



August 20, 2024

Brady Reece
Colorado Sand Company II, LLC
2001 Kirby Drive, Suite 360
Houston, TX 77019

Re: Kersey Mine, File No. M-2024-026, Preliminary Adequacy Review

Dear Mr. Reece:

On June 7, 2024, the Division of Reclamation, Mining and Safety (Division/DRMS) received a 112 Construction Materials Reclamation Permit Application package for the Kersey Mine, File No. M-2024-026. The application was deemed complete on June 26, 2024. A pre-operation inspection of the proposed mine site was conducted on August 1, 2024. Based on the inspection and a review of the permit application package, the following items must be addressed and/or received before the Division can approve the application.

The review consisted of comparing the application content with specific requirements of Rules 1, 3, 6.1, 6.2, 6.4 and 6.5 of the Minerals Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials. Any inadequacies are identified under the respective exhibit heading along with the suggested corrective actions.

6.4.3 Exhibits C & D – Pre-mining & Mining Plan Map(s) of Affected Lands

1. During the pre-operation inspection, the Division observed several markers for buried natural gas pipelines along the western side of the permit area. The gas pipelines and easements are depicted on Maps C-1 and D-2, however, setback distances during mining are not defined. The Division acknowledges the Oil and Gas Facility Management Plan described in Appendix D which states all oil and gas infrastructure within the mining blocks has been or is planned for formal plugging and abandonment. However, several of these gas pipelines are shown on Exhibit F - Reclamation Plan Map and therefore presumed to remain throughout mining and reclamation. Are the underground gas pipelines on or within 200 feet of the permit area boundary operational? Will any of these pipelines remain throughout mining and reclamation? Please update the Exhibit D-2 Mining Plan Map to depict setback distances around gas pipelines and well pads that will remain throughout the life of the mine.
2. During the August 1 pre-operation inspection, the applicant stated there will be a 50-foot setback from the mining operation to the permit boundary around the entire site. Please show this setback on the Exhibit D-2 Mine Plan Map.



6.4.5 Exhibit E – Reclamation Plan

3. In Exhibit E, the Applicant refers to a five-year post reclamation monitoring and maintenance plan. Please submit the monitoring and maintenance plan to the Division. In accordance with Rule 3.1.10(6), for post reclamation weed control, a plan should be developed in consultation with the county extension agency or weed control district office and include potential noxious weed species, specific control measures to be applied, a schedule for when control measures will be applied and a post-treatment monitoring plan.

6.4.6 Exhibit F – Reclamation Plan Map

4. The Reclamation Plan Map in Exhibit F-1 depicts slope grading/reclamation up to or across existing gas pipelines in the permit area. Based on the answer to Question 1 above, please update the Reclamation Plan Map in Exhibit F to depict setback distances around gas pipelines and well pads that will remain throughout the life of the mine.

6.4.7 Exhibit G – Water Information

5. Per Rule 6.4.7(4), the Operator shall indicate the sources of water to supply the project water requirements for the mining and reclamation phases of the project. The applicant states water from the Cache la Poudre Ditch System will be diverted through a series of pipelines to a water storage pond located approximately two miles north of the site and distributed to the site as needed via a proposed pipeline. During the pre-operation inspection, the representatives showed the Division the location of the storage ponds and indicated the landowner plans to construct a water pipeline for the mining operation. Please describe the proposed pipeline in detail, including the timeline for construction, ownership and operator of the pipeline, approximate acres of disturbance, and proposed post mining reclamation.

6.4.8 Exhibit H – Wildlife Information

6. In Exhibit H, the applicant lists one state-listed species and four species of special concern that are likely or possible to occur in the permit area. Additionally, the applicant lists two federally listed or candidate species have the potential to occur within the permit area. On Page 3 of Exhibit H, the applicant states, "CSC submitted a letter to the CPW District Area Wildlife Manager regarding species of concern in the Permit area." Please submit a copy of this letter sent to CPW along with their response to the Division.
7. Rule 3.1.8 states that "all aspects of the mining and reclamation plan shall take into account the safety and protection of wildlife on the mine site, at processing sites, and along all access roads to the mine site with special attention given to critical periods in the life cycle of those species which require special considerations." Exhibit D-2 Mine Plan depicts mining through surveyed black-tailed prairie dog towns in the first, second, and tenth years of mining. Page 3 of Exhibit H states that black-tailed prairie dog colonies are habitat for the Western burrowing owl which is a State threatened species. Additionally, during the pre-operation inspection on August 1, 2024, the Division observed a Western burrowing owl in a prairie dog colony near the proposed process plant area. The Division is in the process of reviewing Exhibit H and consulting with the

CPW Northeast Region office regarding any special considerations for species within the proposed mining area. The Division will follow-up with the applicant for additional information as needed.

6.4.19 Exhibit S – Permanent Man-Made Structures

8. The Applicant provided signed structure agreements with Bonanza Creek, and DCP Operating Company for oil and gas wells and pipelines located on or within 200 feet of the proposed mining area. Exhibit C-1 depicts Noble Energy and Noble Midstream as an owner of numerous oil and gas facilities within the permit area. During the pre-operation inspection, the representatives stated that Noble was purchased by Chevron Corporation and CSG is working on an agreement with them. Please update the maps in Exhibit C-1 to show Chevron as the owner of the facilities and provide a signed and notarized structure agreement from Chevron. In lieu of a structure agreement, the applicant may provide proof that Chevron has been notified of the mining application and CSG is working to obtain an agreement with them which demonstrates that the applicant will provide compensation for any damage to the structures owned by Chevron.
9. On Exhibit C-1, Duke Energy, PDC Energy, Colorado River Devco LP, Associated Natural Gas, Inc., and Rocky Mountain Infrastructure are depicted as owners of oil and gas structures in the proposed permit area. Per Rule 6.4.19, please provide a notarized structure agreement to the Division for each company depicted on the map in Exhibit C-1.
10. Exhibit G lists four groundwater wells within the permit area. Per Rule 6.4.19, please submit structure agreements for the groundwater wells and associated structures, tanks and troughs, within 200 feet of the permit area.
11. During the pre-operation inspection, the Division observed fence lines around the property. Per Rule 6.4.19, please submit a structure agreement(s) for the fences within 200 feet of the permit area.
12. Exhibit D - Mining Plan page 9 states mine traffic must pass through a guard station and private access gate at the intersection of County Road 68 and Road 64. Who owns and operates the guard station? Additionally, truck traffic will travel approximately 2 miles on a private road to the mine entrance. Per Rule 6.4.19, please submit structure agreements for the guard shack and gate, and the private road that will be utilized by the mine operation.
13. The mine plan depicts an Excel Energy transmission line adjacent to the southeast corner of the permit area. What is the distance in feet from the permit boundary to the easement for the powerline? Per Rule 6.4.19, please submit structure agreements for the powerline if this easement is within 200 feet of the proposed permit boundary.

The public comment period for this application closed on August 8, 2024. As of the date of this letter, the Division has not received any comments on the application. Please note that the decision date for this application is **September 24, 2024**. If you are unable to provide satisfactory responses to any inadequacies prior to this date, it will be your responsibility to request an extension of time to allow for continued review of this application.

If you have any questions, please contact me by telephone at 720-527-1640 or by email at nikie.gagnon@state.co.us.

Sincerely,



Nikie Gagnon
Environmental Protection Specialist

Cc: Dustin Krajewski, TRC
Timothy McCarthy, Tamarack Consulting
Jared Ebert, Senior EPS, DRMS