




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: S & H Mine	MINE/PROSPECTING ID#: M-2000-158	MINERAL: Sand and gravel	COUNTY: Weld
INSPECTION TYPE: Monitoring	INSPECTOR(S): Robert Zuber, P.E.	INSP. DATE: September 1, 2022	INSP. TIME: 08:50
OPERATOR: Scout Investments, L.L.C.	OPERATOR REPRESENTATIVE: Jason VonLembke	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$4,800,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 27, 2022

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The current reclamation plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-116 (1). The large pile of concrete and rebar on the south side of the site must be accounted for in the Reclamation Plan.

CORRECTIVE ACTIONS: The operator shall submit a Technical Revision by the corrective action date, with the required \$216 revision fee, to update and clarify the current approved Reclamation Plan to reflect future removal of the concrete and rebar. Alternatively, the material can be moved offsite, and proof (e.g., photographs) provided to the Division.

CORRECTIVE ACTION DUE DATE: 12/09/22

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: A sufficient mine identification sign was not posted at the entrance of the mine site. This is a problem for failure to post a mine identification sign as required by Section 3.1.12(1) of the rule. The Operator shall, at the entrance of the mine site post a sign, which shall be clearly visible from the access road, with a minimum size equaling one hundred and eighty-seven (187) square inches, such as eleven (11) inches in height and seventeen (17) inches in width, with appropriate font size, with the following: the name of the Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number.

CORRECTIVE ACTIONS: The operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number. The operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 11/04/22

OBSERVATIONS

The S& H Mine is permitted for 1,508.63 acres. The site is located 2.5 miles northwest of Platteville, CO. The post mining land use is developed water resource in the northern part of the site and rangeland in the southern part. It is recommended that a new technical revision be submitted by the permittee to clarify the reclamation plan. The Reclamation Plan Map from the last revision (TR-07) indicates that the southern portion of the site will be reclaimed as a pond (Cell A).

The S& H Mine was previously inspected by the Division of Reclamation, Mining and Safety (Division) in 2015 (monitoring) and 2016 (surety increase). This report details the observations of Rob Zuber with the Division from the inspection of September 1, 2022. He was accompanied by Jason VonLembke with Scout Investments, LLC. Scout Investments is the permittee and also the landowner for the northern portion of the site. The southern portion of the site is owned by the City of Aurora; no Aurora representative was present during the inspection. Also on the inspection were Julie Mikulas and Russ Brynjulson with Martin Marietta, which is the company performing mining and processing on site.

Julie Mikulas indicated that the permittee has a lease with the City of Aurora to continue operations until the year 2038 (signed in 2018). Per a technical revision (TR-06), the Aurora portion of the site will not be mined. A processing facility exists on this part of the site, and the plan is to continue this activity for approximately three years after mining has ceased in the northern portion of the site.

For the northern portion of the site, owned by Scout Investments, the following summarizes the status of mining and water management activities:

- The slurry wall for Cell C1 was completed in 2007.
- Cell C1 will be mined in the future. (This will occur when current mining in Cell C2 is completed, possibly in 2027.)
- The slurry wall for Cell C2 was completed in 2020.
- Cell C2 is currently being mined.
- The slurry wall for Cell D is close to completion.
- Excavation for the silt pond has been completed. There are two cells – one for sediment-laden water and one for treated water.
- A water truck was in operation near the north end of Cell C2.

Soil piles were seen in two general locations (approximate quantities were provided by Russ Brynjulson):

- Near the northeast corner, 10,000 CY of topsoil
- Near the northeast corner, 20,000 CY of overburden
- South of the active pit, 5,000 CY of topsoil
- South of the active pit, 30,000 CY of overburden.

All of the piles were approximately 10 to 15 feet high, except for the topsoil pile south of the pit, which was closer to eight feet high.

A large pile of concrete and rebar was seen at the south end of the site (waste from demolition). This material should be disposed of soon or the removal of it added to the reclamation plan and cost estimate.

The Division currently holds a reclamation bond in the amount of \$4,800,000.00, which matches the required surety. The reclamation cost estimate for the required surety for the site has not yet been updated. This will be done in the near future, and (if necessary) the Division will increase the Financial Warranty for this permit via a Surety Increase action.

Signs of weed spraying were seen around the site. Near the river, a small number of tamarisk were seen; these should be removed.

No signs of erosion or other off site impacts were seen. This includes the north side of the site where construction is ongoing (likely a wet well). The riparian areas at the northeast corner appear to not be impacted by mining activities. Also, they are not designated as jurisdictional wetlands by the US Army Corps of Engineers, per Jason VonLembke.

The mine entrance sign did not include the necessary information. Boundaries were defined as required by Rule 3. 1. 12. The markers included fences and the river bank.

PHOTOGRAPHS



Conveyor, facing north



Conveyor, facing west, with Cell C2 in background



Pipeline to silt pond



East cell of silt pond ("dirty" water)



Slurry wall construction for D Cell



South Platte River near Cell C1



Cell C1 with Sharkey Lake in background (disturbance in foreground from oil and gas operation)



Concrete and rebar on south side

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>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>PB</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>PB</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	

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

Inspection Contact Address

Jason VonLembke
Scout Investments, L.L.C.
8301 E. Prentice Ave
Greenwood Village, CO 80111

CC: Michael Cunningham, DRMS