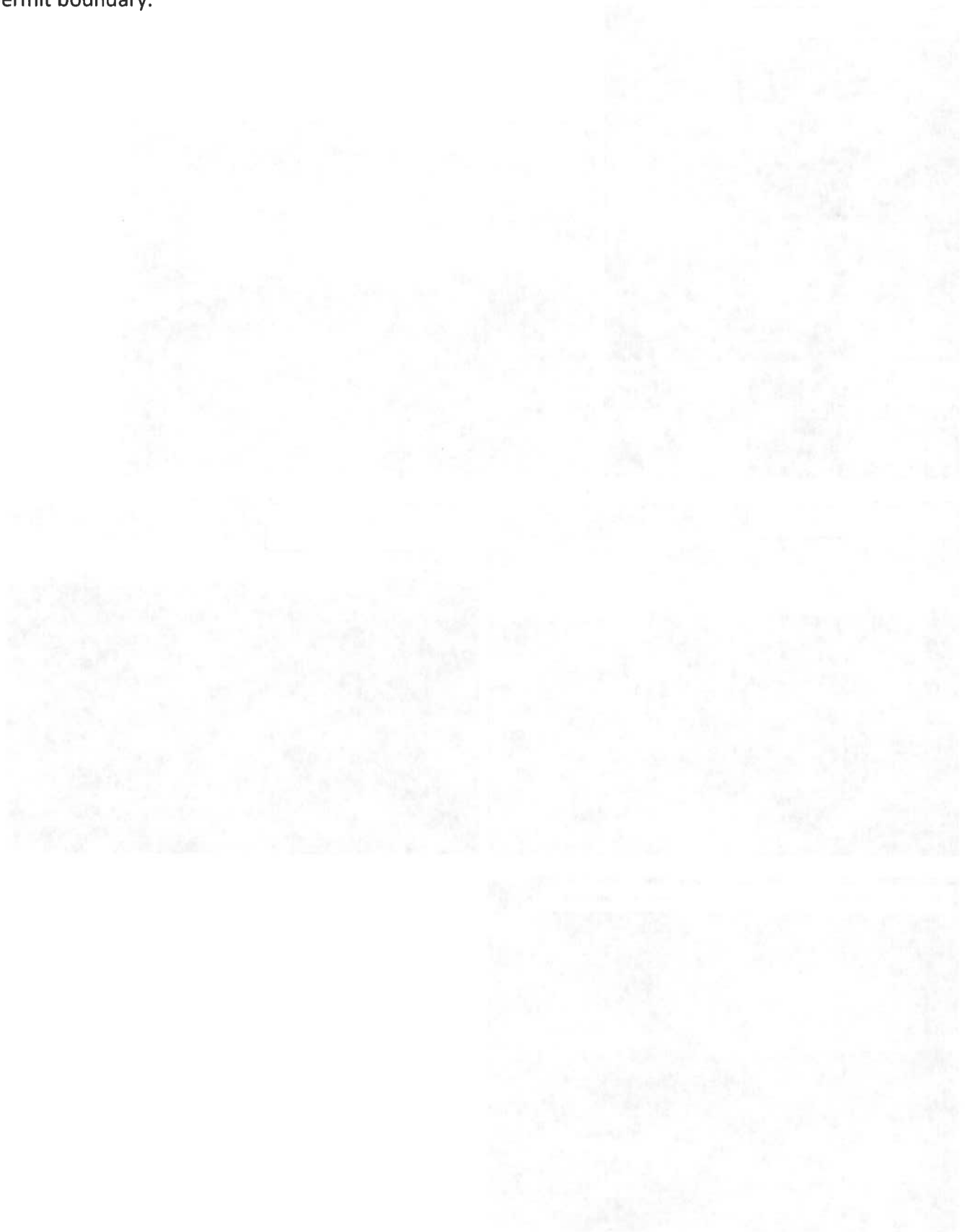
Access to the site is by ranch roads. Some of the access road will need to be improved to accommodate mining equipment and traffic.

Signs and Markers:

No signs or markers are currently in place. Once the permit is approved and prior to mine operations beginning, the operator will need to provide proof that signs and markers are in place. Signs and markers need to remain in place until the site is released by DRMS.

Topsoil:

Topsoil is currently undisturbed and in place. Topsoil stockpiles will be located on the north and south edges of the permit boundary.



PHOTOGRAPHS

Photo 1. Notice posted at entrance.



Photo 2. Permit area looking southeast.

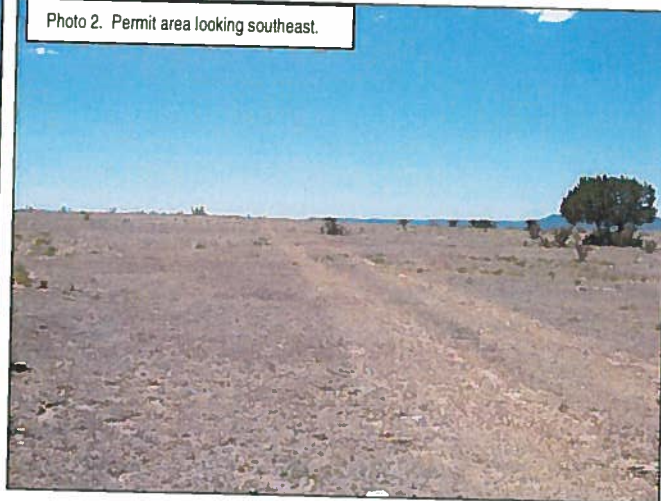


Photo 2. Permit area looking west.

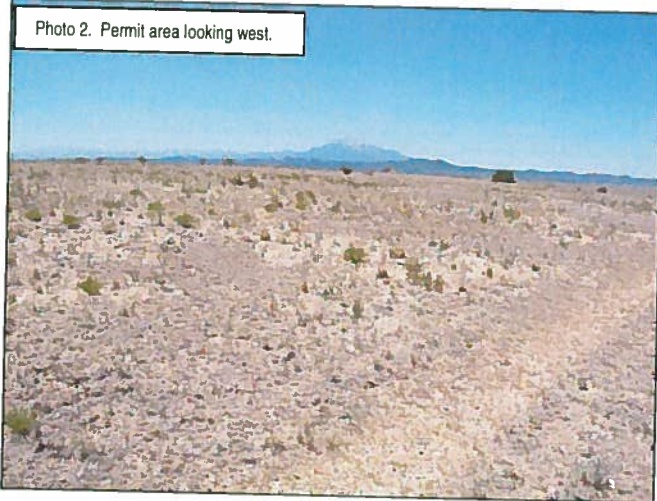


Photo 3. Drainage off permit area on south side of hill.

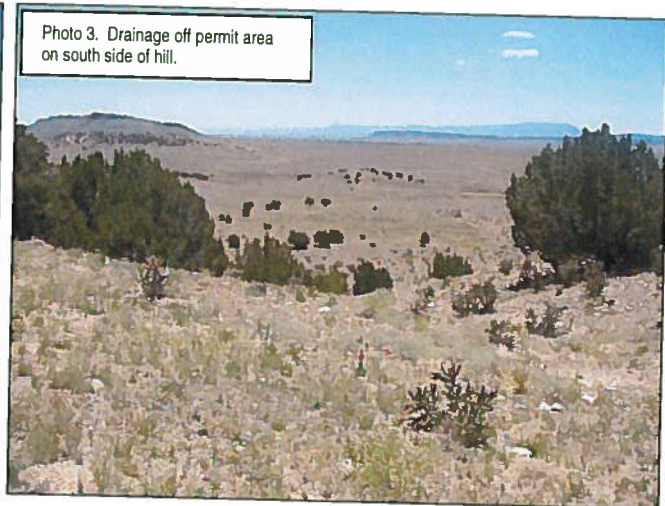
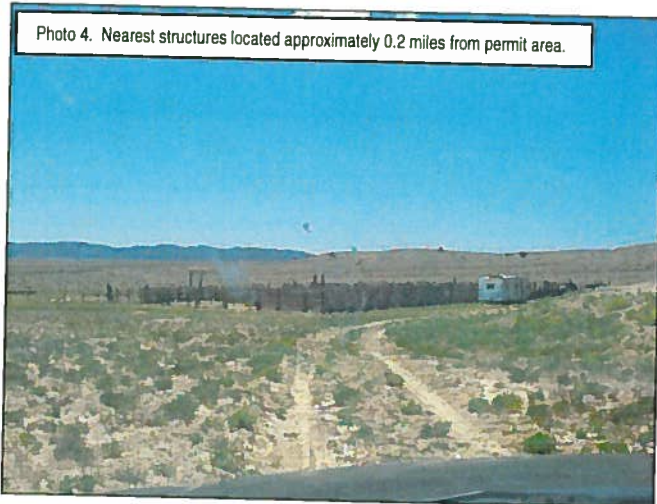


Photo 4. Nearest structures located approximately 0.2 miles from permit area.



Inspection Contact Address

Phil Dorenkamp
Las Animas County
2000 N. Linden Ave.
Trinidad, CO 81082

Enclosure

CC: