



M-2017-049 Transit Mix Hitch Rack Ranch Quarry

1 message

Courtney - DNR, Phillip <phillip.courtney@state.co.us>

Mon, Dec 11, 2017 at 11:22 AM

To: Amy Eschberger - DNR <amy.eschberger@state.co.us>

Cc: Jerald Schnabel <jerald_schnabel@transitmix.com>, Bill Ryan <bill.ryan@state.co.us>, Christel Koranda - DNR <christel.koranda@state.co.us>, Tony Waldron - DNR <tony.waldron@state.co.us>

Amy,

Please find attached a letter commenting on application M-2017-049. Please let me know if you need a hard copy of this letter.

Regards, Phil

Phillip Courtney
Solid Minerals Leasing Manager



COLORADO

State Land Board

Department of Natural Resources

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COLORADO

State Land Board

Department of Natural Resources

December 11, 2017

Ms. Amy M. Eschberger
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

RE: Hitch Rack Ranch Quarry; DRMS File M-2017-049

Dear Ms. Eschberger:

The Colorado State Board of Land Commissioners (State Land Board) is the mineral owner and Lessor on lands applicable to the above referenced Construction Materials Reclamation Permit application filed by the current Lessee, Transit Mix Concrete Company (Transit Mix).

The State Land Board supports this application for several reasons pertaining to our mission:

- 1. Immediate Benefits to Public Schools.** As trustees, the State Land Board manages nearly 4 million acres of state owned mineral rights to generate revenue for our beneficiaries, the largest being the School Trust, which supports K-12 public education. School Trust revenues benefit K-12 public schools through allocation in the state's annual budget for public education, and the Building Excellent Schools Today (BEST) Program that supports capital improvements to school facilities across the state. Since 2008, nearly \$600 million in funds for the BEST Program were generated by the State Land Board. BEST has impacted over 350 school facilities in 119 school districts throughout the state. El Paso County has been awarded \$159.9 million in BEST grants to county schools via 56 BEST grants since 2008. However, the benefits to public schools in Colorado can only be realized when trust minerals are actually developed and revenues are received by the State Land Board.
- 2. Long Term Benefits to Colorado Schools.** Mineral development is a significant source of revenue on state trust lands, including extraction and processing of construction aggregates as proposed by M-2017-049. State trust minerals are developed through a lease between a mineral developer, such as Transit Mix, and the State Land Board, with the trusts earning revenue from mineral rentals and royalties. Mineral revenue that is not allocated to BEST is deposited in the School Trust permanent fund, which earns interest and grows over time to provide future support for K-12 education. During the last fiscal year, the State Land Board generated over \$95 million in revenues solely pertaining to minerals development. This lease could potentially generate \$750,000 annually for the School Trust.



3. **Mitigation of Short-Term Impacts.** The State Land Board fully supports and appreciates the work of the Division of Reclamation, Mining and Safety (DRMS) to balance the need for mineral resource production to support the state's infrastructure needs with protection of the public, environment and Colorado's natural resources. To that end, the State Land Board includes stipulations in its mineral leases which require approval of reclamation plans submitted to the DRMS pursuant to the Colorado Mined Land Reclamation Act. All mineral lessees are required to comply with all laws that affect or control mining or other operations of the lessee, including those that regulate air quality, water quality, traffic and road use, reclamation, mine worker safety and public safety. While other agencies are responsible for enforcing those regulations, any violations of those laws will also violate the lease with the State Land Board. The State Land Board has reviewed the application and believes Transit Mix has designed the operation with significant detail toward mitigating potential impacts to wildlife, surface water and groundwater.
4. **Legal Right to Enter.** The State of Colorado was granted full title by the United States of America to Section 16, Township 16 South, Range 67 West (the lands where mining will occur under M-2017-049) on August 1, 1876 per the Colorado Enabling Act. The surface estate on this section was transferred by patent No. 2499 on May 12, 1909, but the patent expressly reserves, *"to the State of Colorado, all rights to any and all minerals, ores and metals of every kind and character and all coal, asphaltum, oil and other like substances in or under said land, and the right of ingress and egress for the purpose of mining together with enough of the surface of same as may be necessary for the proper and convenient working of such minerals and substances."* Mining Lease No. 109924, authorized by the State Board of Land Commissioners on April 14, 2016, provides the right and privilege of exploring, prospecting for, developing, and mining of and taking of sand, gravel and crushed stone to Transit Mix under the terms and conditions specified in the lease. Due to the history of the title on this property, the mineral reservation contained in the Patent, and the rights granted in the current mining lease, Transit Mix's legal right to enter and mine this property is clearly established as described in Exhibit N of the permit application.
5. **Beneficial Uses for the Site.** The proposed mining area will occur on lands where minerals are held by the state, and mining the granitic rock represents the greatest potential to realize the value of this mineral asset for the School Trust. The State Board of Land Commissioners authorized Mining Lease No. 109924 after determining that monetizing these minerals is in the best interest of the School Trust.

The State Land Board believes there are many benefits derived from the production of construction aggregates on lands that are administered by the State Land Board. The State



Land Board will work cooperatively with DRMS to ensure all mining and reclamation activity contemplated in this permit application is completed in accordance with all laws and regulations that DRMS rigorously works to enforce.

Sincerely,



Phillip J. Courtney
Solid Minerals Leasing Manager

CC: Jerald Schnabel - President, Transit Mix Concrete Company
Bill Ryan - Director, State Board of Land Commissioners
Christel Koranda - Minerals Director, State Board of Land Commissioners
Tony Waldron - Minerals Program Director, Division of Reclamation, Mining and Safety

The Colorado State Board of Land Commissioners (the State Land Board) is a constitutionally created agency that manages a \$4 billion endowment of assets for the intergenerational benefit of Colorado's K-12 schoolchildren and public institutions. The agency is the second-largest landowner in Colorado and generates revenue on behalf of beneficiaries by leasing nearly three million surface acres and four million subsurface acres for agriculture, grazing, recreation, commercial real estate, rights-of-way, renewable energy, oil, gas, and solid minerals. Unlike public lands, trust lands are not open to the public unless a property has been leased for public access. The agency is entirely self-funded and receives no tax dollars.

