

1313 Sherman Street, Room 215

Denver, CO 80203

October 19, 2016

Mr. Alex Schatz Brannan Sand and Gravel Company, L.L.C. 2500 E. Brannon Way Denver, CO 80229

Re: Brannan Sand and Gravel Company, L.L.C.; Valley's Edge Resource; File No. M-2016-030; 112c Permit Application Adequacy Review

Mr. Schatz:

The Division of Reclamation, Mining and Safety (Division/DRMS) has reviewed the content of the Brannan Sand and Gravel Company, L.L.C. 112c permit application for the Valley's Edge Resource, File No. M-2016-030 and submits the following comments. The Division is required to make an approval or denial decision no later than November 24, 2016 therefore; a response to the following adequacy review concerns should be submitted to the Division as soon as possible.

The review consisted of comparing the application content with specific requirements of Rules 1, 3, 6.1, 6.2, 6.4 and 6.5 of the Minerals Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials. Any inadequacies are identified under the respective exhibit heading along with suggested actions to correct them.

1.6 Public Notice

- 1. As required by Rule 1.6.2(d) and 1.6.5(2), please submit proof of publication in a newspaper of general circulation in the locality of the proposed mining operation.
- 2. As required by Rule 1.6.2(e), please submit proof of the notice to all owners of record of surface and mineral rights of the affected land and the owners of record of all land surface within 200 feet of the boundary of the affected land including all easement holders located on the affected land and within 200 feet of the boundary of the affected land. Proof of notice may be return receipts of a Certified Mailing or by proof of personal service.



- 3. The Division received comments from the Colorado Division of Water Resources and Army Corps of Engineers. The letters are attached for review. Please address the comments noted in the letters and make any changes to the application as needed.
- 4. The Division received a letter of objection from Anadarko Petroleum Company. The letter was forwarded to the Operator on October 14, 2016. Please address the comments noted in the letter and make any changes to the application as needed.

6.4 Specific Exhibit Requirements - Regular 112 Operations

The following items must be addressed by the Applicant in order to satisfy the requirements of C.R.S. 34-32.5-101 et seq. and the Mineral Rules and Regulations of the Mined Land Reclamation Board:

6.4.3 Exhibit C – Pre-mining and Mining Plan Maps of Affected Lands

- 5. Please update Exhibit C-1, C-2, and F maps to show the name of the Applicant pursuant to Rule 6.2.1(2)(a).
- 6. In the notes section of the Exhibit C-1 map, the Applicant states adjacent property owners are noted on the map, with owner name noted in text on their property. All of the property owners noted in the Exhibit C-1 table are not labeled on the map. Please update Exhibit C-1 map to show the owner's name, type of structures, and location of all significant, valuable, and permanent man-made structures contained on the area of affected land and within two hundred (200) feet of the affected land pursuant to Rule 6.4.3(g).

6.4.4 Exhibit D - Mining Plan

- 7. The Applicant states in the initial dry mining stage, loaders establish a temporary pit floor at least one foot above the groundwater table. Please commit to staying a minimum of two (2) feet above the groundwater elevation during the dry mining stage.
- 8. The Applicant states the Operator will utilize inert structural fill generated outside the approved permit area as backfill within the affected area. As required by Rule 3.1.5(9), please providing the Division with the following additional information at minimum;
 - a. The approximate volume of inert material to be backfilled.
 - b. A signed affidavit certifying that the material is clean and inert, as defined in Rule 1.1(20).
 - c. A general engineering plan stating how the material will be place and stabilized in a manner to avoid unacceptable settling and voids.

6.4.5 Exhibit E - Reclamation Plan

- 9. The Applicant states the operator will assume for the purposes of initial reclamation planning and the initial reclamation bond that one-quarter of affected land must ultimately be covered by an average of 6 inches of topsoil. As required by Rule 6.4.5(2)(b), in those instances where the post-mining use is for industrial or commercial purposes and such use is not reasonable assured, a plan for revegetation shall be submitted. Please revise the Reclamation Plan to indicate all affected land will be topsoiled with a minimum of six (6) inches of topsoil and revegetated with the reclamation seed mixture.
- 10. Please commit to stockpiling or preserving a minimum of 15,300 cubic yards of topsoil on-site to reclaim the proposed 189.66 acres with a minimum of six (6) inches of topsoil.
- 11. The Applicant states chemical and/or mechanical weed control may be accomplished in the site during grass stand establishment if required. Pursuant to Rule 3.1.10(6), methods of weed control shall be employed for all prohibited noxious weed species, and whenever invasion of a reclaimed area by other weed species seriously threatens the continued development of the desired vegetation.

Please provide a Noxious Weed Management Plan with the following information:

- a. A list of potential noxious weed species (target species).
- b. The control methods and treatment window for each target species.
- c. A monitoring plan and follow-up plan for the site (i.e. when the "local weed control expert" will inspect the property during the year and how follow-up treatments will be implemented following the inspection.)

The Division recommends the Applicant contact the appropriate local weed control authority to assist with the weed control plan.

6.4.7 Exhibit G - Water Information

- 12. The Applicant states a SWSP will not be required until the groundwater is exposed. Please commit to providing the Division a copy of the approved SWSP when available.
- 13. Please commit to obtaining a Gravel Pit Well Permit from the Colorado Division of Water Resources prior to exposing groundwater and to providing the Division a copy of the approved well permit when available.
- 14. The Applicant states any wells in the mining area that will not be used will be abandoned per State of Colorado regulation. Please commit to providing the Division copies of the abandonment reports for all abandoned wells in the mine site.

6.4.12 Exhibit L - Reclamation Costs

15. The Division estimated the cost to reclaim the site based on the information submitted by the Applicant at \$873,550.00. A copy of the bond estimate is attached for review.

6.4.14 Exhibit N - Source of Legal Right to Enter

16. The permit application states the applicant is under contract to purchase the subject property and under contract for access rights from the current owners and expects to complete these transaction prior to establishing commercial mining activities. Rule 6.3.7 states the basis for legal right of entry to the site and to conduct mining and reclamation may be a copy of access lease, deed, abstract of title, or a current tax receipt. A signed statement by the Landowner and acknowledged by a Notary Public stating the Operator/Applicant has legal right to enter and mine is also acceptable. Please submit an acceptable form of legal right to enter pursuant to Rule 6.4.14.

6.4.15 Exhibit O - Owner(s) of Record of Affected Land (Surface Area) and Owners of Substance to be Mined

17. Please update Exhibit O to indicate the current owner of record of the affected land (surface land) and owner of substance to be mined.

6.4.18 Exhibit R - Proof of Filing with County Clerk and Recorder

18. Please provided an affidavit or receipt indicating the date on which the revised application information required to address this adequacy letter was placed with the Weld County Clerk and Recorder for public review, pursuant to Subparagraph 1.6.2(1)(c).

6.4.19 Exhibit S - Permanent Man-made Structures

Where the mining operation will adversely affect the stability of any significant, valuable and permanent man-made structure located within two hundred (200) feet of the affected land, the Applicant may either:

- a. provide a notarized agreement between the Applicant and the person(s) having an interest in the structure, that the Applicant is to provide compensation for any damage to the structure; or
- b. where such an agreement cannot be reached, the Applicant shall provide an appropriate engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation; or.
- c. where such structure is a utility, the Applicant may supply a notarized letter, on utility letterhead, from the owner(s) of the utility that the mining and reclamation activities, as proposed, will have "no negative effect" on their utility.

19. Please provide the Division with copies of the notarized structure agreements with all owners of the structures on and within 200 feet of the affected area of the proposed mine site.

Please be advised the Valley's Edge Resource application may be deemed inadequate, and the application may be denied on November 24, 2016, unless the above mentioned adequacy review items are addressed to the satisfaction of the Division. If more time is needed to complete the reply, the Division can grant an extension to the decision date. This will be done upon receipt of a written waiver of the Applicant's right to a decision by November 24, 2016 and request for additional time. This must be received no later than the deadline date.

If you have any questions, please contact me at peter.hays@state.co.us or (303) 866-3567 Ext. 8124.

Sincerely

Peter S. Hays

Environmental Protection Specialist

Enclosures - Colorado Division of Water Resources and Army Corps of Engineers comment letters, Anadarko Petroleum Company objection letter, and DRMS bond estimate

Ec: Wally Erickson; Division of Reclamation, Mining & Safety

Tom Hatton; Applegate Group