

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:
Nolte Pit #1	M-2012-016	Borrow material	Garfield
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Preoperation Inspection	Dustin M. Czapla	June 25, 2012	11:00
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Puckett Land Company	Chuck Whiteman	111 - Construction by Goverment Agency	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Preoperation Inspection	Complete Bond	Awaiting Warranty
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER:	MSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	CX /	June 27, 2012

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. 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>Y</u>	(FN) FINANCIAL WARRANTY N	(RD) ROADS <u>N</u>
(HB) HYDROLOGIC BALANCE <u>N</u>	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES N
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- N	(FW) FISH & WILDLIFE <u>N</u>	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(SB) COMPLETE INSP Y
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION N	(RS) RECL PLAN/COMP N
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</u>	(ST) STIPULATIONS N

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

OBSERVATIONS

This pre-operation inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) 111 Permit application review process. Chuck Whiteman, Bruce Humphries and Mick Schumacher, representing the Operator, were present during this inspection. Photographs are included with this report in order to illustrate some of the conditions observed.

The Nolte Pit #1 is located approximately 1.5 miles southwest of Parachute and accessed from Hwy. 6. The proposed site is a 111 operation that will include a total of 22.34 permitted acres, with an affected area of 14.5 acres.

Adequate notice was posted at the entrance to the mine site in accordance with Rule 1.6.2(1)(b).

The intent of this operation is to remove approximately 100,000 yds.³ of material from the site for use in a nearby Colorado Department of Transportation highway project.

The current primary use of the area is rangeland. It is proposed that the post-mining land use will also be rangeland. The site is located at the base of Mount Callahan, on the southeast side, in the Tertiary Wasatch unit. The area consists of flat to steep topography, with overall drainage to the south. The existing vegetation consists of Junipers, native shrubs and grasses. Noxious weeds were not observed on site.

Permanent man-made structures not addressed in the permit application were not observed during this inspection.

No 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

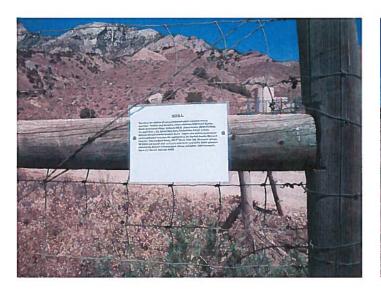


Figure 1: Notice posted at the existing site entrance in accordance with Rule 1.6.2(1)(b).



Figure 2: View, facing west, from the east side of the proposed permit area.

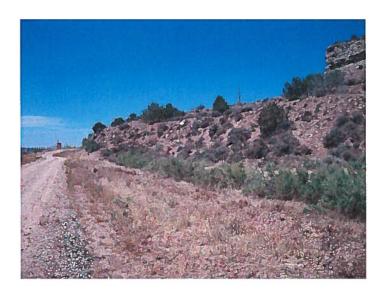


Figure 3: View, facing southwest, down the existing well pad access road.

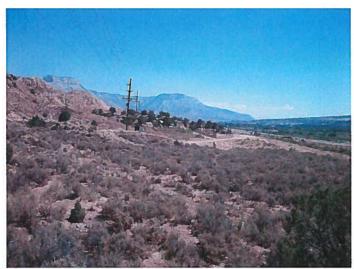


Figure 4: View, facing northeast, from the west side of the proposed permit area.

PERMIT #: M-2012-016 INSPECTOR'S INITIALS: DMC INSPECTION DATE: June 25, 2012

Inspection Contact Address

Chuck Whiteman Puckett Land Company 285 8th St. Meeker, CO 81641

Enclosure

CC: