



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources
1313 Sherman Street, Room 215
Denver, Colorado 80203

January 21, 2021

Ben Langenfeld
Greg Lewicki and Associates
3375 West Powers Circle
Littleton CO 80123

Re: Second Adequacy Review of a 112c Construction Materials Reclamation Permit Application Package, Kilgore Companies, LLC dba Peak Materials - Peak Ranch Resource, Permit M2020-041

Mr. Langenfeld:

The Division of Reclamation, Mining, and Safety has completed its second adequacy review of your 112 construction materials reclamation permit amendment application. The application was called complete for review on August 19, 2020. All comment and review periods began on August 19, 2020. Timely objections to the application have been received by the Division. Due to the number of objections received during the comment period, as well as logistic considerations required for holding the required public meetings while maintaining appropriate COVID protocols, the application was called complex by the Division on October 16, 2020 - thereby extending the review period by another 60 days.

DRMS sent the applicant an adequacy review letter for the application on October 27, 2020, and the applicant submitted their response to DRMS adequacy questions on December 18, 2020. Subsequently, the applicant has requested additional time to allow DRMS to fully review the responses provided and to address any additional questions identified during the review process. The recommendation date for this application is now March 16, 2021. Please be advised that if you are unable to satisfactorily address any concerns identified in this review before the decision date, it will be your responsibility to request an extension of the review period. **If there are outstanding issues that have not been adequately addressed prior to the end of the review period, and no extension has been requested, the Division will deny this application. In order to allow the Division adequate time to review your responses to any adequacy issues, please submit your adequacy responses to the Division no later than one week prior to the recommendation date (March 8, 2021).**

Please note that any changes or additions to the application on file in our office must also be reflected in the public review copy, which has been placed with the Summit County Clerk and Recorder.

The review consisted of comparing the application content with specific requirements of Rule 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. As with most applications, there are items that will require clarification of the existing information. Any inadequacies or relevant questions are identified within, or immediately following, the exhibit requirements as necessary.



EXHIBIT D - Mining Plan (Rule 6.4.4):

The current mining plan states that all material excavated from the proposed Peak Ranch site will be allowed to drain, then transported off-site to the existing Maryland Creek Ranch site for processing, use, and sale. No material washing or processing is proposed under the Peak Ranch application.

In recent discussions with Summit County representatives, DRMS was informed that Summit County will require Peak Materials to submit and gain approval of a new conditional use permit for the Maryland Creek Ranch site prior to importing any raw material to that site. In addition, if Peak Materials fails to obtain a new CUP for the Maryland Creek Ranch site, the existing Maryland Creek Ranch CUP will remain in effect until its current expiration date. How does the applicant intend to address this issue and how will the process impact proposed activity at the Peak Ranch site? Please also add the new Conditional Use Permit for Maryland Creek Ranch to Exhibit M.

The existing Summit County Conditional Use Permit for Maryland Creek Ranch places restrictions on the types of material that are allowed to be imported to that site. Specify the materials that will be imported to the existing Maryland Creek Ranch permit and identify the uses of the materials?

Please be aware the processing of material, whether at Maryland Creek Ranch or another location, will be subject to the requirements of a Reclamation Permit as well as any requirements imposed by the local jurisdiction.

EXHIBIT E - Reclamation Plan (Rule 6.4.5):

How does the operator intend to demonstrate at the end of mining that the internal slopes of the exposed groundwater lakes comply with the sloping requirements of the provided reclamation plan? Because the unlined lakes will be full during mining and when complete, a routine visual observation and verification of the internal slopes will not be possible.

EXHIBIT G - Water Information (Rule 6.4.7):

As previously discussed, the recent restoration of the Town of Breckenridge's drainage easement across the site to a functional state may have adverse impacts on the extent of the existing wetland area. Due to the depth to groundwater measured in the area, the existing wetlands are believed to be primary surface-water fed, with a minimal, if any, groundwater component. However, the restored drainage easement will allow surface runoff to return directly to the Blue River as intended, rather than being dispersed across the northeast area of the proposed permit as it has done for the past several years (at least).

DRMS requests that the applicant commit to monitoring groundwater levels in the six existing wetland piezometers along with monitoring wells GW2 and GW5 (or all on-site wells for simplicity and consistency) on a monthly basis, rather than quarterly, as soon as practically possible. This additional water level data may help to identify the impacts, if any, to the wetland area from restoring the required drainage easement vs the proposed mining activity.

EXHIBIT J - Vegetation Information (Rule 6.4.10):

The total extent of the wetland area on site has been noted to vary somewhat over time, as may be expected due to changes in site topography made by the previous owners, precipitation levels, and the amount of surface water

seasonally feeding into/through them from the previously discussed drainage easement. DRMS will defer to the US Army Corps of Engineers for the final determination of the extent of jurisdictional wetlands present within the permit area, as well as any subsequent permitting that may be required for any disturbance within jurisdictional wetland areas.

What is the most recent status of the site with respect to the required US ACOE jurisdictional determination and any potentially required permitting?

EXHIBIT L - Reclamation Costs (Rule 6.4.12): DRMS has calculated the required reclamation bond for the proposed operation based on information provided in the application, adequacy response, and DRMS's estimate of the maximum allowed disturbance for the operation as proposed. The DRMS bond estimate was calculated using the CIRCES software based on the following assumptions:

- Maximum allowed disturbance for the site will be considered to be at the end of Phase I mining, when up to 54 acres may require replacement of overburden and topsoil, final grading, and revegetation. The total area requiring this work will decrease as the size of the proposed unlined lakes increases during Phase II of mining (if approved).
- Topsoil and overburden volumes, average haul distances, and equipment (truck, loader, and dozer) as provided in the initial adequacy response have been utilized. A water truck for dust control has also been included for these earthmoving tasks.
- All internal slopes for Phase I mining will be mined at 3:1 or flatter.
- Revised seed mix/rates, mulching, and tree counts provided have been utilized, and an initial seeding failure rate of 25% has been assumed.
- A permanent augmentation plan will be approved by the State Engineer's Office Division of Water Resources prior to exposure of any groundwater on-site
- No processing or stockpiling of processed material will take place on site
- All on-site support equipment brought to the site during operation– toilets, fuel trailers, etc, will be portable, and be able to be removed from the site by the owner for the amount stated in the provided estimate.

The total bond required for the proposed permit utilizing the above assumptions is \$364,465.00. If the applicant wishes to implement a "phased bonding" approach, significantly more specific detail will need to be provided for concurrent mining and reclamation plans, as well as commitments to maximum disturbed acreage for each proposed phase of mining/reclamation. A summary of the cost estimate provided has been attached to this letter. Detailed breakdowns for each task listed can be provided upon request.

EXHIBIT M - Other Permits and Licenses (Rule 6.4.13):

Please include the new Summit County Conditional Use Permit for Maryland Creek Ranch that will be required for the importation of raw material as previously discussed.

This concludes the Division's second adequacy review of this application. This letter shall not be construed to mean that there are no other technical deficiencies in your application. Other issues may arise as additional information is supplied. Please remember that the current recommendation date for this amendment application is March 16, 2021. As previously mentioned, if you are unable to provide satisfactory responses to any inadequacies prior to this date, it will be your responsibility to request an extension of time to allow for continued review of this application. If there are still unresolved issues when the decision date arrives and no extension has been requested, the application will be denied. If you have any questions, please contact me at (303) 229-9414.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Scott", with a stylized flourish at the end.

Eric Scott – Environmental Protection Specialist

ECC: Michael Cunningham, DRMS

Enclosures: DRMS CIRCES Bond Calculation Summary

COST SUMMARY WORK

Task description: Reclamation Cost Summary

Site: Peak Ranch Resource

Permit Action: Phase 1 Reclamation

Permit/Job#: M2020041

PROJECT IDENTIFICATION

Task #: 001

State: Colorado

Abbreviation: None

Date: 1/20/2021

County: Summit

Filename: M041-001

User: ECS

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Remove portable facilities (toilet, fuel equip, etc.)	NA	1	8.00	\$2,500
002	Replace Topsoil	TRUCK1	1	97.50	\$68,552
003	Replace Overburden	TRUCK1	1	180.19	\$126,691
004	Reveg	REVEGE	1	40.00	\$73,886
005	Mob/Demob	MOBILIZE	1	4.88	\$7,017
<u>SUBTOTALS:</u>				330.57	\$278,646

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$5,629
Performance bond:	1.05	Total =	\$2,926
Job superintendent:	150.00	Total =	\$10,432
Profit:	10.00	Total =	\$27,865
		TOTAL O & P =	\$46,852
		CONTRACT AMOUNT (direct + O & P) =	\$325,498

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	\$500	Total =	\$500
Engineering work and/or contract/bid preparation:	4.25%	Total =	\$13,834
Reclamation management and/or administration:	5.00%		\$16,275
CONTINGENCY: 3.00%		Total =	\$8,359
		TOTAL INDIRECT COST =	\$85,819
		TOTAL BOND AMOUNT (direct + indirect) =	\$364,465