

March 3, 2020

El Paso Planning and Community Development Department Attn: Nina Ruiz, Project Manager 2880 International Circle, Suite 110 Colorado Springs, CO 80910 As stated in the TIS there is an off-site parking lot that is not included in the Letter of intent the mining operation or identified in the site plan. Please address

Re: Letter of Intent, EA Number, EA 1881, Project Name: Ellicott Sand and Gravel Special Use, Schubert Ranch Sand Resources (Pit) Applicant: Ellicott Sand and Gravel, LLC

Dear Ms. Ruiz,

Following is our Letter of Intent and required information for a Special Use Permit for the proposed Ellicott Sand and Gravel mining operation in eastern El Paso County known as the Schubert Ranch Sand Resource (Pit). Also attached is our Mineral Extraction Application.

"For all 'Letters of Intent', the following information is required:"

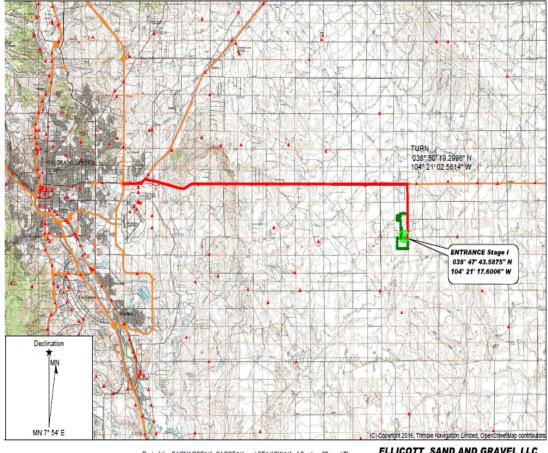
- 1. "Owners/applicant and consultant, including address and telephone numbers."
 - Parcel Owners:
 - Parcel No. 240000276
 - ✓ Schubert Ranches Inc.
 - ✓ 1555 S. Baggett Rd., Calhan, CO 80808
 - ✓ Phone: (719) 683-2262
 - Parcel No. 2400000275
 - ✓ George H. Schubert
 - ✓ 1550 S. Baggett Rd., Calhan, CO 80808
 - ✓ Phone: (719) 683-2265
 - Consultants:
 - ➢ Environment-Inc.
 - ✓ Mr. Steve O'Brian President
 - ✓ 7985 Vance Dr., #205A, Arvada, CO 80003
 - ✓ (303) 423-7297
 - Regulatory Permits Management, Inc
 - ✓ Mr. H. Bruce Humphries President
 - ✓ 25049 E. Alder Dr., Aurora, CO 80016
 - ✓ (303) 854-7499



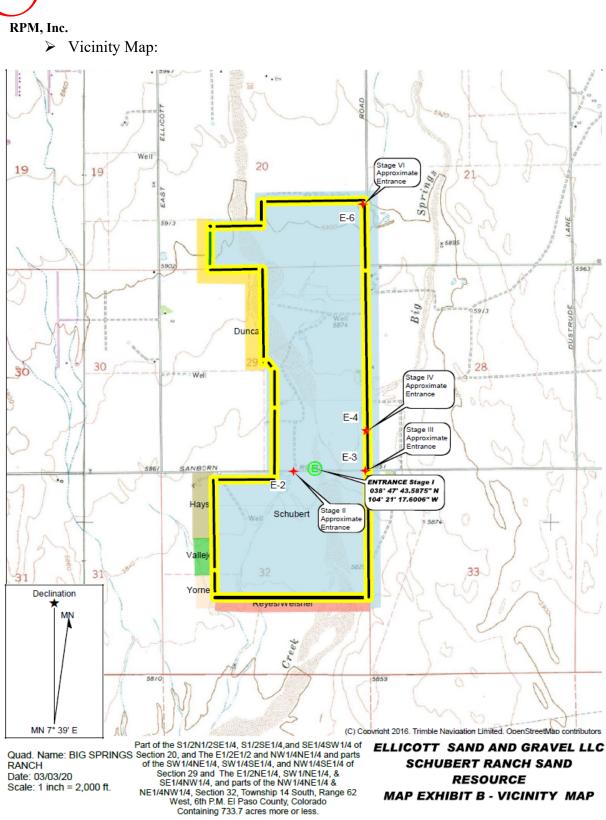
- > Applicant:
 - ✓ Ellicott Sand and Gravel LLC
 - ✓ Christine Wilson, Manager
 - ✓ 235 Franceville Coal Mine Road, Colorado Springs, CO 80929
 - ✓ (719) 568-3164
 - ✓ ellicottsandgravel@gmail.com
- 2. "Site location, size and zoning."
 - Site Location:

The following two maps describe the location of the proposed mining operation.

➤ Area Map:



Quad. Name: PUEBLO (CO) Date: 10/29/18 Scale: 1 inch = 20,000 ft. Part of the S1/2N1/2SE1/4, S1/2SE1/4, and SE1/4SW1/4 of Section 20, and The E1/2E1/2 and NW1/4NE1/4 and parts of the SW1/4NE1/4, SW1/4SE1/4, and NW1/4SE1/4 of Section 29 and The E1/2NE1/4, SW1/NE1/4, & SE1/4NW1/4, and parts of the NW1/4NE1/4 & NE1/4NW1/4, Section 32, Township 14 South, Range 62 West, 6th PLM. EI Paso County, Colorado Containing 733.7 acres more or less. ELLICOTT SAND AND GRAVEL LLC SCHUBERT RANCH SAND RESOURCE MAP EXHIBIT B1 - AREA MAP



Scale: 1 inch = 2,000 ft.

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- ➢ Size and Zoning:
 - ✓ Parcel 2400000276 is approximatly 2,122.98 acres and is zoned A-35.
 - ✓ Parcel 2400000275 is approximately 40 acres and is Zoned A-35.
 - \checkmark The actual acres to be used for mineral extraction is:
 - Parcel 2400000276 acres for mineral extraction are up to \pm 479.8 acres.
 - Parcel 2400000275 acres for mineral Extraction are up to \pm 33.7 acres.
 - *

Phase	Est. Yrs.	Total Acres Available	Total Acres Mined
1	10-15	66.1	49.9
2	15-20	213.7	173.0
3	4-6	54.2	39.2
4	2-5	24.3	14.9
5	2-4	20.8	14.2
6	20-30	268.4	222.3
Other not	Life of Mine	220.2	
mined			
Total		733.7	513.5

- 3. "Request and justification."
 - Request:
 - This is a request to El Paso County to approve a proposed open pit sand and gravel mining operation. The proposed mining operation is located approximately 3.1 miles southeast of Ellicott, Colorado. The site is currently used as irrigated agricultural land and rangeland. The Applicant/Operator is Ellicott Sand and Gravel LLC.
 - The subsurface consists of deep sand deposits up to 100-foot-deep and runs parallel to both sides of Black Squirrel Creek. The useable sand deposit is roughly 70 feet deep, however we have committed to stay 10 above the prevailing ground water elevation. Upon completion of mining, the pit floor will be sand. The remaining sand left in place will be up to 30 feet deep. The post mining interior pit slopes will be 3H:1V or less.
 - Of the ±733.7 acres in what will be the approved permit area, approximately ± 513.5 acres will be affected or mined by the proposed mining operation over the life of the project. As currently proposed, the operation will maintain a 150-foot setback from Black Squirrel Creek and a 25-foot setback from the approved permit boundary.

- The operation will extract sand and gravel with on-site processing as needed to size and wash the material in order to produce saleable products. The various grades of material will be placed into on-site stockpiles for loading into highway haul trucks for delivery to local markets.
- The post mining land use is proposed to be rangeland. The proposed reclamation has been designed to ensure the attainment of the post mining land use. In addition, the Operator will be required to post a financial warranty sufficient to ensure the implementation of the proposed site reclamation plan.
- Justification:
 - Presently, there is a shortage of high-quality sand and gravel products in the El Paso County area. The mining operation will help fill the need for the diminishing sources of sand and gravel.

The proposed operation is intended to serve the El Paso County area needs for quality sand. The approximate distance from the proposed operation to the relative center of Colorado Springs, using existing major roadways is 27 miles. Based on the 1996 El Paso County Master Plan for Mineral Extraction (EPCMPME), sand transportation costs from the Ellicott Sand and Gravel, Sand pit would be approximately \$2.70 per ton. (Does not consider inflationary increase from 1996 to present.)

The "bulk to value" ratio for construction aggregate materials is high. This ratio typically increases with lower grade commodities, such as sand products. As the distance from the source to the ultimate point of use increases, the hauling costs also increase affecting the per-ton cost of the product. (Page 59, El Paso County Master Plan for Mineral Extraction, Feb8, 1996) Resource location, therefore, is essential in determining the commercial potential of a particular identified mineral deposit. (Page 4, El Paso County Master Plan for Mineral Extraction, Feb8, 1996)

For example, based on the El Paso County Master Plan for Mineral Extraction (EPCMPME), the 1996 undelivered average cost per ton for pit sand and gravel..." "was", "... approximately \$.35. The delivery cost per mile/ton, according to the EPCMPME is approximately \$.10. per mile" The EPCMPME goes on to say the, "...transportation-related costs have the largest relative impact on the lowest (*value*) commodities...", (i.e. sand products). "A presumed future reduction in the number of aggregate sources in El Paso County will likely result in an increase in hauling costs." (Page 59, El Paso County Master Plan for This is also a Special Use

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RPM. Inc.

In addition, "Within approximately ten (10) years, (*from 1996*) in the absence of approved new operations or expansions, the County may be left with as few as one (1) permitted source of crushed stone quarry aggregates. (Page 4, El Paso County Master Plan for Mineral Extraction, Feb8, 1996)

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 Ellicott Sand Pit has the potential to replace a significant portion of the existing sand resource as the existing resources in the El Paso County are depleted.) Another site is also "land locked. Two sites are greater than 34 miles from Colorado Springs. One site is in final reclamation. The following operations appear to be able to provide sand product and are relatively close to the Colorado Springs market. It should be noted that even though these operations are currently providing sand product, given the lengths of time in operation, their useful life may be limited. These operations are:

•						
	Operation Name	DRMS Permit Number	Distance from Colo. Springs	Apparent Stats from DRMS Annual Report		
	Fountain Pit	M1982-155	10 miles	Appears to have additional area for mining		
	Midway Pit	M1988-018	18 miles	Began operations 8/2018, 25.35 permitted acres		
	Fountain Colony Pit	M1987-171	10 miles	May be close to final limits of the approved permit		
	Sundance S & G Resource	M2006-073	18 miles	It appears mining has not yet begun, based on the DRMS Annual Report		

Note: Green boxes indicate possible source of sand product. Note, operation M2006-073 has not yet begun mining operations according to the DRMS Annual Report. At the present time, it appears only two operations are available for production of sand product and closer than the proposed Ellicott Sand Pit. The third potential operation's DRMS Annual Report indicates production is not planned for next year.

According to Table 1 of the El Paso County Master Plan for Mineral Extraction, Feb 8, 1996, page 26, the 2020 estimated tons of aggregated needed in El Paso County will be 5,390,000 tons/year.

The proposed mining operation is being reviewed by various State agencies and branches of local and County government. State agencies include the Colorado Department of Public Health and Environment, (Air and Water Quality Control Divisions), the office of the State Engineer, History Colorado, Colorado Division of Parks and Wildlife, The Colorado Department of Transportation, the Local Board of the Soil Conservation Service, your own El Paso County Agencies and the Colorado Division of Reclamation, Mining and Safety. We are committed to meeting the State and local government environmental health and safety requirements.



- 4. "Existing and proposed facilities, structures, roads, etc."
 - Existing Facilities, Structures and Roads:
 - Facilities and Structures:
 - ✓ Facilities Ranch buildings, center pivot irrigation to include water wells and electrical support equipment, overhead power lines, buried phone lines
 - \checkmark Structures fences
 - Various interior ranch roads, Sanborn County Road
- 5. "Waiver Requests (if applicable) and justification."
 - At this point we do not see a need for filing a Waiver Request.
- 6. "The purpose and need for the change in zone classification."
 - According to the Zoning Table at the Planning Department webpage, a parcel zoned A-35 may be used for "Mineral and Natural Resources Extraction Operations, Commercial" through the Special Use process. Therefore, there does not appear to be a need to rezone the two parcels provided the non-agricultural use is approved through the Special Use process.
- 7. "The total number of acres in the requested area."

The total number of acres in the area requested for the mining operation is \pm 733.7 acres. The total available acres in the two parcels where the proposed mining operation is to be located, is \pm 2,162.9.

- 8. *"The total number of residential units and densities for each dwelling unit type."* This provision is not applicable since this is to be a mineral extraction operation. The post mining land use is rangeland/wildlife habitat.
- 9. "The number of industrial or commercial sites proposed." The mineral extraction operation is to be conducted in six separate stages of mining. The following table is an estimate of the stage time periods. Please note the table is an estimate only since the rate and duration of mining is dependent on market demand:

Phase	Est. Yrs.
1	10-15
2	15-20
3	4-6
4	2-5
5	2-4
6	20-30

Phasing indicates a possible structure to be an office

Applicant is

requesting a waiver of

Section 6.3.B

in the impact mitigation

analysis



- 10. "Approximate floor area ration of industrial and/or commercial uses." The total area available for extraction minus roads and areas which will not be mined is \pm 513.5 acres.
- 11. "The number of mobile home units and densities for each dwelling unit type." This requirement is not applicable. The only mobile unit on-site may be a portable scale and mobile trailer for a site office.

12. "Typical lot sizes: length and width."

This requirement is not applicable. There will be no lots. Rather there will be mining phases. The size of each phase is as follows:

Phase	Total Acres Available	Total Acres Mined
1	66.1	49.9
2	213.7	173.0
3	54.2	39.2
4	24.3	14.9
5	20.8	14.2
6	268.4	222.3
Total	733.7	513.5

13. "Type of proposed recreational facilities."

This requirement is not applicable as this is a mineral extraction operation and is not open to public use during mining and site reclamation. The post mining land uses are rangeland and wildlife habitat. In addition, it is private land and not open to public use.

14. "If phase construction is proposed, how will it be phased."

There will not be any phased construction since this is a mining operation. The mining phases will be as follows (Item 15 below), with phase reclamation shortly following each mining phase. There may be operational considerations which may delay all or portions of a phase for subsequent phase reclamation. However, upon completion of mineral extraction, all phases and areas of incomplete reclamation will be reclaimed.

15. "Anticipated schedule of development."

Mineral extraction will be done in phases. Each phase of extraction will be essentially completed prior to the start of the next phase. Prior to the completion of a phase of extraction, topsoil and some level of overburden removal and stockpiling will be

necessary in order to prepare the next phase for mineral extraction. In addition, interior mine roads may need to be constructed in each new phase prior to actual mineral extraction in a new phase. The anticipated schedule of mineral extraction (development) may be as follows:

Phase	Est. Yrs.
1	10-15
2	15-20
3	4-6
4	2-5
5	2-4
6	20-30
Total Est.	51 – 80 Yrs.

- 16. "How water and sewer will be provided."
 - Water:
 - Process and dust control water:

The estimated water use for material processing and fugitive dust control is 12.0-acre feet per year. No water will be used for site reclamation.

- Potable water will either be purchased locally or obtained from on-site domestic ground water wells.
- Sewer:

No sewer or septic system will be provided for human waste. Instead, portable toilets and solid waste disposal containers will be provided. These units will be serviced and disposed off-site by commercially available providers.

17. "Proposed uses, relationship between uses and densities."

This requirement is not applicable since this is a proposed mineral extraction operation. The post mining land uses will be rangeland and wildlife habitat.

18. "Areas of required landscaping."

At this point, we do not anticipate including what would be defined as "landscaping". The mining operation has proposed a reclamation plan to the Colorado Division of Reclamation, Mining and Safety. That plan will include the replacement of salvaged topsoil onto regraded and/or backfilled slopes, seedbed preparation and seeding an approved perennial grass and shrub seed mix. The proposed post mining land use will be rangeland and wildlife habitat.

19. "Proposed access locations."

Currently, the point of access for Phase 1 will be off Sanborn Road, between East Ellicott Road South and South Baggett Road. The mine access coordinates are:

38° 47' 43.5875" N

-104° 21' 17.6006" W

The location of the entrance is expected to change as new phases of the proposed mineral extraction are initiated. Prior to the modification and use of access road locations, the appropriate state and local authorities will be contacted and appropriate permits and authorizations obtained.

20. "Approximate acres and percent of land to be set aside as open space, not to include parking, drive, and access roads."

This requirement is not applicable since the entire area once mining is complete will be reclaimed to rangeland and wildlife habitat. Some mining related and previously exiting roads will be left for use for the landowner's ranching operations.

Respectfully,

the x H. Bruce Humphries Regulatory Permits Management, Inc. Consultant for Ellicott Sand and Gravel, LLC