7321 E. 88th Avenue, Suite 200 Henderson, Colorado 80640

Phone 303-287-9606 • Fax 303-289-1348

October 13, 2022

Division of Reclamation, Mining and Safety 1313 Sherman Street, Room 215 Denver, CO 80203

RE: DRMS Annual Report - Ragsdale Reservoirs, Permit M-2020-007

Anniversary Date: October 14

Dear Division:

L.G. Everist, Inc. respectfully submits this cover letter and attachments as part of the **DRMS Annual Report and Annual Report Fee** for **Ragsdale Reservoirs**, **Permit M-2020-007**. The annual permit fee has been paid via credit card on-line. Please see the attached *Exhibit C-1*, *Mining Plan Map (2020)*, for reference to mine areas mentioned in this report.

The DRMS permit for Ragsdale Reservoirs was approved and issued on October 14, 2020. The Weld County Use by Special Review for Mining Permit USR20-0030 was approved December 9, 2020, and the resolution was signed on January 6, 2021.

During 2021, L.G. Everist started the mine site preparation. We disturbed parts of Phase 1A (\sim 20 acres) and parts of Phase 3 (\sim 30 acres). In Phase 3, we prepped the plant site by stripping the plant site area of topsoil, then constructing and vegetating the site berm on the east side of the phase, along Highway 85 (as per our mine plan). Then we constructed the processing plant, related conveyor systems and haul roads. We also updated an existing house to be the office/scale-house (as per Weld County Building regulations). In Phase 1A, we stripped topsoil and continued the site berm on the east side of the phase, along Highway 85.

In December 2021, the U.S. Highway 85 road improvements and site access as required by CDOT and Weld County (including acceleration and deceleration lanes on Highway 85) was completed and approved by CDOT.

Mining and processing operations began in January 2022. In 2022, we started mining in Phase 1A, in the 20-acre area previously stripped. Phase 1A will be a settling and fresh water ponds area for the life of the mine, so it was the first area that needed to be mined. This summer, we stripped part of Phase 1 and started mining in the northeast corner of the phase (~ 8-10 acres). We estimate opening up between 10 and 20 acres next year as we progress with our active mining in Phase 1. Because this mine is just starting, there may not be any reclamation next year. But throughout the life of the mine, we will conduct concurrent reclamation as much as possible, which includes backfilling, sloping and topsoiling any future reservoir areas that have been mined out.

The annual groundwater monitoring data and map will be submitted under separate cover next week. The groundwater monitoring wells were installed in October-2019. Data from the wells is collected monthly.

If you have questions, feel free to contact me at 303-286-2247, or lmshults@lgeverist.com.

Sincerely,

Lynn Mayer Shults Regulatory Manager

Attachments:

- Ragsdale Reservoirs - Exhibit C-1, Mining Plan Map

DRMS #M2020-007

