




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: Blue Grass Gravel Pit	MINE/PROSPECTING ID#: M-2008-001	MINERAL: Sand, gravel and boron for construction	COUNTY: Pueblo
INSPECTION TYPE: Surety Release Inspection	WEATHER: Clear	INSP. DATE: February 28, 2023	INSP. TIME: 10:00
OPERATOR: Southwest Farms, Inc.	OPERATOR REPRESENTATIVE: Phillip Courtney	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$20,700.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Amber Michels Jared Ebert	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 9, 2023	

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>Y</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>N</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>Y</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 Blue Grass Gravel Pit was inspected by Amber Michels and Jared Ebert with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed in response to a Succession of Operators application (Revision No. SO5) that was received by the Division on December 21, 2022. Phillip Courtney of Martin Marietta Materials, Inc. represented the prospective Successor Operator. The weather was clear and windy.

The Blue Grass Gravel Pit is a Construction Material Regular 112c Operation Reclamation Permit and is approved to include 323 acres of land. Affected lands will be reclaimed to support a developed water resource post-mining land use. The site is located nine miles east of Pueblo, Colorado. The site consists of two main areas, east and west pivot fields, proposed to be mined and developed into water reservoirs. The site is currently used for general agriculture. The only mining activity that appears to have occurred is in a 21.4 acre area south east of the Eastern half where topsoil had been stripped in 2010 in preparation for excavation.

Financial Warranty:

The approved maximum affected acreage was reduced pursuant to Technical Revision No. 1 (TR1) to 21.4 acres to account for the previously disturbed acreage in 2010. The Division evaluated the financial warranty and determined the current bond amount held by the Division is inadequate at this time. The current cost estimate increases the required bond amount from \$20,700 to \$39,939 (an increase of \$19,239). The prospective Successor Operator will be responsible for supplying a new Financial Warranty prior to the approval of SO5. The cost estimate reflects the currently disturbed 18 acres of the previously approved 21.4 affected acreage. The Division will issue a required surety increase in accordance with Rule 4.2.1(2). The proposed Successor Operator will need to post the required surety reflecting this increase within 60 days of this notice and prior to the approval of the SO5 application.

Hydrologic Balance:

The permit is currently approved for a post mine land use of developed water resources. The prospective Successor Operator stated that this is currently the plan, and if it were to significantly change they would submit an Amendment to the reclamation permit. The prospective Successor Operator also understands that pursuant to the currently approved mining plan, a revision must be approved by the Division for the construction of a slurry wall prior to the commencement of mining operations. The permit is currently approved to relocate the Excelsior Ditch along the northern boundary of the permit area. The prospective Successor Operator said that this may not be necessary, and will be re-evaluated before production begins.

Gen. Compliance With Mine Plan:

The prospective Successor Operator was made aware that the currently approved affected acreage only represents the area disturbed in 2010. At the time of the inspection, the prospective Successor Operator stated that upon approval of SO5, they may immediately submit a Technical Revision revising the approved affected acreage so they may begin mining operations, at which time a possible further increase in financial warranty would be required as only a limited amount of disturbance is allowed based on the approval of TR1.

Reclamation Success:

The affected area disturbed in 2010, located in the southern portion of the Eastern half of the permit, is vegetated and stable.

Signs and Markers:

A permit sign was observed at both the West and East entrances to the site. The Operator's name on the sign will need to be changed from Southwest Farms, Inc. to Martin Marietta Materials, Inc. upon the approval of SO5.

In closing, the Successor Operator will have 60 days to post the required surety reflecting the increase noted above. Once the financial warranty has been replaced by the Successor Operator, the Division will proceed with the approval of SO5.

Please contact Amber Michels (303) 866-3567 ext. 8137, (720) 836-0967 or email at amber.michels@state.co.us if you have any questions regarding this report.

Inspection Contact Addresses

Phillip Courtney
Martin Marietta Materials, Inc.
1627 Cole Blvd., Suite 200
Lakewood, CO 80401

John Sliman
Southwest Farms, Inc.
1825 Chianti Ct.
Pueblo, CO 81001

Enclosure: Updated Cost Estimate

Cc: Jared Ebert, DRMS

PHOTOGRAPHS



Photo 1: Looking west across Western half of permit



Photo 2: Looking south across Western half of permit



Photo 3: Looking north across Western half



Photo 4: Mine sign posted at Eastern half entrance



Photo 5: Looking east at the previously disturbed acreage in the lower east corner of the Eastern half of the permit area



Photo 6: Looking south east at the previously disturbed acreage in the lower east corner of the Eastern half of the permit area



Photo 7: Looking south west standing in the previously disturbed acreage in the lower east corner of the Eastern half of the permit area



Photo 8: Looking south west standing in the previously disturbed acreage in the lower east corner of the Eastern half of the permit area



Photo 9: Looking north west at the Eastern half from its eastern border



Photo 10: Looking west at the Eastern half from its eastern border

COST SUMMARY WORK

Task description: Reclaim Blue Grass Gravel Pit

Site: Blue Grass Gravel Pit

Permit Action: SO5 ANM

Permit/Job#: M2008001

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: ANM

Date: 3/3/2023

County: Pueblo

Filename: 000

User: ANM

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Revegetation of the Blue Grass Gravel Pit	REVEGE	1	18.00	\$29,503
002	Mobilization and De-mobilization	MOBILIZE	1	2.64	\$2,143
<u>SUBTOTALS:</u>				20.64	\$31,646

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$639

Performance bond: 1.05

Total = \$332

Job superintendent: 10.32

Total = \$775

Profit: 10.00

Total = \$3,165

TOTAL O & P = \$4,911

CONTRACT AMOUNT (direct + O & P) = \$36,557

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 4.25

Total = \$1,554

Reclamation management and/or administration: 5.00

\$1,828

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$8,293

TOTAL BOND AMOUNT (direct + indirect) = \$39,939

REVEGETATION WORK

Task description: Revegetation of the Blue Grass Gravel Pit

Site: Blue Grass Gravel Pit

Permit Action: SO5 ANM

Permit/Job#: M2008001

PROJECT IDENTIFICATION

Task #: 001

State: Colorado

Abbreviation: ANM

Date: 3/3/2023

County: Pueblo

Filename: 001

User: ANM

Agency or organization name: DRMS

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Alkali Sacaton	3.30	128.79	\$93.97
Switchgrass - Pathfinder	3.30	29.47	\$42.08
Western Wheatgrass - Native	3.30	8.33	\$19.80
Totals Seed Mix	9.90	166.59	\$155.84

Application

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$232.00
Total Seed Application Cost/Acre	\$232.00

MULCHING and MISCELLANEOUS

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$421.36	\$842.72
Total Mulch Materials Cost/Acre				\$842.72

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$73.00
Power mulcher (MEANS 32 91 13.16 0350)	\$141.57
Total Mulch Application Cost/Acre	\$214.57

JOB TIME AND COST

No. of Acres: 18

Cost /Acre: \$1,445.13

Estimated Failure Rate: 50%

Cost /Acre*: \$387.84

*Selected Replanting Work Items: SEEDING

Initial Job Cost: \$26,012.34

Reseeding Job Cost: \$3,490.56

Total Job Cost: \$29,503

Job Hours: 18.00

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description: **Mobilization and De-mobilization**

Site: **Blue Grass Gravel Pit**

Permit Action: **SO5 ANM**

Permit/Job#: **M2008001**

PROJECT IDENTIFICATION

Task #: **002**
Date: **3/9/2023**
User: **ANM**

State: **Colorado**
County: **Pueblo**

Abbreviation: **None**
Filename: **002**

Agency or organization name: **DRMS**

EQUIPMENT TRANSPORT RIG COST

Shift basis: **1 per day**
Cost Data Source: **CRG Data**

Truck Tractor Description: **GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,
400 HP (2ND HALF, 2006)**

Truck Trailer Description: **GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT
TRAILER (25T, 50T, AND 100T)**

Cost Breakdown:

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$15.25	\$23.06	\$37.58
Operating Cost/Hour:	\$25.26	\$30.83	\$51.41
Operator Cost/Hour:	\$27.71	\$27.71	\$27.71
Helper Cost/Hour:	\$0.00	\$20.22	\$20.22
Total Unit Cost/Hour:	\$68.22	\$101.82	\$136.92

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Drill/Broadcast Seeder with Tractor	25.00	\$6.25	\$68.22	1	\$74.47	\$68.22	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$6.25	\$68.22	1	\$74.47	\$68.22	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$14.79	\$68.22	1	\$83.01	\$68.22	\$250.00

Subtotals: **\$231.95** **\$204.66** **\$750.00**

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 3/4 T.	\$87.03	1	\$87.03	\$87.03

Subtotals: **\$87.03** **\$87.03**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	<u>PUEBLO</u>	
Total one-way travel distance:	<u>13.00</u>	miles
Average Travel Speed:	<u>50.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$2,098.16</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$45.26</u>
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.26</u>	<u>0.26</u>
Return Time (Hours):	<u>0.26</u>	<u>0.26</u>
Loading Time (Hours):	<u>0.40</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.40</u>	<u>NA</u>
Subtotals:	<u>1.32</u>	<u>0.52</u>

JOB TIME AND COST

Total job time:	<u>2.64</u>	Hours
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Total job cost:	<u>\$2,143</u>
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