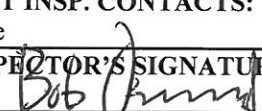




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Clayton Sand and Gravel	MINE/PROSPECTING ID#: M-1999-022	MINERAL: Sand and gravel	COUNTY: Saguache
INSPECTION TYPE: Monitoring	INSPECTOR(S): Bob Oswald	INSP. DATE: July 5, 2013	INSP. TIME: 11:30
OPERATOR: Eddie Clayton	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 110c - Construction Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete	BOND AMOUNT: \$7,900.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 17, 2013

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

This was a routine inspection performed by the Division as part of its monitoring of Construction Materials 110c permits. The operator was not present and there was no mining activity at the site during the inspection.

The permit ID sign was posted near the entrance gate and the permit boundary markers were observed. The site contains 3.9 acres and consists of a fairly deep recharge pond and a processing/stockpile area adjoining the SW side of the pit. There was no equipment present on the site.

There were several stockpiles of screened and crushed gravel in the stockpile area. All piles are within the marked boundaries of the permit. The equipment ramp into the pond pit is along the south side. The permit is not in final reclamation, but the pond slopes are graded at 3:1 or less, which is in conformance with the approved plan, as well as good for stability and keeping the bond minimized.

There was no fuel or oil stored on the site. The operator is limiting the amount of debris and contaminants on the site. There was a small accumulation of debris items, including empty oil/hydraulic fluid buckets, above the south slope of the pit (near the elm tree). Please be reminded that the approved plan does not include fuel or oil storage onsite, and that contaminants should be disposed of promptly. Empty oil containers should be removed, before they leak on the soil.

The operator initiated an amendment application several years ago to add acreage to the permit area. The amendment was eventually denied by the Division, since it was not found complete or adequate for approval. The operator is reminded that all permit-related activity must occur within the present permit boundaries. (Activity outside the boundaries may be considered a possible violation.) If additional land is needed in the permit, please contact this office to discuss submitting another amendment application.

There were no problems observed during the inspection. The bond is \$7,900, and is due for an updated calculation by the Division. The new bond figures will be sent to the operator under separate cover. Please be reminded that if a bond increase is indicated, it must be provided within 60 days of notification.

For questions related to this report, please contact this inspector at the Division's Durango Field Office:
DRMS - Durango Field Office
691 CR 233, Room A-2
Durango, CO 81301
Telephone 970-247-5193

Inspection Contact Address:

Eddie Clayton
P.O. Box 2
Hooper, CO 81136

PHOTOGRAPHS

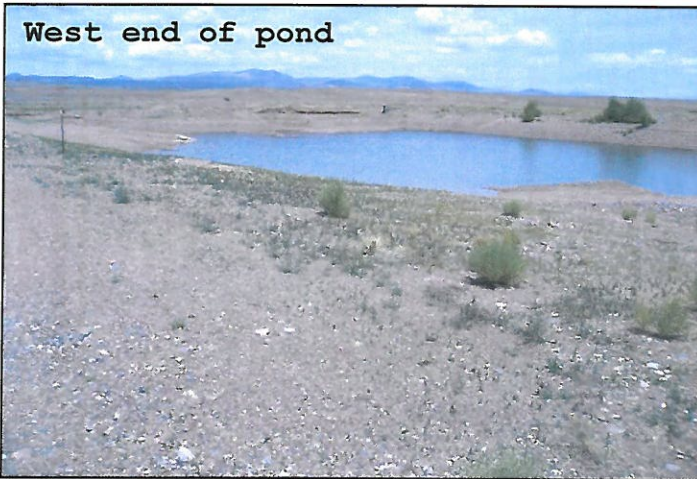
Stockpile area



Main road into site



West end of pond



East end of pond



Pond berm on right



Debris onsite

