Please identify what the future use of the site will be upon completion both in the reclamation plan and in the letter of intent.

Proof of Commercial Mineral Deposit

"(4) Operation to Result in Efficient Use of Resource

The operation shall result in an efficient use of the mineral deposit." According to the Natural Resources Conservation Service soil survey for the proposed mining operation, the sand resource is considered "Fair". Excerpts from the soil survey, "Description – Sand Sources" describe the proposed minable sand as follows:

"Sand is a natural aggregate (0.05 millimeter to 2 millimeters in diameter) <u>suitable for commercial uses with a minimum of processing</u>. (emphasis added) It is used in many kinds of construction."

"The properties used to evaluate the soil as a source of sand are gradation of grain size (as indicated by the Unified classification of the soil), the thickness of suitable material, and the content of rock fragments."

The soils are rated "good," "fair," or "poor" as potential sources of sand. A rating of "good" or "fair" means that sand is likely to be in or below the soil."

The available drill logs further confirm the site has a sand resource of considerable depth. The following water well, well logs illustrate the extent of the sand and gravel resource on the proposed mine site. Based on the three well logs taken across the property, the sand and gravel resource vary in extent from 56 feet to 88 feet of actual depth of sand and gravel. (The depth of the of the in-place resource varies in depth from 77 feet to 100 feet and includes interbedding of clay, shale and sandstone.) The "contaminates" (clay, shale and sandstone) will be removed at the on-site processing facility.

COLORADO DIVISION OF WATER RESOURCES THIS FORM MUST BE SUBMITTED 101 Columbine Bldg., 1845 Sherman St. WITHIN OD DAYS OF COMPLETION Denver, Colorado 80203 OF THE WORK DESCRIBED HERE-WELL COMPLETION AND PUMP INSTALLATION REPORT PERMIT NUMBER 6967-F ON, TYPE OR PRINT IN BLACK INK. Hone. Panches WELL OWNER _____ % of the ____ % of Sec Colo T14 S R. 62 ADDRESS / w P.M , 19Z3 HOLE DIAMETER DATE COMPLETED _ 7a 0 36" in from____ 0 to 102 WELL LOG Water ____ to ____ From in from ft То Type and Color of Material Loc. 2 Clay 26 Sand grave 1 32 Clay 32 Clay 32 Clay 32 Sond 45 Sand 0 top Soil in. from ____ _ to ____ ft. 2 0 sand gravel CASING RECORD: Plain Casing 2 Size 16 & kind Star from 0 to 59 f 8 Size ____ ____& kind ____ _ from _ to 12 Size _____ & kind _____ from_ to 26 **Perforated Casing** +grave1 Size 16 & kind Steel from 59 to 1021 32 82 & kind Size _ from ____ _ to __ Jay P Sh 102 & kind 100 Size . from _ to_ GROUTING RECORD Material_ 25 Intervals Placement Method . GRAVEL PACK: Size e, Interval _ TEST DATA Date Tested . 197 34 Static Water Level Prior to Test Type of Test Pump. Length of Test Sustained Yield (Metered) 40 TOTAL DEPTH -Final Pumping Water Level Use additional pages necessary to complete log.

6971-FP WELL LOG WELL DATA Water Loc. From To Type of Material Type Drilling Reverses HOLE DIAMETER: a sail 0 2 32 _in. from_ ft. to in. from_ ft. 1 from____ _in. ft. to 8 25 V grane CASING RECORD Plain Casing 25 33 Size 16, king tes 37 _from_ 2 _ft. to_3 33 Size____, kind 37 45 from, ft. 0 Size____, kind_ 45 53 from ft. to Perforated Casing 53 77 from 38 Ft. Size 16 kind to 784 77 Size____, kind_ from ft. to, Size___, kind____ ____from____ ___ft. to_ GROUTING RECORD Material_ Intérvals_ Placement Method GRAVEL PACK RECORD Size The to 7 Interval TEST DATA Date Tested Type of Pump Length of Test Constant Yield Drawdow WELL ORILLERS STATEMENT The undersigned, being duly sworn, deposes and says: he is the driller of the well hereon described; he has read the statement made here knows the content thereof, and the same is true of his own knowledge. Use additional paper if necessary to complete log. XQT.G State of Colorado, County of _) ss License No. -15 Subscribed and sworn to before the this day of 20: My Commission expires. Danne 19 Notary Public 4

WRJ-25-72 COLORADO DIVISION OF WATER RESOURCES THIS FORM MUST BE SUBMITTED 101 Columbine Bldg., 1845 Sherman St. Denver, Colorado 80203 WITHIN OD DAYS OF COMPLETION ML 11'72 OF THE WORK DESCRIBED HERE-ON, TYPE OR PRINT IN BEACK WELL COMPLETION AND PUMP INSTALLATION REPORT INK. WATER RESOURCES STATE ENGINEER COLO. PERMIT NUMBER 9642 - F-P Budd V B. BabCock NE WELL OWNER N bed Vi of Sec. _ ¼ of the 32 7#2 alhan ADDRESS т. 14 3 R. 62 W. 18 19 22 HOLE DIAMETER DATE COMPLETED. 30 in from _ 0 to _ 26 ft. WELL LOG Water _ in, from _____ to ____ ft. From То Type and Color of Material Loc. topSoil in, from______ to _____ ft. 0 2 9 Sand & gravel 2 CASING RECORD: Plain Casing 11 Chay 15 Sand ~ Gravel Size 16 & kind Treced from 0 to 56 1 9 Test. 11 Size _____ & kind ____ _____ from _____ to ____ 23 Sand Stone 15 Size _____ & kind _ ______ to _____ to _____ Sand med fine 23 39 Perforated Casing 45 Clay 39 Size 16" & kind Steel from 56 to 96 t 60 Sand & grove / ~ Rock 45 ____ from _____ to _____ f Size _____ & kind _____ 71 Sand & Grovel 74 Sond gravel Rock 94 Sand gravel Corris 60 Size ____ & kind _ from ____ _ to ____ 71 GROUTING RECORD 74 Ģ Material Shale 96 94 Intervals _ Placement Method 9/16 GRAVEL PACK: Size ____ Interval TEST DATA 2-19 . 19 7 Date Tested _____ 11114 Static Water-Level Prior to Test _____ 29 Type of Test Pump Turking 24 Length_of Test_ 480 Sustained Yield (Metered) _ TOTAL DEPTH Use additional pages necessary-to complete log. thom Final Pumping Water Level 2

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
5	Bijou loamy sand, 1 to 8 percent slopes	26.5	3.6%
6 Surd	Bijou sandy loam, 0 to 3 percent slopes	52.9	7.3%
28 Fair	Ellicott loamy coarse sand, 0 to 5 percent slopes	406.4	55.7%
78 Fair	Sampson loam, 0 to 3 percent slopes	96.2	13.2%
95	Truckton loamy sand, 1 to 9 percent slopes	31.7	4.3%
97	Truckton sandy loam, 3 to 9 percent slopes	12.4	1.7%
101 Fa:5	Ustic Torrifluvents, loamy	101.3	13.9%
106	Wigton loamy sand, 1 to 8 percent slopes	2.0	0.3%
Totals for Area of Interest		729.4	100.0%

Map Unit Legend

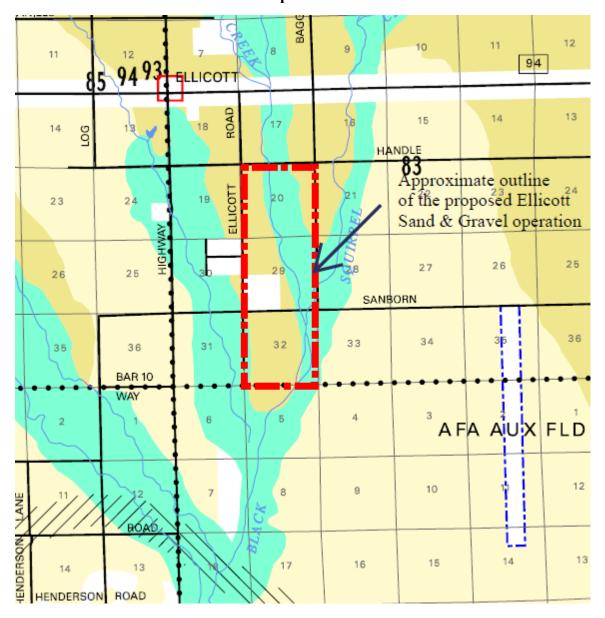
"(10) Commercial Mineral Deposit Required

A commercial mineral deposit as defined by State Statute shall exist on the land on which the operation will be located."

- C.R.S. 34-1-302(1) "Commercial mineral deposit' means a natural deposit of ... sand, gravel...for which extraction by an extractor is or will be commercially feasible and regarding which it can be demonstrated by geologic, mineralogic, or other scientific data that such deposit has significant economic or strategic value to the area, state ..."
- Based on the following from the Ellicott Valley Comprehensive Plan, The proposed sand and gravel operation should fit nicely within the Ellicott Valley Comprehensive Plan Position Statement, "The Valley is ultimately capable of providing many of the elements necessary to support residential, commercial and industrial development. It is the intention of the plan to promote the Valley as the location for one or more *self-sustaining* (emphasis added) satellite communities which will be complementary to the existing metropolitan area."
- The following information from the USGS Geologic Map of Colorado illustrates the potential of the deposit as a commercial sand and gravel deposit. Also shown is the El Paso County Resource Evaluation, Map 3:

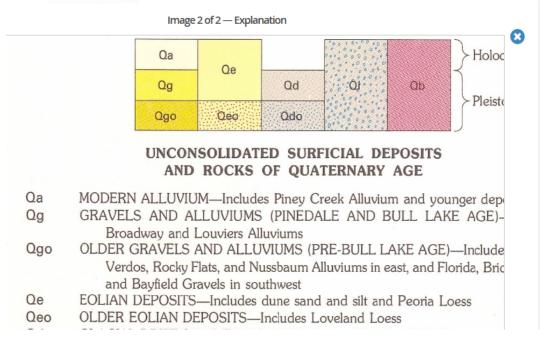
El Paso County Aggregate Resource Evaluation

Map 3



(Residual Version)
FLOODPLAIN DEPOSIT: Sand and gravel with minor amounts of silt and clay deposited by water along present stream courses.
VALLEY FILL: Sand and gravel with silt and clay deposited by water in one or a series of stream valleys.
STREAM TERRACE DEPOSIT: Older stream deposits containing san gravel, silt, and clay preserved on benches or broad flat to sloping areas adjacent to streams.
MESA GRAVEL: Sand and gravel with silt and clay deposited by older streams and slope wash on upland mesas which slope gently from the mountains.
UPLAND DEPOSITS: Sand, gravel with silt and clay; remnants of older streams deposited on topographic highs or bench like features.
ALLUVIAL FAN DEPOSITS: Gently sloping fan shaped deposits of sand, gravel, silt, and clay. Deposited by a stream from a steep, narrow valley into a broad, relatively flat plain or valley.
EOLIAN DEPOSITS: Wind blown sands.
GRANITE: Granite and granitic type rocks such as Quartz, monzonite, and Grandiorite underlying mountainous areas.
FINE GRAINED GRANITE: Granite and granitic type rocks with small crystal structure generally dense and requiring blasting for excavation.
DECOMPOSED GRANITE: Weathered granite and granitic type roc generally easily excavated.
LIMESTONE: Sedimentary rock consisting mainly of calcium carbonate, generally dense and quarried for use as aggregate.
CONGLOMERATE: Course grained sedimentary rock containing Arkosic sand, pebbles and cobble. Commomly forms a cap over underlying rocks.
COAL: 0-150 feet of overburden, minimum coal thickness 4 feet. Includes Dawson and Laramie.
COAL: 0-200 feet of overburden,thickness unknown. Laramie coal

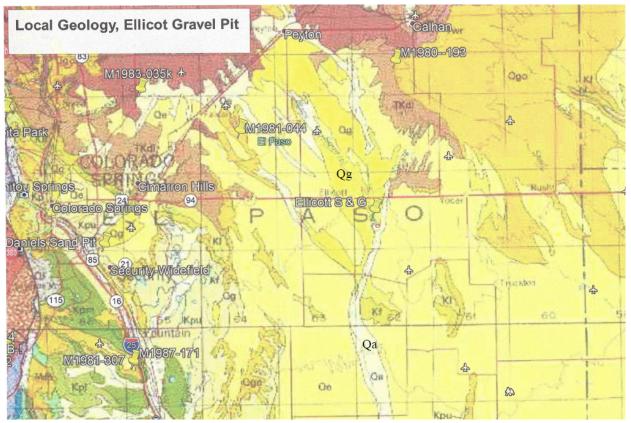
Geological Survey Map



Geology of the Area Based on the USGS Survey Map:

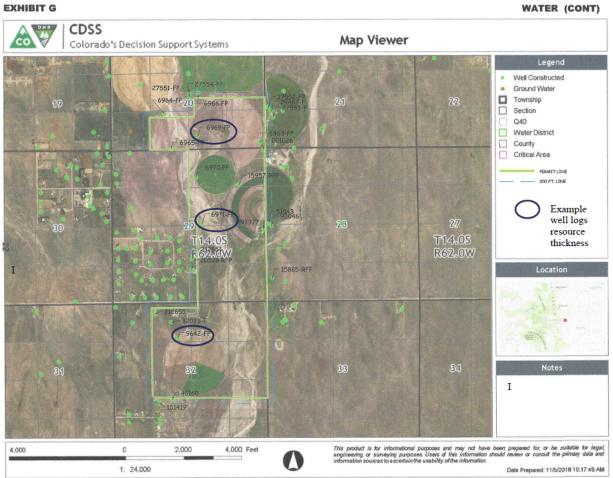
The following geogolic map illustates the extent of the Qg and Qa deposits:

- Qg is Gravels and Alluviums
- Qa is Modern Alluvium



- "Commercial mineral deposit' means a natural deposit of ... sand, gravel...for which extraction by an extractor is or will be commercially feasible..."Based on the above statutory definition and the depth of resource available, we believe the deposit is a commercial deposit.
- The second part of the definition requires, "...and regarding which it can be demonstrated by geologic, mineralogic, or other scientific data that such deposit has <u>significant economic</u> or strategic <u>value to the area</u>, state ..."
 - We have underlined the portion of the statute to which the resource's significance applies. It is understand that a significant source of sand and gravel is becoming less available (see below) as the current doposits are nearing either the limits of the resource, limited by surrounding development, or polotical resistance to the permitting of new sources of construction aggregate.
 - According to the Colorado Division of Reclamation, Mining and Safety website, El Paso County has 16 permitted sand and gravel operations. Of that number, six are of less than 10 acres in size and may not be a significant source of sand. One operation is essentially a clay operation for providing other than sand and gravel. The Daniels Sand Pit #2 is responsible for 75% of the sand sold locally. (Page 49, El Paso County Master Plan for Mineral Extraction, Feb 8, 1996) However, it appears the Daniels Sand Pit #2 is nearing completion of mining given it has almost reached the limits of lands

available for mining "land locked". (*The Schubert Ranch sand resource has the potential to replace a significant portion of the sand resource, upon closure of the Daniels Sand Pit #2.*) Another site is also "land locked. Two sites are greater than 34 miles from Colorado Springs. One site is in final reclamation.



SOURCE: https://gis.colorado.gov/dnrviewer/Index.html?viewer=dwrwellpermit