




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: Schmalz Construction Pit	MINE/PROSPECTING ID#: M-1984-069	COMMODITY: Sand and Gravel	COUNTY: Gunnison
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin Czaplá	INSP. DATE: August 15, 2012	INSP. TIME: 09:30
OPERATOR: Schmalz Construction Ltd.	OPERATOR REPRESENTATIVE: Fred Schmalz	TYPE OF OPERATION: 110(c)	
REASON FOR INSPECTION: Monitoring	BOND CALCULATION TYPE: Complete	BOND AMOUNT: \$ 21,654.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSPECTION AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 23, 2012	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. Note: 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----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</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>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</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

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

The Schmalz Construction Pit is located approximately 2 miles northwest of central Gunnison and accessed from CR17. The site is a 110c operation that includes a total of 9.8 permitted acres. The Division currently holds a financial warranty amount of \$21,654.00 for this site. The Division will review the reclamation costs in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan. The Operator will be notified under separate cover if the Division determines that the current financial warranty amount is insufficient.

Adequate mine identification signage was noted at the entrance to the site.

The affected area was marked by survey stakes that were clearly visible and adequate to delineate the affected area boundary.

A near vertical highwall, approximately eight feet high, was located along the western end of the disturbed area. Topsoil was stockpiled in the southeast corner of the disturbed area, and in berms around the pit perimeter. There was no mining activity occurring 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.

Inspection and Enforcement Contact

Fred Schmalz
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P.O. Box 1105
Gunnison, CO
81230

Cc: None

PHOTOGRAPHS



Figure 1: Mine ID sign located at site entrance.



Figure 2: View toward west end of the disturbed area.



Figure 3: View toward the east end of the disturbed area.