




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: Cañon Dolomite Quarry	MINE/PROSPECTING ID#: M-1977-376	MINERAL: Dolomite	COUNTY: Fremont
INSPECTION TYPE: Surety-Related Inspection	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: August 6, 2019	INSP. TIME: 09:30
OPERATOR: Continental Materials Corporation	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$232,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY:	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 1, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 inspection was conducted at the request of Tezak Heavy Equipment Co. (THE) as a precursor to applying for a Succession of Operator (SO) application to transfer the permit. Present for the DRMS were Tim Cazier and Michael Cunningham. The Permittee (Continental Materials Corporation, CMC) was notified of the inspection, but was unable to attend. Messrs. Danny Tezak, Randy DiLuzio and Ken Klco were on site representing THE during the inspection. The Cañon Dolomite Quarry is typically accessed from Hwy 50 and is located approximately one mile west of Hwy 50 and about 0.8 miles north of Tunnel Drive. For this inspection, the site was accessed from THE's Aggregate Source pit (M-1977-193) to the south of the Cañon Dolomite site. This is a 112c dolomite mine permitted by CMC, but primarily operated by Mr. Tezak. It was not operating at the time of the inspection.

Availability of Records: Subsequent to this inspection, an SO application was received on October 11, 2019 and is currently under review by the DRMS. Annual fees are paid through September 2019. The previous inspection was on March 28, 2018. The approved post-mine land use is rangeland. There are no open infractions. Both the surface and minerals are privately owned.

Backfilling and Grading: Sufficient backfill material appeared to be available to backfill the 60-foot wide benches at 4H:1V as required by the approved permit.

Financial Warranty: The DRMS has reviewed the currently held \$232,000 (bond and has determined it is adequate for the observed mine disturbance. [No additional bond is necessary to approve the current SO.](#)

Fish and Wildlife: No impact to wildlife was observed.

Hydrologic Balance: No standing water was observed in the pit and no exposed groundwater was observed.

Gen. Compliance with Mine Plan: The operation appeared to be in compliance with the approved mine plan. The maximum allowed disturbed area is 41 acres as approved in TR-02. Google Earth was used to measure the disturbed area, which was estimated to be approximately 23 acres, based on 2016 imagery. The highwalls were configured similar to that observed during the March 2018 inspection with estimated heights varying between 20 and 30 feet and appeared stable.

Off-site Damage: The current operation appeared to be confined to the permit boundary, based on Google Earth review and site observations. Some discussion and site investigation was initiated to determine how far west the operation was permitted. The top of the ridge location was collected using a handheld Trimble Juno 3B GPS unit (see attached **Post Inspection Map**). It appears based on the GPS data, the top of the ridge is between 200 and 300 feet west of the permit boundary, which in turn is roughly 400 feet west of the affected area boundary. As such, an amendment to the permit would be required to mine not only most the material west of the current active disturbance (which requires increasing the current affected area boundary), but also extending the permit and affected area boundary to, or beyond the ridge to the west of the active area. Distances are shown below in **Figure 1**. The inspection led to the top of the west ridge where evidence of rock movement was observed between the permit boundary and the top of the ridge (see **Photos 1 and 2**), suggesting a potential for stability issues were this area to be mined. [This issue would need to be addressed in the Rule 6.5 Geotechnical Stability Exhibit.](#) It should be noted this movement may or may not be related to the pre-law mining activity at this site.

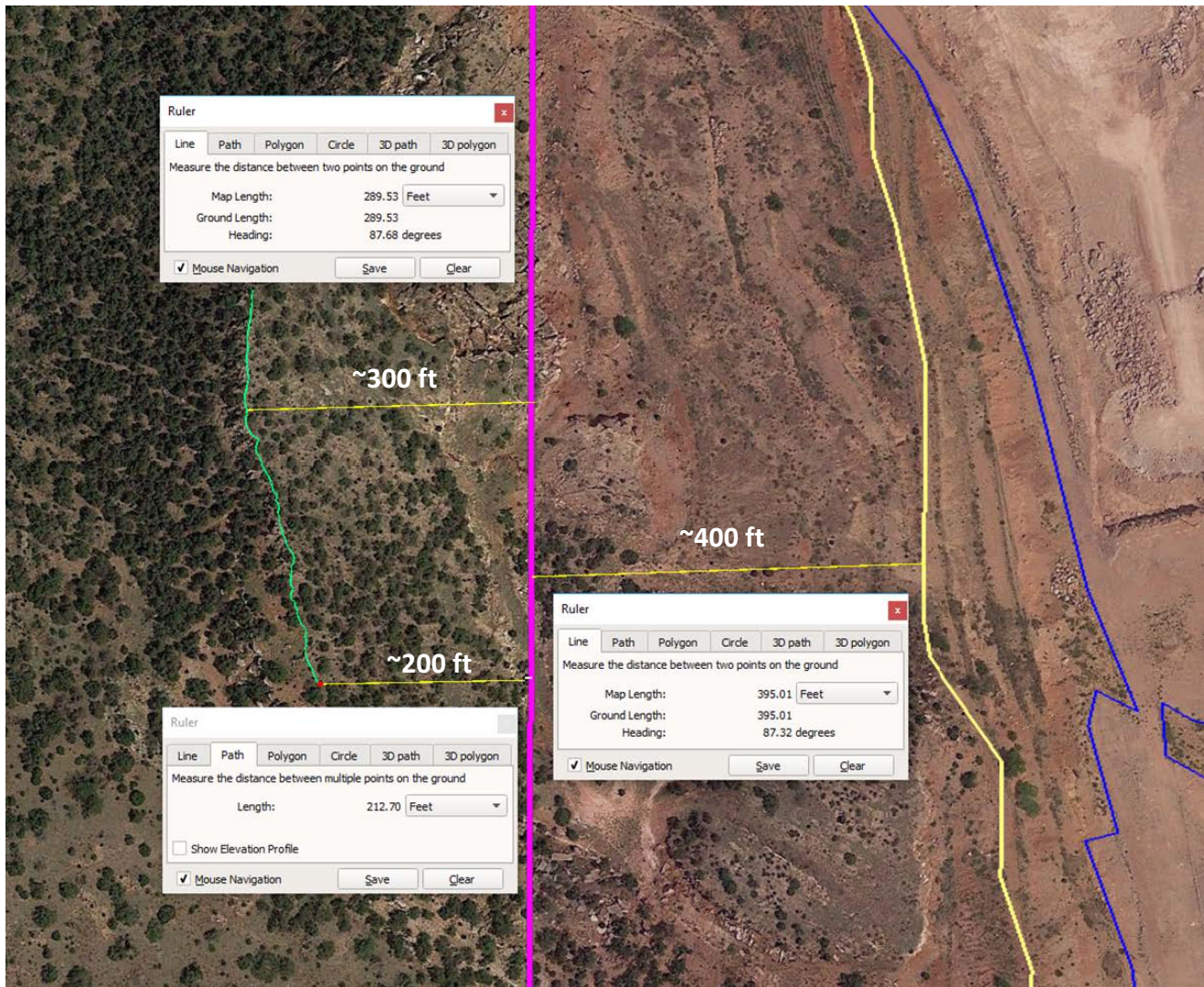


Figure 1. Relative Distances to Permit Boundary

Roads: Haul and access roads did not appear to be a source of sediment that could be tracked offsite. Road side ditches were clean.

Reclamation Success: A technical revision (TR-03) was submitted and approved in 2018 to address the erosion problem in the fines disposal area. No reclamation in this area had been initiated at the time of the inspection (see **Photo 3**).

Revegetation: No noxious weeds were observed. The site has an approved weed control plan.

Sediment Control: No erosion problems were observed and no BMPs were needed at the time of the inspection.

Signs and Markers: The permit sign was not observed as we did not come in or leave through the main entrance. Permit boundary markers were observed, but affected area boundary markers were difficult to find. Given the current Operator's desire to expand to the west, it would be prudent to ensure affected area boundary markers are in place and easy to see in order to avoid mining outside the affected area boundary.

Permit Stipulations: There are no open permit stipulations.

Storm Water MGT Plan: No oil or fuel spills observed.

Structures: No structures were observed within 200 feet of the affected area.

Please contact Tim Cazier (303)866-3567 ext. 8169 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Tension cracks between ridge and permit boundary (outside permit area, looking north).

PHOTOGRAPHS (cont.)



Photo 2. Evidence of rock movement between ridge and permit boundary (outside permit area, looking NE).



Photo 3. Erosion issue east of the fines disposal area (looking east).

Inspection Contact Address

Jerald Schnabel
Continental Materials Corporation / Castle Aggregate
549 E Cucharas Street
Colorado Springs, CO 80903





Enclosure

ec: Michael Cunningham, DRMS
DRMS file
Danny Tezak, T.H.E.
Randy DiLuzio, T.H.E.
Ken Klco, Azurite, Inc.

M-1977-376 Cañon Dolomite Quarry 2019 Post Inspection Map

Satellite imagery from 6/15/2016
GPS data collected 8/6/2019 using Trimble Juno 3B

Legend

-  M-77-376 Disturbed Area
-  M-77-376 Permit Boundary
-  Permitted Pit Development Area
-  Ridgeline - GPS

