




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: Kersey Mine	MINE/PROSPECTING ID#: M-2024-026	MINERAL: Sand	COUNTY: Weld
INSPECTION TYPE: Preoperation Inspection	WEATHER: Clear	INSP. DATE: August 1, 2024	INSP. TIME: 09:30
OPERATOR: Colorado Sand Company II, LLC	OPERATOR REPRESENTATIVE: Brady Reece, Dustin Krajewski	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Pre-operation Inspection	BOND CALCULATION TYPE:	BOND AMOUNT: NA	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Nikie Gagnon	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 23, 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>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</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>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</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

This pre-operation inspection was conducted in response to a new 112c Reclamation Permit Application, File No. M-2024-026. Nikie Gagnon with the Division of Reclamation, Mining and Safety (Division) conducted the inspection. Brady Reece representing the applicant, Colorado Sand Company and Dustin Krajewski with TRC Companies accompanied the Division during the inspection. Wells Ranch is located approximately 7 miles northeast of the town of Kersey. The proposed permit area encompasses 4018 acres. The commodity of interest is industrial sand for use by the oil and gas industry and the post mining land use is rangeland with continued oil and gas production.

The 112c application was received by the Division on June 7, 2024. The application was deemed complete for filing purposes on June 26, 2024. The affidavit of publication was received on August 1, 2024. The required public notice ran in the Greeley Tribune on June 28, July 5, 12, and 19, 2024. The public comment period closed August 8, 2024. No public comments were received by this date. The Division received one comment from Colorado Parks and Wildlife on August 23, 2024. As required by Rule 1.6.2(1)(b) the Applicant has posted notices of the proposed operation at multiple locations around the site, including one at the intersection of County Road 68 and Private Road 64, and one at the proposed mine entrance on Road 64 within Wells Ranch. The decision date for this application is September 24, 2024.

The operation proposes an open-cut industrial sand mining operation that will employ a continuously advancing pit and concurrent reclamation. The anticipated life of mine is 20 years, however the Plan of Operations includes two temporary mining deferral zones (TMDZ) which could add 12 to 13 years to mining and extend the life of mine to 33 years.

The topography of the proposed mine site is relatively flat with a few gently rolling hills. Several gravel well pads and roadways were observed. The vegetation primarily annual weeds interspersed with short grasses and forbs. During this inspection, the Division observed native grasses (blue grama, needle and thread, sand bluestem), annual weeds Russian thistle and cheat grass, and a few shrub species (sagebrush and yucca). No trees were observed. The topography and vegetation of the mine site appears consistent with Map C-2 Area Affected and Localized Topography and the description provided in the application. The landowner utilizes the area for cattle grazing; however, no cattle were observed during the inspection. The Division observed prairie dog towns, coyotes, pronghorn, hawks and songbirds during this inspection. One Western burrowing owl was observed in a prairie dog town near the Year 1 mining area. The site is dry, the soil is sandy with high infiltration and a few inches of growth medium. No ponds or impounding structures were observed, and none are anticipated to remain post-closure.

Across the site, fencelines, entrance gates, ranch roads, oil and gas facilities, water wells, stock tanks and troughs, were inspected to verify the accuracy and completeness of Map C-1 Relevant Features and Adjoining Surface Ownership and Map C-2. An overhead power line was observed outside the permit area in the southeast corner. Wells Ranch contains numerous oil and gas facilities as shown on Map C-1 Relevant Features and Adjoining Surface Ownership. The application states the oil and gas facilities will be surveyed and plugged and abandoned prior to mining through an area. Valves and markers for oil and gas pipelines were noted at various places across the site. These markers were consistent with Map C-1.

Two large operating oil and gas areas were observed during the inspection. One contains four well pads and is located in the center of the permit area, the other in the northwestern corner of the permit area contains six well pads. Based on the Reclamation Map F-1 in the application, these facilities are proposed to remain post mining along with associated roads and pipelines.

During the inspection, the Division observed constructed ponds where the water will be piped to the Ranch and stored for use by the mine operation. Mr. Reece stated that water for the operation will be purchased and piped to the site via a pipeline that will be installed by the landowner.

The Division will review the reclamation bond estimate in the application and send a letter under separate cover.

Based on the observations made during the inspection, the site conditions presented in the application were found to be accurate. All adequacy issues will be addressed during the Division's review process. This concluded the inspection. A subset of the photos taken during the inspection are included below.

PHOTOGRAPHS



Photo 1: Notice sign at entrance to Ranch on County Rd 68 Photo 2: Notice sign at entrance to the mine site.



Photo 3: Gated entrance to Ranch off County Rd 68. Mine site is approximate two miles south through the gate.



Photo 4: Looking southeast across the proposed process plant area in the northeast corner of the permit area.



Photo 5: Looking southwest across the site from the north end of the permit area.



Photo 6: Looking south down the ranch road on the east side of the permit area.



Photo 7: Prairie dog town observed in the proposed Year 1 mining area.



Photo 8: Oil and gas facility south of the entrance to the site.



Photo 9: Oil and gas pipeline valve adjacent to the ranch road on the east side of the permit area.



Photo 10: Patches of sagebrush noted across the permit area. This photo was taken adjacent to the ranch road in the in the south-central portion of the permit area.



Photo 11: Oil and gas well pad observed from the ranch road on the east side, near the center of the permit area.



Photo 12: Oil and gas well pad observed in the center of the permit area.



Photo 13: Photo 12: Water well no. 3738 and tank in the Year 1 mining area (NW1/4 of the SW ¼ of Section 2). Well will be plugged and abandoned prior to mining.



Photo 14: Stock trough adjacent to the water well and tank in the Year 1 mining area.



Photo 15: View of oil and gas well pad in the center of the permit area.



Photo 16: Water well no. 319490 and tank in the TMDZ-1 mining area (NW1/4 of the NE¼ of Section 14). Well will remain through the life of the mine.



Photo 17: Stock pond/depression adjacent to water well no. 319490 and tank in the TMDZ-1 mining area (NW1/4 of the NE¼ of Section 14).



Photo 18: Stock watering trough adjacent to water well no. 319490 and tank in the TMDZ-1 mining area (NW1/4 of the NE¼ of Section 14).



Photo 19: View looking west from the southern end of the permit area.



Photo 20: View looking southeast from southern end of the permit area. Overhead powerlines outside the permit area.



Photo 21: View looking east along the ranch road on the southern end of the permit area.



Photo 22: View of gas pipeline valves in the southwest corner of the permit area.



Photo 23: Oil and gas pad on the western side of the permit area.



Photo 24: View looking west from the western ranch road. Gas pipeline marker observed.



Photo 25: View of gas pipeline marker for line that runs adjacent to the western side of the permit area.



Photo 26: View looking north along the fence line on the western side of the permit area.



Photo 27: Gas pipeline valves observed on the south western side of the permit area.



Photo 28: Oil and gas well pad on the western side of the permit area.



Photo 29: View looking south at oil and gas well pads along the farm road that runs along the west side of the permit area.



Photo 30: Looking northeast across the western side of the permit area. Red arrow points to Wells Ranch homestead, outside the north entrance to the proposed permit area.



Photo 31: Ranch entrance in the southwest corner of the permit area. Hawk observed perched on the gate.



Photo 32: Prairie dog town observed near the entrance.



Photo 33: Water storage ponds located near the entrance gate at County Road 68 and the Private Road 64.

Inspection Contact Address

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