




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: McKenzie Pit	MINE/PROSPECTING ID#: M-1980-224	MINERAL: Sand and gravel	COUNTY: Fremont
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: January 23, 2024	INSP. TIME: 09:00
OPERATOR: Fremont Paving & Redi-Mix, Inc.	OPERATOR REPRESENTATIVE: Jodi Schreiber	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$10,460.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Hunter Ridley	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 30, 2024	

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The approved mining and reclamation plan require the Operator to mine at a 3H:1V or gentler slope. Currently, the northern highwall is at a 2H:1V slope or greater.

CORRECTIVE ACTIONS: The operator shall regrade highwall slopes to be in compliance with the approved 3H:1V grade as stated in both the Mining and Reclamation Plan. Please submit photograph evidence to the Division that this has been completed by the above corrective action due date.

CORRECTIVE ACTION DUE DATE: 4/01/2024

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>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>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- PB	(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>N</u>	

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

OBSERVATIONS

The McKenzie Pit, Permit No. M-1980-224, was inspected by Hunter Ridley with the Division of Reclamation, Mining and Safety (Division) as part of the Division's monitoring inspection program. Jodi Schreiber with Fremont Paving Redi-Mix, Inc. and Troy Hanenberg with Ary Corp were present for the inspection. The McKenzie Pit access road entrance is located off Hwy 115 at Santa Fe Drive approximately 2.5 miles southeast of Cañon City. The site is a 112c gravel operation permitted for 24.78 acres with a post-mining land use of industrial/commercial.

The 2023 Annual Report stated that 10/4/2023 was the date of last activity at the mine. The site was active at the time of inspection, so a Notice of Temporary Cession is not required at this time. The Operator is reminded that if they are inactive for more than 180 consecutive days, they should request temporary cession in accordance with Rule 1.13.

Two permit signs are posted at the site, one at the main site entrance off Sante Fe (Photo1) and one at the corner of Sante Fe and Hwy 115 (Photo 2). Boundary markers were delineated by tall, white t-posts and were in place for all permit corners (e.g. Photo 5) in accordance with Rule 3.1.12. The currently affected acreage is ~2.5 acres as noted on the 2023 Annual Report and verified in the field as part of this inspection. The Operator stated that pit run is occasionally stripped from the highwall area for processing and sale. The approval of AM-2 in 2010 modified the permit boundary to include 24.78 acres. The additional 22.28 acres of affected land are currently undisturbed by mining activity and are being used in accordance with the site's approved post-mining land use of industrial/commercial.

The currently approved Exhibit D Mine Plan states that mining "Mining will maintain perimeter 3:1 slope and will grade the pit floor concurrent with mining to blend with the existing industrial site floor and stormwater management structures". The Exhibit E Reclamation Plan states that "Slopes will be maintained at a 3:1 grade or gentler during mining". The highwalls onsite did not appear to be benched and slopes appeared to be greater than the approved 3H:1V slope (Photo 3). **Therefore, the Division is citing a problem for failure to follow the approved mine plan and mine at the approved 3H:1V slope.** The Operator will be required to regrade the highwall slopes to match the approved 3H:1V grade as stated in both the Mining and Reclamation Plan. Please submit photograph evidence that this corrective action has been completed by the above corrective action due date.

A topsoil pile was noted in the northern portion of the permit. As per the approved Reclamation Plan, this medium will be used to vegetate slopes in final reclamation. The amount of topsoil present appeared to be sufficient to cover the 1.5 acres of area planned to be sloped and vegetated in final reclamation. The 25 ft setback from the communication center, adjoining neighbor property, utility lines and Highway 115 were in place.

No impact to wildlife was observed and no noxious weeds were noted onsite.

The Division currently holds a financial warranty amount of \$10,460.00 for this site. The bond was last assessed post inspection in 2015 through the processing of TR-01. In an effort to ensure the Financial Warranty adequately reflects the actual current cost of fulfilling the requirements of the approved reclamation plan, the Division has updated the reclamation cost estimate. The Division has found the current bond to be **inadequate** for reclamation of the site. The updated required bond amount is \$13,027.00. This is an **increase of \$2,567.00.** A copy of staff calculations has been attached with this report. A notice of surety increase will be sent under separate cover.

Photographs taken during the inspection have been included below. Responses to this inspection report should be directed to: Hunter Ridley at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 720-868-7757 or via email at hunter.ridley@state.co.us.

PHOTOGRAPHS



Photo 1: Mine sign at the entrance off Sante Fe.



Photo 2: Mine sign at the corner of Sante Fe and Hwy 115.



Photo 3: View west of the current highwall at its active end.



Photo 4: Example of a permit boundary marker, located in the southeastern corner of the permit.



Photo 5: View north of the active highwall area, another permit boundary marker is visible in this area.

Inspection Contact Address

Jodi Schreiber
Fremont Paving & Redi-Mix, Inc.
839 Mackenzie
Cañon City, CO 81212

COST SUMMARY WORK

Task description: _____

Site: McKenzie Pit

Permit Action: 2024 Insp

Permit/Job#: M1980224

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 1/10/2024

County: Fremont

Filename: M224-000

User: HR1

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Grade 2 acres to 3:1 slope	DOZER	1	16.78	\$3,737
002	Reveg 2 acres	REVEGE	1	2.00	\$3,812
003	Mob / Demob	MOBILIZE	1	1.26	\$2,219
<u>SUBTOTALS:</u>				20.04	\$9,768

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$197

Performance bond: 1.05

Total = \$103

Job superintendent: 10.02

Total = \$652

Profit: 10.00

Total = \$977

TOTAL O & P = \$1,929

CONTRACT AMOUNT (direct + O & P) = \$11,697

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$500

Total = \$500

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 7.10

\$830

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$3,259

TOTAL BOND AMOUNT (direct + indirect) = \$13,027

BULLDOZER WORKTask description: **Grade 2 acres to 3:1 slope**Site: **McKenzie Pit**Permit Action: **2024 Insp**Permit/Job#: **M1980224****PROJECT IDENTIFICATION**Task #: **001**State: **Colorado**Abbreviation: **None**Date: **1/10/2024**County: **Fremont**Filename: **M224-001**User: **HR1**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8SU**Horsepower: **310**Blade Type: **Semi-Universal**Attachment: **3-shank ripper**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$241.38	NA
Operating Cost/Hour:	\$143.92	100
Ripper own. Cost/Hour:	\$14.11	NA
Ripper op. Cost/Hour:	\$7.45	100
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: **\$448.16**Total Fleet Cost/Hour: **\$448.16****MATERIAL QUANTITIES**Initial Volume: **18,246**Swell factor: **1.000**Loose volume: **18,246 LCY**Source of estimated volume: **9/24/13 Google Earth/TR-01 - Adjusted push dist. & slope**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **50 feet**Unadjusted hourly production: **1,400.0 LCY/hr**Materials consistency description: **Compacted fill or embankment 0.9**Average push gradient: **-30 %**Average site altitude: **4,700 feet**Material weight: **2,550 lbs/LCY**Weight description: **Earth - Dry packed****Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.200	(SLOT)

Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.601	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7767

Adjusted unit production: 1,087.38 LCY/hr

Adjusted fleet production: **1087.38** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.412/LCY

Total job time: **16.78** Hours

Total job cost: **\$7,520**

REVEGETATION WORKTask description: Reveg 2 acresSite: McKenzie PitPermit Action: 2024 InspPermit/Job#: M1980224**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 1/10/2024County: FremontFilename: M224-002User: HR1Agency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Superphosphate, 0-20-0 with 12% S	2.00	pound	\$0.69	\$1.38
			Total Fertilizer Materials Cost/Acre	\$1.38

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$41.82
Total Fertilizer Application Cost/Acre	\$41.82

TILLING

Description	Cost /Acre
Chisel plowing {DMG}	\$100.40
Total Tilling Cost/Acre	\$100.40

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Big Bluestem - Native	1.50	4.48	\$17.73
Blue Grama - Lovington	0.50	8.16	\$7.99
Western Wheatgrass - Arriba	4.00	10.10	\$26.00
Totals Seed Mix	6.00	22.74	\$51.71

Application

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

Total Seed Application Cost/Acre	\$232.00
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MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$429.79	\$859.57
Total Mulch Materials Cost/Acre				\$859.57

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$74.46
Total Mulch Application Cost/Acre	\$74.46

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres: 2 Cost /Acre: \$1,361.34
 Estimated Failure Rate: 40% Cost /Acre*: \$1,361.34
 *Selected Replanting Work Items: FERTILIZING,TILLING,SEEDING,MU
LCHING

Initial Job Cost: **\$2,722.68**
 Reseeding Job Cost: **\$1,089.07**
 Total Job Cost: **\$3,812**
 Job Hours: **2.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mob / DemobSite: McKenzie PitPermit Action: 2024 InspPermit/Job#: M1980224**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 1/10/2024County: FremontFilename: M224-003User: HR1Agency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per dayCost Data Source: CRG DataTruck 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:	\$20.26	\$36.04	\$47.05
Operating Cost/Hour:	\$39.51	\$76.08	\$82.85
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$82.29	\$158.17	\$175.95

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
Cat D8T - 8SU	47.71	\$241.38	\$158.17	1	\$399.55	\$158.17	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$6.73	\$82.29	1	\$89.02	\$82.29	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$25.94	\$82.29	1	\$108.23	\$82.29	\$250.00

Subtotals: **\$596.80** **\$322.75** **\$750.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
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Subtotals: **\$0.00** **\$0.00**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CAÑON CITY
 Total one-way travel distance: 2.00 miles
 Average Travel Speed: 30.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,219.41
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$0.00
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.07</u>	<u>0.07</u>
Return Time (Hours):	<u>0.07</u>	<u>0.07</u>
Loading Time (Hours):	<u>0.25</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.25</u>	<u>NA</u>
Subtotals:	<u>0.63</u>	<u>0.13</u>

JOB TIME AND COST

Total job time: 1.27 Hours

Total job cost: \$2,219