

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.

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ller		TYPE OF OPERATION:	
	112c - Construction Regular Operation		
CALCULATION TYPE:	BOND AMOUNT:		
ete Bond	\$288,111.00		
INSP. CONTACTS:	JOINT INSP. AGEN	ICY:	
	None		
CTOR'S SIGNATURE:	SIGNATURE DATE	Σ:	
Any Geldell	July 31, 2025		
	ete Bond INSP. CONTACTS: CTOR'S SIGNATURE:	tte Bond \$288,111.00 INSP. CONTACTS: JOINT INSP. AGEN None CTOR'S SIGNATURE: SIGNATURE DATE	

GENERAL INSPECTION TOPICS

The following inspection topic(s) were identified as having a Problem (PB), which includes correction actions and a deadline whereby the Operator must demonstrate compliance with the conditions of the Permit and the requirements of the Act and Rules. Failure to address the corrective actions by the deadline may cause the Division to escalate the Problem to a Possible Violation (PV) and schedule the issue for formal hearing before the Mined Land Reclamation Board (Board).

(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>Y</u>	(EX) EXPLOSIVES <u>NA</u>
(PW) PROCESSING WASTE/TAILING <u>NA</u>	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- PB	(FW) FISH & WILDLIFE N	(RV) REVEGETATION <u>NA</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION N	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS <u>Y</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

PERMIT #: M-2020-035 INSPECTOR'S INITIALS: ACY INSPECTION DATE: July 16, 2025

CORRECTIVE ACTIONS

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM: The current mine plan and reclamation plan needs to be updated and clarified pursuant to C.R.S. 34-32.5-112 (1)(c)(VI) and C.R.S. 34-32.5-116 (1). Activities on site no longer reflect current approved Permit. The operator must provide sufficient information to describe or identify how the operator intends to conduct the operation and identify how the operator intends to conduct reclamation. The Reclamation Cost exhibit also need to be updated to reflect those changes.

CORRECTIVE ACTIONS: The operator shall submit a Technical Revision, with the required \$216 revision fee, to update and clarify the current approved mine and reclamation plan to reflect existing and proposed activities by the corrective action date. Please provide an updated Exhibit L which reflects the updated Exhibits.

CORRECTIVE ACTION DUE DATE: 10/01/25

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety's (Division) normal monitoring program. The 23.25 West Pit is a 112c permitted site that includes a total of 49.5 permitted acres. The site is located one mile west of Grand Junction and is accessed from River Road. Jon Muller of Elam Construction, Inc. represented the operator and accompanied Amy Yeldell of the Division on the inspection.

Availability Of Records:

The Division reviewed the 2024 Annual Report. In the report it is indicated that no mining has occurred to dare. While this is true for Area 1, mining has nearly concluded in Area 2 which is located north of Orchard Grove Industrial Pit (M-1990-094). Please ensure that all reporting moving forward addresses both parcels that make up the total 49.5 ac permit boundary.

Acid And Toxic Materials:

Two fuel tanks are located within secondary containment. They are to the south of the Area 2 pond and on the permit boundary line.

Backfilling and Grading:

No excavations or grading have taken place in Area 1.

Area 2 is nearly mined out. The Operator has indicated that the overburden to gravel ratios is unfavorable down the middle of the phase. Therefore, they likely will not mine the remaining area. Backfill of the two ponds is expected to commence in the near future as a large project that will generate a lot of material is commencing soon. Highwalls in both pits appear to be mostly near vertical with some portions that are closer to a 1H: 1V where backfilling has begun. Mining has occurred up to the permit boundary so all grading shall be backfill only. Pits were inundated so actual backfill volumes can only be estimated.

Explosives:

No explosives are used in conjunction with this mining operation.

Financial Warranty:

The Division currently requires a financial warranty amount of \$288,111 for this site. The bond has not been increased permit issuance. 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 will be updating the reclamation cost estimate.

Hydrologic Balance:

Two ponds have been created within Area 2 by exposing ground water. The Eastern pond is estimated to be 10 acres and the west is estimated to be 1.23 based on the Mesa County Accessors website. Dewatering will be required prior to backfill. Groundwater depth varies from 2 ft in some areas to approximately 10 feet in other areas.

Gen. Compliance With Mine Plan:

The current Reclamation Plan and associated bonding accounts for 10 total acres of topsoiling and revegetation. The assumption is that the lake in Area 1 will be the backfill source for Area 2 and reclamation will be contemporaneous. So approximately 5 acres at Area 1 and 5 acres at Area 2. Phased mining is not proposed. Page D-5 of the Mining Plan commits to limiting excavation in Area 2 so that no more than 100,000CY of backfill is needed at any given time.

The entirety of Area 2 is currently affected which is 17.7 ac. The mine plan also states that only 14 ac will be affected by mining within Area 2. Staff estimates that approximately 5.77 areas have been backfilled or were not excavated. This is the difference between the two existing ponds with a surface area of 11.23 ac minus 17.7 ac of Area 2. If the Division estimates total backfill depths of 10 ft over the two ponds that's roughly 181,177 CY which is significantly more than the volume presented in Exhibit L. Additionally, because Area 1 has not been commenced and a topsoil stockpile from Area 2 was not observed the sources for backfill and topsoil necessary for reclamation of Area 2 are unclear. This likely means that that the figures presented in Exhibit L no longer represent the worst case scenario for this mining operation. The conditions presented above are cited as an inspection problem for failing to follow the approved permit. In the form of a Technical Revision please revise/update the Mining and Reclamation Plans as necessary and provide a new Exhibit L (Reclamation Cost) by the corrective action date. At the conclusion of that revision the Division will adjust the Financial Warranty as necessary.

Processing Waste:

No concrete or asphalt production will take place on site.

Roads:

When mining commences in Area 1 processed material will be hauled east through Orchard Grove to the Rolland Plant at the request of the county to keep traffic off of River Road.

Right of Entry:

Division staff verified that A & G Partnership LLP and Kilgore Companies LLC remains the landowner of all affected lands and therefore is in compliance with Rule 6.3.7 by maintaining its Legal Right of Entry.

Revegetation:

No revegetation has occurred to date.

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Signs and Markers:

A mine sign was posted at the entrance to the mine site as required by Rule 3.1.12(1). The information depicted was correct/up to date and the sign was of sufficient size. The permit boundary of the affected land was clearly delineated pursuant to Rule 3.1.12(2).

Topsoil:

There appears to be to be no topsoil stockpile from Area 2. Please address how the lack of topsoil will be addressed in order to complete final reclamation in the required TR.

13 photos are included with this report.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, Rm 215, 1001 E 62nd Ave, Denver Co 80216. Direct contact can be made by phone at 970-210-1272 or via email at amy.yeldell@state.co.us

Inspection Contact Address

Jon Muller Elam Construction, Inc. 556 Struthers Avenue Grand Junction, CO 81501

CC:

Travis Marshall, Senior EPS, Grand Junction DRMS



























