




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: Section 20 Mine	MINE/PROSPECTING ID#: M-2022-004	MINERAL: Overburden and sand	COUNTY: Weld
INSPECTION TYPE: Pre-Operation Inspection	INSPECTOR(S): Peter Hays	INSP. DATE: March 3, 2022	INSP. TIME: 12:30
OPERATOR: Jalisco International, Inc.	OPERATOR REPRESENTATIVE: Kyle Regan	TYPE OF OPERATION: 111 - Construction by Government Agency	
REASON FOR INSPECTION: Pre-Operation Inspection	BOND CALCULATION TYPE: None	BOND AMOUNT: \$75,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 24, 2022	

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 Section 20 (111) Mine conducted by Peter Hays and Connor Drinkard with the Division of Reclamation, Mining and Safety (Division/DRMS). Mr. Kyle Regan with Civil Resources, LLC was present during the inspection.

The Construction Materials Special 111 Operation Reclamation Permit application was received by the Division on January 26, 2022. The application was deemed complete on February 17, 2022. No objections were received by the Division. Comment letters from the Division of Water Resources and History Colorado was received and forwarded to the Applicant on March 1, 2022 and March 11, 2022, respectively. The application was approved by the Division on March 4, 2022. The Division is currently waiting for the submittal of all required financial and performance warranty documents prior to issuing the permit.

The application proposes a 29.92 acre site with 22.45 acres of mining disturbance. The remaining acreage will be utilized as a topsoil stockpile area and the access road. The site is located south of WCR 44 and east of WCR 60 near Gilcrest, CO. The site is currently flood irrigated farmland. The proposed mine site consisted of a plowed field at the time of this inspection.

The owner of the property is concurrently applying for a 112 construction materials permit. Mining operations under the 111 application will end after the 112 permit is issued or after the Operator reaches the final grade for the 111 operation. The 111 application permit boundary includes portions of Cell 7 and 8 from the 112 permit application. The topsoil depth is estimated at 12 inches in depth. Topsoil will be stockpiled south of the mining excavation. The overburden depth is estimated at 5 feet in depth. The overburden will be utilized for the highway project associated with the 111 application and will not be salvage for reclamation. The depth to bedrock is estimated at 48 feet with groundwater elevations at approximately 25 feet. The pit will be excavated to a depth of 20 feet or shallower to avoid exposing groundwater. No groundwater will be exposed during the mining operation. The Operator committed to remaining at least two feet above the groundwater elevation. No processing will occur on-site. In the event the 112 application is not approved by the Division, the pit will be reclaimed as an infiltration pond.

The proposed post-mining land use is developed water resource. The perimeter slopes of the excavation will be mined and reclaimed at the final 3H:1V grade. Topsoil will be replaced at a depth of 12 inches above the high water elevation. The site will be revegetated with the Weld County upland seed mixture and mulched with 2 tons of straw per acre.

The required notice sign was posted at the entrance of the site off of WCR 44. Survey stakes delineating the proposed permit boundary were observed during the inspection. All permanent man-made structures within 200 feet of the proposed affected area appear to have been identified by the Applicant.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at 303.866.3567 x 8124, or by email at peter.hays@state.co.us.

PHOTOGRAPHS



Section 20 Mine notice sign



View of the existing access road to the proposed mine site



View of the typical permit boundary survey stake



View of the proposed site from the northeast corner of the excavation area looking southwest

Inspection Contact Address

Kyle Regan
Jalisco International, Inc.
6663 Colorado Blvd
Commerce City, CO 80022

Ec: Jared Ebert; Division of Reclamation, Mining & Safety