

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: | | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|-------------------------------|------------------------|---------------------------------|---------------------------------------|-------------|
| Tucson South Resource | | M-2004-044 | Sand and gravel | Adams |
| INSPECTION TYPE: | | WEATHER: Clear | INSP. DATE: | INSP. TIME: |
| Monitoring | | | December 9, 2022 | 11:00 |
| OPERATOR: | | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Holcim - WCR, Inc. | | Wyatt Webster | 112c - Construction Regular Operation | |
| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Normal I&E Program | | Full | \$834,000.00 | |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: | |
| NA | | None | Adams County | |
| INSPECTOR(S): | INSPECTOR'S SIGNATURE: | | SIGNATURE DATE: | |
| Nikie Gagnon | | | January 6, 2023 | |
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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>Y</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>Y</u> |
| (MP) GENL MINE PLAN COMPLIANCE- <u>Y</u> | (FW) FISH & WILDLIFE <u>N</u> | (RV) REVEGETATION <u>N</u> |
| (SM) SIGNS AND MARKERS <u>Y</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

The Tucson South Resource site was inspected by Nikie Gagnon with the Division of Reclamation, Mining and Safety (Division/DRMS). Wyatt Webster representing Holcim-WCR, Inc. and Miles Buescher with Adams County accompanied the Division during the inspection. The Tucson South mine is a 112c mining operation permitted for 287.60 acres. The post-mine land use is developed water resources and pasture land.

Gen. Compliance With Mine Plan:

According to the mine plan, mining will occur in two phases known as the west mining and east mining areas. Tucson Street runs between the two mining areas. In the summer of 2022, slurry walls were installed in both mining areas to allow the site to be used for developed water resources upon closure (Reservoir A and B). Topsoil screening berms line the south end of the east and west mining areas, along Highway 7. Trees have been planted in front of the topsoil berms for aesthetics and visual mitigation along Highway 7

According to the Operator, mining commenced in the fall of 2022. Mining may occur simultaneously in more than one phase, however, currently only the west mining area is active. Mining was observed in south end of the west mining area during this inspection. A front end loader was observed placing mined material into the conveyor system and an excavator and dump truck were operating in the pit area. A large overburden stockpile is located just north of the active mining area, which is consistent with the mine plan. No mining activity was observed on the east side during this inspection.

In 2021, the permit was amended to add 7.7 acres for a conveyor to transport material for off-site processing at the Wattenberg Pit, north of the Tucson Pit operation. The Division observed the conveyor system operating. Silt fences are installed along the conveyor system separating the permit area from the adjacent agriculture field. No problems with the conveyor were noted during this inspection.

A temporary structure used for a mine office is located at the main entrance to the west mining area. A graded parking area is adjacent to the office.

Air Quality

In order to comply with the Adams County Conditional Use Permit, the operator installed wind sensors in the southwest corner of the west mining area and the northeast corner of the east mining area. At the time of inspection, the winds were calm and dust was not observed blowing around the site.

Hydrologic Balance:

In the area of active mining, groundwater was observed in a rectangular pit approximately 1.0 acre in size. Water is pumped to a settling pond located in the northeast corner of the east side, which discharges to the South Platte River. Approximately 1-2 feet of water was observed in the pit during this inspection. The pump was operating and water was flowing into the settling pond on the east side. Holcim has an approved Substitute Water Supply Plan (WDID 0202565) that allows for an exposed surface area of up to 3.0 acres. Depletions covered include evaporation, aggregate production, slurry wall construction, landscape irrigation and dust control.

Signs and Markers:

Mine signs were posted at the entrances to the east and west mining area as required by Rule 3.1.12(1). A barbed wire fence was installed around the two mining areas. A silt fence and posts mark the boundary between the east mining area and the adjacent private land. White plastic posts mark the edge of the slurry wall around each reservoir. Along the conveyor, the permit boundary was marked by t-posts and a silt fence.

Financial Warranty:

The Division holds an \$834,000.00 bond for the site. The financial warranty was reviewed as a part of the inspection and the Division has determined the bond is adequate.

Photographs taken during inspection are attached. Please contact Nikie Gagnon (303)866-3567 ext. 8126 or email at nikie.gagnon@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Looking west at overburden and stockpiles in the west side mining area.



Conveyor loading area in the west side mining area.



Southwest corner of the west mining area.

Topsoil berm and trees planted by operator. Barbed wire fencing along the permit boundary.



Southwest corner of the west mining area. Slurry wall marked by white post.



Looking north across the pit area. Groundwater is pumped out of pit to settling pond in the east mining area.



Looking south at the topsoil berm from the active mine side.



Overburden pile north of the active mining area.



Looking east from the southwest corner of the west mining area. Arrow points to wind sensor.



Looking east from the west side. Arrows point to perimeter fence and topsoil berm.



Looking south at conveyor system.



Looking west at conveyor system. Silt fence runs along both sides of conveyor. Post in foreground marks permit boundary.



Looking south at tunnel where conveyor runs under the County road.



Entrance to the east side mining area.



Settling pond in the northeast corner of the east side mining area. South Platte in the background.



Dust sensor located in the northeast corner of the east side mining area. Piping running to the settling pond.



Topsoil berm along the eastern boundary of the east mining area. Piping running over the top to the settling pond.



Barbed wire fence along Tucson Street surrounds the east mining area. Slurry wall marked by white post.



Main office at the entrance to the west mining area.



Parking area adjacent to the main office in the west mining area.



A hawk in a tree above the office at the main entrance.

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CC: Amy Eschberger, Senior EPS, DRMS