




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: Bernhardt Resource	MINE/PROSPECTING ID#: M-2002-120	MINERAL: Sand and gravel	COUNTY: Weld
INSPECTION TYPE: Surety-Related Inspection	WEATHER: Clear	INSP. DATE: June 15, 2023	INSP. TIME: 09:30
OPERATOR: BURNCO Colorado, LLC	OPERATOR REPRESENTATIVE: Daniel	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$2,557,725.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Eric Scott	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 21, 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>Y</u>	(RD) ROADS----- <u>NA</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</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>NA</u>	(ST) STIPULATIONS----- <u>NA</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	

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

OBSERVATIONS

This was a surety verification inspection conducted by Eric Scott of DRMS for Revision SO2 (Succession of Operator from Bestway Concrete Company to Burnco) which was approved by DRMS on May 16, 2023. DRMS arrived on site at approximately 9:30 am, and noted that the site identification sign was present at the site entrance. DRMS proceeded to the site office and made contact with Burnco employee Daniel Pompa. Mr. Pompa accompanied DRMS for the remainder of the inspection.

Mining activity at the site was taking place in slurry wall lined cell 2 which has been pumped out for mining completion. The abandoned above ground power lines that used to bisect cell 2 have also been removed at this time.

It was noted during the inspection that the extraordinary rainfall at the site earlier in the week has resulted in damage to the lined pit walls in all cells. The most severe damage was located in the northwest corner of cell 3, previously reclaimed as water storage. The cell 3 inlet/outlet structure has been destroyed by flood flow into the cell, and the cell totally breached in that area. The slurry wall in cell 3 will need to be repaired and recertified due to the pit breach. This may also be required for other mined and open cells. Damage to interior cell walls was noted in cells 2, 4 and 5. It is not known at this time if the slurry walls of these cells has been compromised, although it seems likely based on visual observations. Photos of damage observed have been attached to this report.

DRMS currently holds a \$2,557,725.00 reclamation bond for this site, which includes costs for installation of the existing slurry walls, therefore, no bond increase will be required for SO2. However, DRMS expects that the existing damage to the open pit slopes will be carefully evaluated, and repaired, as soon as practically possible. DRMS noted that the permittee's consultant (Civil Resources) was present on-site at the time of this inspection to conduct a field survey of the conditions.

Inspection Contact Address

Chris Oestreich
BURNCO Colorado, LLC
10100 Dallas Street
Henderson, Co 80640

PHOTOGRAPHS



Photo 1 - Site identification sign at permit entrance



Photo 2 - Breach of cell wall and remnants of inlet/outlet structure in NW corner of cell 3.



Photo 3 - Inflow damage to lined and reclaimed SE pit wall in cell 4. Similar damage was also present on SW side of pit.



Photo 4 – Damage to NE corner of lined pit 5 cell wall adjacent to feed lot.



Photo 5 – Damage to south interior wall of lined cell 2 where current mining activity is taking place.