



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: Peak Ranch Resource	MINE/PROSPECTING ID#: M-2020-041	MINERAL: Gravel/Sand	COUNTY: Summit
INSPECTION TYPE: Preoperation Inspection	INSPECTOR(S): Eric Scott	INSP. DATE: October 19, 2020	INSP. TIME: 09:45
OPERATOR: Kilgore Companies, LLC dba Peak Materials	OPERATOR REPRESENTATIVE: Russ Larson	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Preoperation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: No Bond Held
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 22, 2020

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>NA</u>	(RD) ROADS----- <u>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</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>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>NA</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</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 for the proposed Peak Ranch Resources permit, a 75.6 acre 112c sand and gravel mine submitted by Peak Materials, and currently under review by DRMS. The inspection was conducted by Eric Scott and Michael Cunningham of DRMS, who met permittee representative Russ Larson, and permitting consultant Ben Langenfeld on site at approximately 0945. Colorado Parks and Wildlife (CPW) Land Use Specialist Elissa Slesak, and Colorado State Engineer's Office - Division of Water Resources (SEO) Water Commissioner Troy Wineland were also present and participated in this pre-operational inspection. The group toured the site to confirm the accuracy of the submitted existing conditions maps for the permit, discuss existing site features, and the proposed operation. The application for the Peak Ranch Resource reclamation permit received over 165 objections during the public comment period. Many of the objector's concerns were discussed with the applicant and attending agency representatives during this inspection.

The subject property was previously unirrigated rangeland that had been utilized by the former owner for grazing horses. The site structures were still present, and the former owner had subdivided the property into many different grazing sub-areas using wire fencing. This fencing was still present, but in poor condition, in many areas. These features can be seen in the attached photos of existing conditions. It was suggested by CPW that, unless specifically needed by the permittee, the internal fencing be removed or properly maintained to minimize the potential for wildlife entanglement.

As shown on the maps included in the application, the site is broken into two distinct working areas (north/Phase 1 and south/Phase 2) by an east-west oriented drainage easement, which crosses the width of the site, owned by the Town of Breckenridge. This drainage easement had been recently surveyed and marked by the Town of Breckenridge, and it must be maintained by the Town as a part of an existing water rights decree to provide return flow back to the Blue River.

It was noted that two culverts, which are intended to provide surface flows from the east side of Highway 9 a path under the highway and into this easement for discharge to the river, do not discharge into the easement. They instead discharge approximately 40 yards north of the easement directly into the northeast area of the subject property in the "wet meadow"/wetlands area as shown on the maps. A small channel had been excavated, presumably to capture discharge from the culverts and return it to the drainage easement, but it was poorly constructed and full of vegetation. In addition, it would not be possible for the easement to return water to the river as intended as it has been completely filled and blocked in several areas along its path. Based on the misalignment of the culverts and the general condition (blocked) of the drainage easement, it would appear that this drainage easement has not functioned as intended for quite some time.

The misalignment of the culvert discharge combined with the blocked drainage easement has caused surface water that should have been conveyed to the river to instead be discharged into the northeast area of the subject property. This surface water inflow would then lead to the formation of, or increase in size of, the currently existing wet meadow/wetlands area in the northeastern portion of the subject property.

Mr. Larson stated that they were engaged with the Town of Breckenridge to return the drainage easement to a functional state as required by their decree. Because the wet meadow/wetlands area as it currently exists is, at least in part, due to the failure of the easement to function properly, restoring proper function of the drainage easement may have adverse effects on the existing wet meadow/wetland areas. The permittee will need to engage and work with the US Army Corps of Engineers (COE) to determine what the COE permitting implications of this may be and what, if any, mitigation measures will be required.

The notice of permit applied for was present at the main site entrance as required (Photo 1). DRMS noted during the inspection that the permit boundary was well delineated along the north and south ends by existing fencing. However, the permit boundary will need to be marked more thoroughly on the east and west sides, and permanent markers will need to be placed prior to commencing mining activity. DRMS suggests that offset distances and limits of excavation noted in the application also be clearly marked on the site prior to any work commencing as special care will need to be taken when operations commence to properly locate, mark and maintain the appropriate setback distances as permitted. DRMS may verify the presence and adequacy of the additional boundary and offset markers in a subsequent site inspection.

DRMS also notes that the head-gate and course of the Green Mountain canal/ditch located near the northwest corner of the property need to be more clearly identified on the pre-mining and mining plan maps. Other than these listed issues, on site and nearby features/structures, including the groundwater monitoring wells and piezometers installed on the site, appeared to be accurately represented on the maps submitted with the application. No additional items of concern were noted during this inspection.

Inspection Contact Address

Russ Larson
Kilgore Companies/Peak Materials
1550 Wynkoop St
Denver, CO 80202

PHOTOGRAPHS



Photo 1 – notice of permit applied for sign on gate to site entrance.



Photo 2 – remaining site structures will be removed during mining.



Photo 3 – culvert discharge path from under Hwy 9 into the site.



Photo 4 – small channel excavated to guide flow from culverts south toward drainage easement.



Photo 5 – photo of SW corner of permit area looking north along west permit boundary near Blue River.