



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: Black Obsidian	MINE/PROSPECTING ID#: M-1987-026	MINERAL: Stone	COUNTY: Custer
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: November 17, 2025	INSP. TIME: 11:30
OPERATOR: Colorado Quarries Inc	OPERATOR REPRESENTATIVE: Aaron Tezak	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$571,455.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Ursula Armstrong	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 18, 2025

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: Signs & Markers

PROBLEM #1: The mine identification sign posted at the entrance of the mine site contains inaccurate information and/or does not meet required specifications. This is a problem for failure to post a mine identification sign as required by Section 3.1.12(1) of the rule. The Operator shall, at the entrance of the mine site post a sign, which shall be clearly visible from the access road, with a minimum size equaling one hundred and eighty-seven (187) square inches, such as eleven (11) inches in height and seventeen (17) inches in width, with appropriate font size, with the following: the name of the Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number.

CORRECTIVE ACTIONS: The Operator shall, at the entrance of the mine site, post a sign which shall be clearly visible from the access road with the following: the name of the Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number (M-1987-026). The Operator shall submit photo documentation that a proper sign has been posted by the corrective action date.

CORRECTIVE ACTION DUE DATE: 1/17/26

OBSERVATIONS

This was a normal monitoring inspection of the Black Obsidian (Permit No. M-1987-026) conducted by Ursula Armstrong of the Division of Reclamation, Mining and Safety (Division). Aaron Tezak represented the Operator, Colorado Quarries Inc, during the inspection. The site is located approximately one mile north of the town of Silver Cliff, Colorado in Custer County. The site can be accessed from the south from Spencer Street. Photos 1-10 are included with this report.

This is a 112c operation permitted for 45.3 acres to mine obsidian for landscaping and concrete materials. Rhyolite is also found at the site in large spherical core stones in a light color, but this is considered a waste rock at the site. The maximum allowed disturbed acreage at any time is 45.3 acres. A portion of the mineral rights for the site are owned by the Bureau of Land Management (BLM), and the Operator has legal right of entry for the lands and minerals. The Division approved Permit Conversion No.1 (CN-1) on November 1, 2021, which converted the permit from a 110c to a 112c construction materials operation by adding 36.3 acres from the original 9 acres. CN-1 approved the new acreage to allow for additional mining area, as well as access to area to facilitate proper final reclamation of the site. The Buffalo Hunter Lode (Permit No. M-2016-015) operated by Lucky VI Quarry (Ed Lyons) is a 6.34 acre 110c permit that adjoins the Black Obsidian permit area in the southeastern boundary. In February 2023, Ed Lyons had an acreage release of 3.16 acres from the Buffalo Hunter Lode permit to allow Colorado Quarries Inc to add this portion into their total acreage approved in CN-1 to eliminate the previous permit overlap.

The permit area has a locked and gated entrance, with a mine identification sign posted at the entrance. However, the permit number on the mine identification sign is incorrect (photo 1) showing "M-187-026" instead of the correct permit number "M-1987-026". This was cited as a problem in the Division's November 10, 2021 inspection report and was never resolved. **The incorrect permit number on the mine identification sign is cited as a problem in this report (Problem #1). The Operator will need to update the sign to have the correct permit number (M-1987-026) and provide photo documentation to the Division by the corrective action due date.**

The site has been mined intermittently since the permit issuance in 1987. The mining area includes a surface extraction area, a below-grade quarry floor, a level staging area and material stockpile pad, stormwater controls, and an access road. The topsoil and overburden stockpiles are both stored outside of the active pit area, to the north of the highwall. The areas above the highwall have proper signage and physical barriers to deter accidental falls, which is a requirement by the Mine Safety and Health Administration (MSHA).

The mining plan allows for the quarry to be mined in benches. Benches are to be mined at a 3H:1V overall slope (30-feet wide; 10-feet tall highwall). The resultant bench is 30 feet wide and capable of accommodating any rockfall from the above highwall. This is a permanent bench configuration. Rockfall is mitigated by proper blasting techniques, extensive scaling, and having active area safety zones. Each bench is mined via drill and blast and in accordance with the approved blast plan in CN-1. Aaron Tezak with Colorado Quarries Inc is a licensed blaster. Drilling and blasting breaks the obsidian to allow extraction of the upper highwall deposit while creating the upper bench. Mined materials are either pushed off the bench down to the pit floor or carried via loader to the processing area. Once the Operator reaches the areal limits of the topmost bench and highwall level of extraction, the next level begins. Bench levels are to be approximately 10 feet apart in elevation. The slope/bench configuration was analyzed during the CN-1 adequacy by CMT Technical Services, Inc. in June of 2022, as well as Lewicki & Associates, PLLC in October of 2022. The quarry is being developed in three segments, or approximate "thirds", as indicated on the Exhibit C mining plan map (enclosed). This means that the pit floor is deepened segment by segment and concurrent reclamation of the pit segments will include backfilling one segment prior to moving to the next segment.

Reclamation at the site will include reclaiming pit floor surfaces to at least 3H:1V excluding the quarry highwalls, overburden will be used to backfill the segmented pit floors and placed at a depth of approximately 1 foot on the remaining benches, topsoil will be placed at 6 inches across the disturbed area (including remaining benches), and finally broadcast seeding of the approved seed mixture. Stormwater control structures will remain as permanent features and a drainage trench will be installed to ensure that water drains from the reclaimed pit.

At the time of inspection, the weather was clear and windy. The site was active at the inspection. Several semitrucks were observed hauling the processed material offsite for transport. The processing area included portable crushers and two portable conveyors feeding into the material stockpiles, portable office and storage trailers, a skid steer, an excavator, and maintenance equipment (ie. extra tires and tracks). A front-end loader was hauling mined materials from the pit area to the processing area. The topsoil and overburden stockpiles were located to the north and northwest of the pit area, as depicted on the Exhibit C mining plan map, and the stockpiles were stable. Mining appeared to be proceeding according to the approved mining plan from CN-1, and all portions of the highwall including mining benches appeared to be stable. No major erosional features were observed within the pit area. There was a small amount of surface water runoff at the pit base, and this was actively being pumped out. The area received recent heavy snowstorms, so the water was not considered an issue at the time. The mining permit boundary corners were marked with silver irrigation piping, and all mining activities were within the permit boundary. Mining is progressing to the north and to the southeast as approved.

The Division is working on re-calculating the required financial warranty for the operation and will send the updated cost estimate to the Operator in an additional letter. The Operator will have time to provide comments on the Division's cost estimate after they receive it and prior to a surety increase.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Ursula Armstrong at the Colorado Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at 720-793-3031, or via email at ursula.armstrong@state.co.us.

PHOTOGRAPHS



Photo 1. The mine identification sign posted that needs to be corrected.



Photo 2. Looking northeast at the mine site entrance.



Photo 3. Looking east at the active quarry area.



Photo 4. Looking southeast at the active quarry, showing the current quarry floor.



Photo 5. Standing on the highwall, looking southwest at the active quarry area. The crusher/conveyor depositing into the stockpile.



Photo 6. Standing on the highwall, looking west at the active quarry area.



Photo 7. Looking northwest at the active quarry area.



Photo 8. Looking northeast at one of the topsoil stockpiles located north of the quarry area.



Photo 9. Standing just south of the active quarry, looking north across the permit area.



Photo 10. Standing on the operations pad, looking west at the processed material stockpile.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(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>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-	<u>Y</u>	(FW) FISH & WILDLIFE-----	<u>N</u>	(RV) REVEGETATION----	<u>N</u>
(SM) SIGNS AND MARKERS-----	<u>PB</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>Y</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

Inspection Contact Address

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270 S 15th St
Canon City, CO 81212

Encls: Exhibit C – Mining Plan Map (approved with CN-1)

CC: Jared Ebert, DRMS

