Written Operations Plan for Panco LLC;

Site Location: Generally Located NW of the intersection of East Anamosa St. and Elk Vale Road, Rapid City, South Dakota

Panco LLC intends to operate a temporary quarry and mine for construction aggregate and rock to be processed and used in construction as a conditional use within the general agriculture district.

The primary purpose of this temporary mine is to:

- Process onsite material to create "Engineered Fill" material. Engineered fill is generally defined as non-expansive material composed of rock, sand, and dirt, meeting a specific gradation criterion. This material is commonly used in the Black Hills region to stabilize highly expansive silty clay material underneath building foundations and slabs.
    - The gradation for engineered fill usually calls for the size of rocks within the material to be less than 3 inches in any dimension. Therefore the onsite material must be screened to remove any material larger than 3" in dimension. This is done by excavating the onsite material and processing it thru a mechanical screen.

The secondary purpose of this temporary mine is to:

- Crush oversized material that is larger than 3 inches in any dimension.
    - The material that is over 3 inches in dimension is rejected in the screening process, and could vary from 3 – 12" in diameter. This material can then be crushed to be used as riprap, clean rock, and decorative landscape rock. It will have to be determined at a later date if crushing this rejected material is an economically feasible option.

The process of mining the material is as follows:

- Strip site of vegetation and topsoil
- Excavate the borrow area for material to be screened
- Process excavated material through the screen
- Stockpile "engineered fill" material
- Stockpile oversized material
- Material is loaded onto haul trucks
- Haul trucks are weighed at onsite scale
- Material is hauled to final location
- Following completion of mining operation, site is reclaimed by placing onsite topsoil over the disturbed area, then reseeding to establish permanent vegetation.

Estimated volumes of material:

- Phase 1 (Existing)
  - 30,000 tons of existing rock to be hauled
- Phase 2
  - 125,000 tons of material
- Phase 3
  - 125,000 tons of material
- Phase 4 (future)
  - Unknown quantity, assumed to take place after completion of previous phases. See phasing plan

Total quantity to be processed in phases 1,2,3 = 280,000 ton

Loss factor of oversized material is 25%, or 70,000 ton

Known amount of material to be hauled offsite = 210,000 ton over 3 years = 70,000 ton a year

Trucking of material may be completed using end dumps, tractor trailers, or tractor trailers with a pup. The haul capacity of these trucks various, but typical capacity is 25 ton. Therefore approximately 2,800 loads of material will be hauled in a given year, or on average 11 loads a day.

The amount of material to be processed and hauled in given year may vary greatly do to market conditions and the demand for such material.

Parking:

The number of employees working at the site can vary from a 1-5, on any given day. Six parking spots will be constructed. 1 spot provided will be handicap/van accessible and will be paved for a smooth level surface. The remaining 5 spots will be for the employees. There is no pedestrian traffic, general business activity, or visitors to the site, therefore no additional parking is required. Due to the nature of the use the employee parking or the access road to the employee parking area will not be paved.

Temporary structures:

The scale house is a temporary structure, 10x16 in size, that is utilized for the scale attendant and for tool storage. Please see the attached photos of the scale house. The scale house is located next to the scale used for weighing the vehicles.

Utilities:

There is underground power ran to the scale house. This power is minimal and is used to temper the scale house and to provide power for the scale. There are no other utilities located within the site.