



COLORADO


Division of Reclamation,
Mining and Safety

Department of Natural Resources

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: Sundance Sand and Gravel Resource	MINE/PROSPECTING ID#: M-2006-073	MINERAL: Sand and gravel	COUNTY: El Paso
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: March 21, 2023	INSP. TIME: 11:00
OPERATOR: Sundance Investments LLP	OPERATOR REPRESENTATIVE: Mike Drabing	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$1,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Timothy Cazier, P.E.	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 24, 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>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>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>NA</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</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

OBSERVATIONS

This inspection was conducted by Tim Cazier (DRMS) as part of the regular monitoring program. The Permittee (Sundance Investments LLP) was represented by Mr. Mike Drabing during the inspection. The Sundance Sand and Gravel Resource site is located approximately six miles south of Fountain, CO off I-25 (Exit 122) and Old Pueblo Rd. This is a 112c sand and gravel mine. Mining has not been initiated at this site.

Inspection: The permit sign was displayed as required (see **Photo 1**). The entire site was driven. No mining related disturbances were observed (see **Photos 2 and 3**). Mr. Drabing reminded this inspector that the El Paso County permit had lapsed. This inspector reminded him the County permit is required prior to initiating mining.

File Review Notes:

- The total permitted area is 745 acres. The total proposed affected area (for the purpose of bonding) is 479 acres, 428.5 of which are proposed for material extraction. The remaining 50.5 acres are for stockpiles and processing areas.
- There is a \$1,000 token financial warranty for the site. This is deemed adequate as no disturbance has been initiated.
- The Permit contains the following stipulation as a result of the DRMS approval of a surety reduction requested in 2014, as no mining had been initiated: *"The Operator shall request in writing to the DRMS that the financial warranty be increased prior to commencing mining. An increase of the financial warranty shall be requested, and provided with the letter to the DRMS, by the Operator to its bonding/surety provider prior to commencing mining. The increased financial warranty and updated bond forms shall also be provided to the DRMS from the Operator's bonding/surety provider."*
- Annual fees and reports are current through 2023.

Close-out Meeting: Mr. Drabing indicated a drilling program was planned for perhaps as early as the first week of April 2023. This inspector informed him there might be bonding related restrictions to prohibit such a program due to the DRMS holding only a token bond. Subsequent to this inspection, the permit file was reviewed and determined that the only way for a drilling program to proceed was either to A) submit a Technical Revision (TR) to update the mine plan, reclamation plan and financial warranty to cover this activity; or B) apply for a Notice of Intent (NOI) to conduct exploration activity. The DRMS communicated this to Mr. Drabing and representatives from companies to be involved in the drilling program. The Permittee is reminded that construction material NOIs are considered confidential under DRMS regulations.

PHOTOGRAPHS



Photo 1. Permit sign posted on gate off Old Pueblo Rd.



Photo 2. Undisturbed north end (looking south).

PHOTOGRAPHS (cont.)



Photo 3. Undisturbed south end (looking NE).

Inspection Contact Address

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ec: DRMS file
Mike Drabing, Sundance Investments