




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: T.H.E. Aggregate Source	MINE/PROSPECTING ID#: M-1977-193	MINERAL: Granite, granite gneiss and gravel	COUNTY: Fremont
INSPECTION TYPE: Preoperation Inspection	WEATHER: Cloudy	INSP. DATE: May 17, 2023	INSP. TIME: 13:00
OPERATOR: Tezak Heavy Equipment Co. Inc.	OPERATOR REPRESENTATIVE: Randy DiLuzio	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Related	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$913,998.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Timothy Cazier, P.E.	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 2, 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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>Y</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>Y</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>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 at the request of the Permittee related to the mine plan and the potential for future offsite impacts. The Permittee (Tezak Heavy Equipment) was represented by Randy DiLuzio and Lu Toxvard who were present during the inspection. Also present were Kurt Thurman and Jess Walker representing Holcim-WCR. The Aggregate Source Pit is accessed from US Hwy 50, just west of the intersection with Tunnel Drive approximately 1.5 miles west of Cañon City. This is a 112c stone and gravel mine. It was operating at the time of the inspection.

Explosives: The primary concern and focus of this inspection was the potential for blasted rock from the ridge on top of the planned latest expansion into the "Phase 3" area to roll out of the permit boundary on the west side. If blasted material were to settle outside the affected area boundary, the DRMS could consider it offsite impact. Mr. Diluzio also pointed out that retrieving such material would likely result in additional offsite disturbance.

Financial Warranty: The \$913,998 bond held by the DRMS was last updated in 2021 (TR-10). An automatic unit cost update with current unit costs was reviewed as part of this inspection. The revised cost estimate is now \$914,876 (see **Attachment A**). This is less than a one percent increase and the full bonded disturbance has not been reached. Therefore, the current bond amount is adequate for the observed mine disturbance.

Fish and Wildlife: No impact to wildlife was observed.

Off-site Damage: All parties went to the ridge of concern to assess the potential for offsite impact, should the ridge be blasted. The west boundary was clearly marked (see **Photo 1**) and the current disturbance was within the boundary. However, given the observed ridge overhang (see **Photo 2**) to the southwest and the extremely steep toe of the ridge (see **Photo 3**), the likelihood of a significant amount of blasted rock ending up offsite to the west was thought to be too high to risk blasting the ridge.

Roads: Haul and access roads were observed being sprayed using a water truck to control dust.

Right of Entry: Mr. DiLuzio stated the permit is in the process of being transferred to Holcim-WCR. Due to complexities in ownership transfer, Tezak Heavy Equipment Co. Inc. needed to first be converted to an LLC before being sold to Holcim-WCR. Both the current Permittee and Holcim-WCR needed to know if the DRMS would require a two-step succession of operator (SO) process to transfer the permit to Holcim-WCR under these circumstances. Subsequent to this inspection, the DRMS determined that as long as the tax ID did not change from the S-Corp to the LLC and that documentation to that effect could be provided to the DRMS, a one-step SO process would be acceptable.

Signs and Markers: The permit sign was properly posted and boundary markers were observed to delineate the permit boundary (see **Photo 1**).

Post Inspection Meeting: The succession of operator (SO) process discussed above under Right of entry was held in the site office, while the blasting/offsite impact discussion was held primarily on top of the ridge in question.

Please contact Tim Cazier (303)328-5229 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. West side boundary markers (circled - looking north from ridge to be blasted).

PHOTOGRAPHS (cont.)



Photo 2. Ridge overhang (looking SE from top of ridge).

PHOTOGRAPHS (cont.)



Photo 3. Ridge and steep toe facing the SW (looking west from top of ridge).

Inspection Contact Address

Randy DiLuzio
Tezak Heavy Equipment Co. Inc.
205 Tunnel Drive
Cañon City, CO 81212

ec: DRMS file
Keith Berger, BLM
Nicolas Sandoval, BLM

Randy DiLuzio, Tezak Heavy Equipment
Kurt Thurmann, Holcim-WCR
Jess Walker, Holcim-WCR

Enclosure: Attachment A - Updated Reclamation Cost Summary Sheet

ATTACHMENT A

COST SUMMARY WORK

Task description: Site Reclamation

Site: T.H.E. Aggregate Source

Permit Action: TR10 (2023 Update)

Permit/Job#: M1977193

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
 Date: 8/16/2021
5/18/2023* County: Fremont Filename: M193-000
 User: BFB /TC1
 Agency or organization name: DRMS

** 2023 Unit cost update ONLY*

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
110	Phase 1- Replace Topsoil (12" over 123.3 ac)	SCRAPER1	1	392.04	\$125,465
120	Phase 1- Rough Grade Topsoil (10% of Task 110 area)	GRADER	1	8.94	\$1,013
130	Phase 1- Rip Pit Floor	RIPPER	1	198.91	\$43,146
140	Phase 1- Reseed Dist Area (pit flr, borrow area & rd easm't)	REVEGE	1	123.00	\$306,592
150	Phase 1- Bench Ditch Maintenance	DOZERGRADER	1	5.00	\$572
170	Permanent Structure Demolition	DEMOLISH	1	80.00	\$32,989
190	Mob/Demob	MOBILIZE	1	1.40	\$2,969
210	Phase 2 BLM- Replace Topsoil (12" over 14.3 ac)	SCRAPER1	1	45.47	\$14,551
220	Phase 2 BLM- Rough Grade Topsoil (10% of Task 210 area)	GRADER	1	1.04	\$118
230	Phase 2 BLM- Rip Pit Floor	RIPPER	1	23.07	\$5,004
240	Phase 2 BLM- Reseed	REVEGE	1	14.00	\$35,558
250	Phase 2 BLM- Bench Ditch Maintenance	DOZERGRADER	1	2.00	\$229
310	Phase 3 BLM- Replace Topsoil (12" over 7.8 ac)	SCRAPER1	1	24.80	\$7,937
320	Phase 3 BLM- Rough Grade Topsoil (10% of Task 310 area)	GRADER	1	0.56	\$64
330	Phase 3 BLM- Rip Pit Floor	RIPPER	1	12.58	\$2,729
340	Phase 3 BLM- Reseed	REVEGE	1	8.00	\$19,395
350	Phase 3 BLM- Bench Ditch Maintenance	DOZERGRADER	1	3.45	\$394
410	Phase 4 BLM- Replace Topsoil (12" over 7.1 ac)	SCRAPER1	1	22.57	\$7,224
420	Phase 4 BLM- Rough Grade Topsoil (10% of Task 410 area)	GRADER	1	0.51	\$58
430	Phase 4 BLM- Rip Pit Floor	RIPPER	1	11.45	\$2,484
440	Phase 4 BLM- Reseed	REVEGE	1	7.00	\$17,655
450	Phase 4 BLM- Bench Ditch Maintenance	DOZERGRADER	1	3.22	\$368
501	Phase 5 BLM- Replace Topsoil (12" over 2.7 ac)	SCRAPER1	1	8.58	\$2,747
502	Phase 5 BLM- Rough Grade Topsoil (10% of Task 501 area)	GRADER	1	0.51	\$58
503	Phase 5 BLM- Rip Pit Floor	RIPPER	1	4.35	\$945
504	Phase 5 BLM- Reseed	REVEGE	1	3.00	\$6,714

505	Phase 5 BLM- Bench Ditch Maintenance	DOZERGRA DER	1	4.49	\$513
551	Phase 5 Tezak- Replace Topsoil (12" over 17.3 ac)	SCRAPER1	1	55.01	\$17,604
552	Phase 5 Tezak- Rough Grade (10% of Task 551 area)	GRADER	1	1.25	\$143
553	Phase 5 Tezak- Rip Pit Floor	RIPPER	1	27.91	\$6,054
554	Phase 5 Tezak- Reseed	REVEGE	1	17.00	\$43,017
555	Phase 5 Tezak- Bench Ditch Maintenance	DOZERGRA DER	1	2.42	\$277
<u>SUBTOTALS:</u>				1113.53	\$704,586

INDIRECT COSTS**OVERHEAD AND PROFIT:**

Liability insurance:	2.02	Total =	\$14,233
Performance bond:	1.05	Total =	\$7,398
Job superintendent:	536.17	Total =	\$40,282
Profit:	10.00	Total =	\$70,459
		TOTAL O & P =	\$132,372
		CONTRACT AMOUNT (direct + O & P) =	\$836,958

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	\$500	Total =	\$500
Engineering work and/or contract/bid preparation:	4.25	Total =	\$35,571
Reclamation management and/or administration:	5.00		\$41,848
CONTINGENCY: 0.00		Total =	\$0

TOTAL INDIRECT COST = \$210,290

TOTAL BOND AMOUNT (direct + indirect) = \$914,876