




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: Anderson Pit | MINE/PROSPECTING ID#: M-2005-021 | MINERAL: Sand and gravel | COUNTY: Delta |
| INSPECTION TYPE: Monitoring | INSPECTOR(S): Dustin M. Czapla | INSP. DATE: March 20, 2013 | INSP. TIME: 09:30 |
| OPERATOR: Oldcastle SW Group, Inc. dba United Compas County | OPERATOR REPRESENTATIVE: Jason Burkey, Brent Kerr | TYPE OF OPERATION: 112c - Construction Regular Operation | |

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| REASON FOR INSPECTION: Normal I&E Program | BOND CALCULATION TYPE: Complete Bond | BOND AMOUNT: \$165,253.00 |
| DATE OF COMPLAINT: NA | POST INSP. CONTACTS: None | JOINT INSP. AGENCY: None |
| WEATHER: Cloudy | INSPECTOR'S SIGNATURE:  | SIGNATURE DATE: March 22, 2013 |

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Financial Warranty

PROBLEM/POSSIBLE VIOLATION: Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

CORRECTIVE ACTIONS: The operator shall submit adequate financial warranty, as determined by the Division. The Division will be sending a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.

CORRECTIVE ACTION DUE DATE: 5/22/13

OBSERVATIONS

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

The Anderson Pit is located approximately 2 miles northeast of Delta and accessed from Hwy 92. The site is a 112c operation that includes a total of 244.62 permitted acres. The site has a phased reclamation plan. The Division currently holds a financial warranty amount of \$165,253.00 for this site. The Division has reviewed the reclamation costs, in order to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the Reclamation Plan, and determined that the current financial warranty amount is insufficient. The Operator will be notified under separate cover of a financial warranty increase.

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

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

Pit excavation has occurred in the Phase 1 area, progressing toward the Phase 2 area. The pit has not reached its maximum depth yet. The dewatering trench has been constructed along the west side of the pit. Tamarisk is beginning to infest the areas where dewatering trenches have been constructed. Various materials stockpiles were located throughout the disturbed area. The Ready Mix plant has been constructed in the Phase 11 area and was operating during this inspection.

No other 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: View from the southeast side of the Phase 1 pit, facing west.



Figure 2: View from the southeast side of the Phase 1 pit, facing northwest.



Figure 3: View from the southeast side of the Phase 1 pit, facing east toward Phase 2-4 areas.



Figure 4: View from the west side of the Phase 1 pit, facing northeast. Tamarisk have begun to infest the dewatering trenches.



Figure 5: View from the west side of the Phase 1 pit, facing east. Tamarisk have begun to infest the dewatering trenches.



Figure 6: Phase 11 area, on the north side of the Ready Mix plant, facing east.



Figure 7: Phase 11 area, on the north side of the Ready Mix plant, facing east.



Figure 8: Ready Mix plant in the Phase 11 area.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

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| (AR) RECORDS----- <u>Y</u> | (FN) FINANCIAL WARRANTY----- <u>PB</u> | (RD) ROADS----- <u>Y</u> |
| (HB) HYDROLOGIC BALANCE----- <u>Y</u> | (BG) BACKFILL & GRADING----- <u>Y</u> | (EX) EXPLOSIVES----- <u>NA</u> |
| (PW) PROCESSING WASTE/TAILING---- <u>N</u> | (SF) PROCESSING FACILITIES----- <u>Y</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>Y</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

Inspection Contact Address

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