

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Section 20 Gravel Mine	M-2022-001	Sand and gravel	Weld
INSPECTION TYPE:	WEATHER: Clear	INSP. DATE:	INSP. TIME:
Surety Release Inspection		July 19, 2024	10:30
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Red Tierra Equities, L.L.C.	Kyle Regan	112c - Construction Regular Operation	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Surety Release Requested		\$5,399,350.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGE	NCY:
NA	None	None	
INSPECTOR(S):	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	E:
Patrick Lennberg	141-12	July 23, 2024	
Chris Girardi	Catmen of		

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 Y	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>N</u>	(BG) BACKFILL & GRADING <u>Y</u>	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL \underline{Y}
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE N	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION <u>N</u>	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(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

PERMIT #: M-2022-001 INSPECTOR'S INITIALS: JPL INSPECTION DATE: July 19, 2024

OBSERVATIONS

The Section 20 Gravel Mine was inspected by Patrick Lennberg and Chris Girardi with the Division of Reclamation, Mining and Safety (Division/DRMS). The inspection was completed as part of a surety reduction request, submitted in accordance with Rule 4.14, received by the Division on June 11, 2024. The site was previously inspected by the Division on June 22, 2022 at the request of the lone objector to the original permit application. The weather was hot and the sky was clear.

The Section 20 Gravel Mine is located approximately 1.5 miles northwest of Gilcrest, CO in Weld County. The primary access road is 0.4 miles east of the intersection of CO-66 E/State Rte 66E and Weld Co Road 44. The Section 20 Gravel Mine is a 631.58 acre construction materials site divided into eight (8) mining cells; Cells 1-8. Each mining phase is approximately 25-30 acres in size. The approved post-mining use of the permit area is developed water resources with each cell an individual water resources reservoir. The site was not active at the time of inspection.

On June 11, 2024 the Division approved TR-1. Approval of TR-1 limited the initial phase of mining to 43 acres consisting of the North and South Infiltration ponds. Additionally, mining within the initial phase will not expose groundwater and the financial warranty was estimated to be \$50,658. Any additional disturbances beyond what was approved in TR-1 requires the Operator/Permittee to first submit and get approval of a Technical Revision.

Contained within the 43 acres is the Section 20 111 permit operation. The 111 permit is 29.9 acres in size and is located in the South Infiltration Pond area. Mining in the 111 permit area is complete and the permitee Jalisco International, Inc has requested full and final release of the permit.

The Division sent notice of the release request to the Weld County Commissioners, Weld County Planner, the Platte Valley Soil Conservation District, and the landowner. The Division has not receive any comments from the noticed parties.

Both North and South areas were observed during the inspection. The South area has been mined to a depth of ~7 feet. The side slopes have been graded to near 3:1 slope (horizontal to vertical). The North area has not been mined to the same depth but was estimated to be ~3 feet deep. The side slopes have also been graded to near 3:1. The disturbed areas have been revegetated with varying degrees of success so far.

The surety reduction request is to reduce the bond amount to \$50,658, a reduction of \$5,348,692 from the currently held amount of \$5,399,350. The Division estimates this amount is sufficient to reclaim the areas as outlined in TR-1. Therefore the surety reduction request (SR-1) for Section 20 Gravel Mine will be approved. Notice of the Division's decision regarding the reduction request will be sent under a separate cover letter.

Photographs taken during the inspection are attached.

Please contact Patrick Lennberg by email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address

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Robert Lembke Red Tierra Equities, L.L.C. 8301 East Prentice Avenue, Suite 120 Greenwood Village, CO 80111

cc: Jared Ebert, DRMS Chris Girardi, DRMS

ec: Kyle Regan, Civil Resources, LLC, kyler@civilresources.com

PHOTOGRAPHS



Photo 1: Looking south along the eastern boundary (middle) of the North Infiltration Pond area



Photo 2: Looking west from the middle of the eastern boundary of the North Infiltration Pond area



Photo 3: Looking north from the middle of the eastern boundary of the North Infiltration Pond area



Photo 4: Looking south from the north end of the 111 area in the South Infiltration Pond area



Photo 5: Looking southwest from the north end of the 111 area in the South Infiltration Pond area



Photo 6: Looking northwest from the south of the North Infiltration Pond area