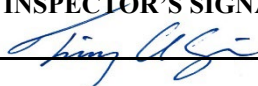




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Schubert Ranch Sand Resource	MINE/PROSPECTING ID#: M-2018-063	MINERAL: Aggregate	COUNTY: El Paso
INSPECTION TYPE: Monitoring	WEATHER: Cloudy	INSP. DATE: January 24, 2023	INSP. TIME: 11:00
OPERATOR: Ellicott Sand & Gravel LLC	OPERATOR REPRESENTATIVE: Steve O'Brian	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$138,200.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Timothy Cazier, P.E.	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 29, 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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>NA</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>NA</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 (Ellicott Sand & Gravel) was represented by Mr. Steve O'Brian during the inspection. The site is accessed from Sanborn Rd about a third of a mile west of S. Baggett Road (~3.5 miles SE of Ellicott on SH 94), about 2 miles south of SH 94.

Availability of Records: Annual reports are current, having been filed through November 2023, stating the last mining activity was November 1, 2022. Mr. O'Brian explained during the inspection that no excavation had been initiated, but that the truck scale, scale house and access road to the scale had been installed/constructed in anticipation of opening the pit. He further explained Ellicott Sand & Gravel was still waiting for their El Paso County permit. Supplemental information submitted with the 2023 annual report confirmed they were still waiting for the county permit but expected to startup in early 2024. While the installation of the scale, scale house and access road is considered development (C.R.S. 34-32.4-103(5)); no extraction of material had been initiated (i.e., no production has occurred). As such it is deemed unnecessary to enter temporary cessation as no other activity has occurred for more than 180 days (C.R.S. 34-32.4-103(11.b)).

The previous inspection was the pre-op inspection on February 24, 2019. The approved post-mine land use is rangeland. There are no open infractions. Both the surface and minerals are privately owned.

Acid And Toxic Materials: A 55-gallon drum was observed near the scale house (see **Photo 1**). It did not appear to be leaking. Speculation was that it was filled with sand. Mr. O'Brian contacted the Operator subsequent to the inspection, who told him the drum was filled with water for setting posts. No acid or toxic materials were observed.

Financial Warranty: The \$138,200 bond held by the DRMS was last updated in 2019 as part of the permit review process. The bond is for a phased operation and included 30 acres of reseeded. This amount is adequate for the observed disturbance: ~600 feet of access road off Sanborn Rd. (see **Photo 2**), truck scale (see **Photo 3**) and scale house (see **Photo 4**).

Fish and Wildlife: No impact to wildlife was observed.

Hydrologic Balance: No standing water was observed in the pit and no exposed groundwater was observed.

Roads: As hauling had not begun, there was no truck traffic to track sediment offsite.

Right of Entry: An affidavit signed by the landowner (George H. Schubert) allowing Ellicott Sand & Gravel to conduct mining operations for sand and gravel and other construction materials was included in the original permit file.

Revegetation: No noxious weeds were observed.

Sediment Control: No erosion problems were observed and no BMPs were needed at the time of the inspection.

Signs and Markers: The permit sign was properly posted (see **Photo 5**).

Permit Stipulations: There are six permit stipulations/commitments:

- 1) *Increase the width of the setback along Black Squirrel and Big Springs Creeks in order to stay out of the Ordinary High Water (OHW) line as required by the USACE to avoid needing a 404 permit, in each stage to armor the inner and outer banks using Urban Drainage criteria [reference 9/9/2019 PAR response to Comment No. 2].*
- 2) *The site is currently pasture areas covered with grasses, forbs and weeds or has been used as irrigated sod grass fields or hay production. Which is basically a sandy sparsely covered grass and weedy drainage basin. There is little or no topsoil on the sod farm areas and very little on the sandy Black Squirrel Creek/ Big Spring Creek banks. The NRCS recommended using 2 tons per acre of wheat straw mulch and no fertilizer so no supplemental additive will be used. Planting as explained, will take place in the first year after the seed bed is ready. Under normal conditions this gives 3 plus years after planting to establish vegetation on the revegetated area that is capable of matching surrounding areas as a stage is reclaimed. In some cast all but the final 20 acres in a stage will have been seed many years before mining ended in that stage. During this time remedial seeding and weed control will be done to improve the chances of successful and all livestock will be kept off of the seeded areas until it has been successfully re vegetated. [reference 9/9/2019 PAR response Comment #11].*
- 3) *During a catastrophic flood event (100 year or greater) the water that enters the excavated areas will actually help recharge the groundwater in the Upper Black Squirrel Creek Basin and allow the basin to capture more water than if it were to runoff the surface and exit the basin. Any water that remains in the holes after the 72 hours will be replaced as required from an approved source [reference 9/9/2019 PAR response Comment #s 13 & 15].*
- 4) *The intent is not to intercept ground water in this mine. Per the request from the Upper Black Squirrel Creek Groundwater Commission ESG will stay 10 feet above the ground water table so no Well Permit or replacement plan is needed. This may change if stormwater is retained on the mine for more than 72 hours.*
As suggested by the Board of the Upper Black Squirrel Creek Designated Basin and the Colorado Ground Water Commission pumping would not be practical due to the high absorption rate of Black Squirrel Creek. In that case, it would be better to let the water be absorbed into the ground and any left after the initial 72 hours would be best be offset by not pumping one of the basin wells owned by the Schubert Ranch [reference 9/9/2019 PAR response to Comment #15].
- 5) *Exhibits F and G combined indicate eight wells will be either completely or partially mined through.*
Ellicott Sand & Gravel LLC will commit to not mining within 200 feet of any of the 8 wells that could be disturbed by mining until an agreement dictating the landowner's desired treatment for each well to be mined thru is filed with the Division [reference 9/9/2019 PAR response to Comment #22].
- 6) *ESG is not able to get the necessary drilling and investigation complete for the Geotechnical Stability Analysis on the banks completed in a timely manner for any Structures not owned by Schubert Ranch (only structure agreement returned). Ellicott Sand & Gravel proposes to not mine within a minimum of 200 feet from any structure that does not have a signed agreement until a Geotechnical Stability Analysis can be completed and approved by the Division of Reclamation, Mining and Safety. To this extent I have revised Map Exhibit C-1 - Mining Plan and Map Exhibit F - Reclamation Plan to show a 200-foot setback on the South sides of Stages I and IV and the north sides of Stages II and III along Sanborn Road. Where appropriate I added a 200-foot setback to*

the east sides of Stages IV and VI along S. Baggett Road. I also revised the Exhibit D - Mining Plan text to note this proposed setback change and provided copies for the file. This is intended proposed delay is to allow ESG to start mining as the Geotechnical Stability Analysis is being prepared.

Once we are able to get the Geotechnical Stability Analysis completed ESG will file a Technical Revision that includes the Geotechnical Stability Analysis, and the necessary exhibit changes to revise the setback and allow for mining closer than the 200-foot setback, should the analysis show that is possible. This Technical Revision will include new Mining and Reclamation Plan Map Exhibits.

Structures: No new structures were observed.

Post Inspection Meeting: No Problems or Possible Violations were observed.

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. 55-gallon drum filled with water (near scale house).

PHOTOGRAPHS (cont.)



Photo 2. Access road from Sanborn Rd to truck scale (looking north from Sanborn Rd).



Photo 3. Truck scale (looking NW).

PHOTOGRAPHS (cont.)



Photo 4. Scale house & truck scale (looking south).



Photo 5. Permit sign (near entrance off Sanborn Rd.).

Inspection Contact Address

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Ellicott Sand & Gravel LLC
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Colorado Springs, CO 80929

ec: Hunter Ridley, DRMS
DRMS file
Steve O'Brian, Environment, Inc.
Perry Hastings, Ellicott Sand & Gravel