




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety 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: Lazy Two Pit	MINE/PROSPECTING ID#: M-2019-001	MINERAL: Sand and gravel	COUNTY: Weld
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Peter S. Hays	INSP. DATE: March 1, 2019	INSP. TIME: 10:00
OPERATOR: Connell Resources, Inc.	OPERATOR REPRESENTATIVE: Kevin Anderson, Bill Schenderlein	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Pre-Operation Inspection	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: No Bond Held	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Windy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 11, 2019	

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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</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>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This was a pre-operational inspection of the Lazy Two Pit conducted by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS). Mr. Kevin Anderson with Connell Resources, Inc. and Mr. Bill Schenderlein with Blue Earth Solutions, LLC were present during the inspection. The proposed mine site is located approximately 2.5 miles south of Carr, CO and north of the intersection of WCR 21 and WCR 118 in Weld County, CO.

The 112 regular construction materials permit application was received by the Division on January 9, 2019. The application was deemed complete by the Division on January 18, 2019. The Applicant started the published public notice as required by Rule 1.6.2(d) on January 23, 2019. The public comment period for the newspaper publication ended on March 5, 2019. One (1) objection to the application was received by the Division during the public comment period. A copy of the objection letter was forwarded to the Applicant on March 8, 2019. The decision due date for the application is April 18, 2019.

The application proposes a 304.3 acre site with 290.5 acres of disturbance. The proposed site will be mined in a single phase from south to north with concurrent reclamation. The Applicant anticipates the mining and reclamation of the site to take approximately 15 years. The sand and gravel deposit is estimated at 10 feet in depth below the existing grade. The topsoil depth is estimated at between 0 to 6 inches with 0 to 2 feet of overburden. Topsoil and overburden will be stripped and stockpiled separately prior to mining activities. The active mine area may be as wide as 100 feet. The active mining face will extend no more than 1,000 feet in length. The highwalls will be excavated at a nearly vertical to a 0.5H:1V slope. A proposed minimum 25-foot setback from the permit boundary will be maintained to protect the man-made structures.

The proposed post-mining land use is rangeland. The pit highwalls will be backfilled with overburden, graded to a minimum 3H:1V slope and seeded as mining progresses. The southern portion of the pit floor will be backfilled to allow the reclaimed pit floor to drain to the south to match the current drainage pattern. The current site vegetation consisted primarily of smooth brome on the Lazy Two Ranch parcel and heavily-grazed native grasses on the Ross parcel. No noxious weeds were observed during the inspection.

The required notice sign was posted at the planned site entrance from WCR 21. The proposed permit boundary was marked with spray-painted PVC pipes and generally defined by the existing fences. The Applicant was aware of the requirement to post a mine identification sign prior to starting the mining operation as required by Rule 3.1.12. A new permanent man-made structure, an overhead power line, which was not identified in the application was observed within 200 feet of the proposed affected area during the inspection. The powerline was located adjacent to the southwest corner of the proposed permit boundary, running north from the intersection of WCR 21 and WCR 118 along the west side of WCR 21 to the driveway of the property owned by JEM Ranch, Inc. The new structure will be address by the Division in the adequacy review letter for the permit application. All other permanent man-made structures were identified by the Applicant in the permit application.

Photographs taken during the inspection are attached. The Division will send the application adequacy letter under separate cover.

PHOTOGRAPHS



Lazy Two Pit notice sign



View of the site from the northwest corner looking east



View of the site from the northwest corner looking southeast



View of the site from the northwest corner looking south



Typical vegetation on the Lazy Two Ranch parcel



View of the site from the southwest corner looking north



View of the site from the southwest corner looking northeast



View of the site from the southwest corner looking east



View of the site from the northeast corner looking west



View of the site from the northeast corner looking southwest



View of the site from the northeast corner looking south

Inspection Contact Address

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