




**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.

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| MINE NAME: Angie Pit | MINE/PROSPECTING ID#: M-2000-049 | MINERAL: Gravel | COUNTY: Montrose |
| INSPECTION TYPE: Surety-Related Inspection | INSPECTOR(S): G. Russell Means | INSP. DATE: October 30, 2012 | INSP. TIME: 09:00 |
| OPERATOR: Louisiana Land and Gravel Company, LLC | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: 112c - Construction Regular Operation | |

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| REASON FOR INSPECTION: Priority | BOND CALCULATION TYPE: Full reclamation review | BOND AMOUNT: \$54,893.00 |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None |
| WEATHER: Clear | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: November 5, 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.

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| (AR) RECORDS----- <u>Y</u> | (FN) FINANCIAL WARRANTY----- <u>N</u> | (RD) ROADS----- <u>N</u> |
| (HB) HYDROLOGIC BALANCE----- <u>N</u> | (BG) BACKFILL & GRADING----- <u>Y</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 was conducted by the Colorado Division of Reclamation, Mining, and Safety (Division) as a follow up to document work done to reduce the reclamation liability on site prior to submission of an increase. In April of 2012 the Division did a normal review of the reclamation liability estimate. The review resulted in a substantial increase due to two factors. The first was inflation as the bond had not been reviewed in several years. The second is the liability for backfilling almost 3200 linear feet of highwall within the pit not previously addressed in other estimates.

The Angie Pit is a 112c permitted site located south of the Redvale in Western Colorado. No representative for Williams Construction accompanied the inspector on site.

The inspector noted that the working face along the northwest had been reduced down to 3:1 slopes. Other areas along the west side appeared to have been regarded and sloped. These areas will be removed from the reclamation liability estimate.

A loader was observed stacking some material along the northeast highwall although it did not appear to be slope reduction work. The large majority of the increase in the bond is due to the highwall that transverses from northwest to southeast and along the south permit boundary lines. Williams did not do any work in these areas over the summer as suggested. Some areas are partially backfilled but none are complete enough to consider acceptable for liability reduction purposes.

The financial warranty was last updated in 2008. Based on current conditions the review is adjusted and updated with accepted tasks and values. The update is addressed by separate cover and due January 4, 2013.

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

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