STATE OF COLORADO

Girardi - DNR, Chris <chris.girardi@state.co.us>

RE: Farmers Sand/Milton Reservoir M2024057- Adequacy Review #3 - Responses and Exhibits

1 message

Shelly Hoover <shoover@erccolorado.net> Wed, Jun 4, 2025 at 10:31 AM
To: "Girardi - DNR, Chris" <chris.girardi@state.co.us>, "Jared Ebert (jared.ebert@state.co.us)" <jared.ebert@state.co.us>
Cc: Lisa Shea <lshea@erccolorado.net>, Scott Edgar <Scott@farmersres.com>, Troy Thompson <tthompson@erccolorado.net>, Katie Moisan <KMoisan@fwlaw.com>, "Todd G. Messenger" <tmessenger@fwlaw.com>

Hi Chris

Please find attached the Adequacy Review #3 letter responses and exhibits. I will email you the REI and FRICO lease agreement with the revised Attachment 1: Project Map

showing parcel #'s 121309000026 and 121310000009 (Rule 6.4.14- Exhibit N- Source of Legal Right to Enter, Item 9. d.) before the end of the week.

Have a good day

shelly

From: Girardi - DNR, Chris <chris.girardi@state.co.us>
Sent: Wednesday, May 21, 2025 12:30 PM
To: scott <scott@farmersres.com>
Cc: Jared Ebert - DNR <jared.ebert@state.co.us>; Shelly Hoover <Rochelle@erccolorado.net>; Lisa Shea <Lisa@erccolorado.net>; Troy Thompson <Troy@erccolorado.net>
Subject: Farmers Sand/Milton Reservoir M2024057- Adequacy Review #3

[EXTERNAL]

Hello Mr. Edgar,

Attached to this email is the Division's Adequacy Review #3 letter for the Farmers Sand/Milton Reservoir permit application, project number M-2024-057.

A hard copy will not be sent unless requested. Please feel free to contact me if you have any questions or concerns.

Sincerely,

Chris Girardi

Environmental Protection Specialist Intern

COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

P: (720) 793-3041

Physical: 1313 Sherman Street, Room 215, Denver, CO 80203

Mailing: DRMS Room 215, 1001 E 62nd Ave, Denver, CO 80216

chris.girardi@state.us.co | https://drms.colorado.gov/

2025.05.29 Adequacy Review #3 Response.pdf
26612K

Ecological Resource Consultants, LLC
12345 W Alameda Parkway Suite 206 ~ Lakewood, CO ~ 80228 ~ (303) 679-4820

June 4, 2025

Colorado Division of Reclamation, Mining and Safety
Attn: Chris Girardi
Environmental Protection Specialist Intern
DRMS Room 215
1001 E. 62nd Avenue
Denver, Colorado 80216

Re: Farmers Sand, File No. M-2024-057 Receipt of 112c Construction Materials Responses to Adequacy Review #3

Dear Chris:

On Behalf of The Farmers Reservoir and Irrigation Company (FRICO), Ecological Resource Consultants, LLC (ERC) is providing the revised Exhibits and responses to the Colorado Division of Reclamation, Mining and Safety Adequacy Review #3 dated May 21, 2025. The revised Exhibits are attached to this letter. The following is each of the items identified in the Division letter along with the associated responses with new responses presented in blue text for clarity.

Rule 6.4.3- Exhibit C – Pre-Mining and Mining Plan Map(s) of Affected Lands:

1. All the significant and permanent man-made structures have not been identified and depicted on the Exhibit C(g) map. Please update the Exhibit C(g) map to show the owner's name of the significant, valuable, and permanent man-made structures within 200 feet of the affected area. Further clarification regarding structures not sufficiently identified in the C(g) map is given in Item #55.
    a. **FRICO Response:** All significant and permanent man-made structures within 200-feet of the revised affected area consists of the following and are identified on Exhibit C(g), Sheets 1 thru 3.
    b. **DRMS Response:** The owners of the pipelines are not shown on the map. Also, the Platte Valley Canal Maintenance Road, Beebe Seep Canal, Beebe Seep Canal Maintenance Road and the Evans #2 Ditch roads are not shown/labeled on the Exhibit C(g) Map. Please revise the maps accordingly.
    c. **FRICO Response:** The revised Exhibit C(g) Maps are included in attached Exhibit C.
    d. **DRMS Response:** The revised Exhibit C(g) Maps do not include the maintenance roads for Platte Valley Canal, Beebe Seep Canal, and the Evans #2 Ditch. Please revise accordingly.

FRICO Response: Revised Exhibit C(g) Maps are provided in attached Exhibit C.

Rule 6.4.4- Exhibit D- Mining Plan:

2. Please provide a sampling, analysis and reporting plan to evaluate the dredged material at an adequate frequency during the life of the operation to ensure the physical and chemical properties are not substantially changing over time.

a. **FRICO Response:** Direct bulk samples will be collected and analyzed monthly from the discharge point of the cyclone separator (the presumed 'point of compliance'). This sandy slurry will be analyzed by EPA Method 6020-SPLP for Total and Dissolved Metals, Method 8260-SPLP for VOCs, and Method 160.1 for TDS. Additionally, Method 8270-SPLP will be employed quarterly to analyze for SVOCs. Should any analytical results, from any sampling event, exceed the Standards as shown in Table 3 from 5CCR 1002-41 (CDPHE Regulation 41), the DRMS will be notified and additional investigation into the potential surface water impacts will be evaluated. Alternate or additional 'points of compliance' may be warranted in that event.

b. **DRMS Response:** Please clarify how reporting will be handled. The Division proposes analytical results be submitted quarterly, in addition to immediate notification by FRICO to the Division if any exceedances from CDPHE Regulation 41 are detected.

c. **FRICO Response:** Direct bulk samples will be collected and analyzed monthly from the discharge point of the cyclone separator (the presumed 'point of compliance'). This sandy slurry will be analyzed by EPA Method 6020-SPLP for Total and Dissolved Metals, Method 8260-SPLP for VOCs, and Method 160.1 for TDS. Additionally, Method 8270-SPLP will be employed quarterly to analyze SVOCs. Quarterly laboratory results will be summarized, and data provided by January 15, April 15, July 15, and October 15 each year. Should any analytical results, from any sampling event, exceed the Standards as shown in Table 3 from 5CCR 1002-41 (CDPHE Regulation 41), the DRMS will be notified.

d. **DRMS Response:** Please update the Exhibit D Mining Plan narrative to include the sampling and reporting plan.

FRICO Response: See attached Exhibit D – Mining Plan, Section 9.0 Sampling and Reporting Plan.

3. The Division notes that if Lake Christina or "Christina Pond" is to be used as a settling pond as alluded to on Page 11, then Lake Christina is required to be included in the permit and affected area. This area would have to be added to the mining and reclamation plan and affected area through an Amendment to the application. If Lake Christina will not be utilized as a settling pond or for further clarification, then please revise page 11 accordingly. If water affected by the operation is discharged into Lake Christina, please provide documentation of authorization from the owner of the lake for this activity and please indicate if this is an approved discharge point through CDPHE.

a. **FRICO Response**: The mining plan has been changed, Lake Christina will not be used as a settling pond. In addition, water affected by the mining

operation will not be discharged into Lake Christina. All water affected by the mining operation will be discharged into Milton Reservoir under the approved CDPHE Discharge Permit Certification Numbers: COR414592, COR418738, and COR 419504. Exhibits (e.g. maps and drawings) and the Mining Plan have been revised accordingly. In addition, the Affected Area and Permit Area boundaries have been revised on the applicable Exhibits (e.g. maps, drawings).

b. **DRMS Response**: During the pre-operational inspection conducted by the Division on March 24, 2025, the Division observed stockpiles of sediment that had been excavated from Lake Christina that had been transported to an area adjacent to the east side of Platte Valley Canal within the permit area. Please update Drawing 06 in the mining plan to account for the stockpiled material. In addition, please clarify how the area will be reclaimed and update the Reclamation Plan and Maps accordingly.

c. **FRICO Response**: This stockpile area will be reclaimed the same as the other stockpile areas where the slopes will be developed with an overall angle of 3H:1V as the final configuration, resulting in a roughly graded outer surface. Additional grading will be completed as needed to establish more uniform contours that align with the existing topography. Once the slopes have been graded, they will be scarified in preparation for seeding and mulching in accordance with the Reclamation Plan. The revised Reclamation Plan and Drawings R-1, R-2A, and R-2B are included in attached Exhibits E and F, respectively.

d. **DRMS Response**: The Reclamation Plan has not been revised to include discussion of this area, please revise. In addition, the Reclamation Plan states that approximately 379 acres will be revegetated. Please clarify if this number includes the Lake Christina sediment stockpile area.

FRICO Response: The project area has been updated from 379 acres to 399 acres to include the topsoil and Lake Christina sediment stockpiles. The Reclamation Plan and Mining Plan have been revised to include a discussion of the material removed from Lake Christina and the receiving stockpiles. See attached revised Exhibit E – Reclamation Plan, Section 2.0 – Reclamation Plan and Section 2.2.7 Lake Christina Removed Material and revised Exhibit D – Mining Plan, Section 4.5 Lake Christina Removed Material.

Rule 6.4.7- Exhibit G- Water Information:

4. Please update the Storm Water Control Permits section to account for a Colorado Department of Public Health & Environment (CDPHE) COG500000 discharge permit for industrial stormwater and/or process water permit application. See more information in Item #8.

FRICO Response: See attached Exhibit G, Section – Storm and Operational Water Control Permits.

Rule 6.4.12- Exhibit L- Reclamation Costs:

5. The Applicant includes Items #7 and #9 for the future sand plant reclamation yet

indicated that specific designs and reclamation costs for the sand plant will be provided during submittal of a Technical Revision (TR) for the sand plant. When Technical Revisions are submitted for review, the Division has the opportunity to evaluate the financial warranty and issue a Surety Increase accordingly if the reclamation liability increases. Therefore, the Division recommends revising this exhibit to remove reclamation costs for the future sand plant operation at this time.

FRICO Response: See attached Exhibit L.

6. For Item #1, Mob, please provide additional information and clarification of how this cost was determined.

FRICO Response: The Mobilization is 10% of the total project cost.

7. Please provide dimensions for the conex box, construction trailer, 8,000-gallon fuel tank, and slurry mixing tank.

FRICO Response:

Conex - Qnty: 2 Dimensions of each: 40-ft L x 8-ft W x 8.5-ft H
Construction Trailer: 8-ft H x 24-ft L, wall height: 8'
Bottom of Trailer sits 30" above the ground
8,000-gal Diesel Tank: 10-ft dia. x 14'2" L
8,000-gal Diesel Tank Tertiary Concrete Containment: 23'8" L x 14'10" W, interior wall height: 4', wall thickness: 6", base thickness: 10"
Slurry Mixing Tank –
Tank Dimensions: 45' L x 8.5' W x 9'4" H
Hopper located on top of tank: 11' L x 10' W x 7' H

We are also including, for your reference, dimensions of the following:

- 5,000-gal Diesel Tank: 6-ft dia. x 19'1" L
- 2,000-gal Diesel Tanks located on the dredge barge (Qnty: 2 rectangular shape) Dimensions of each: 5'10.5" W x 9'10" L x 6' H
- 500-gal Gasoline Tank: 2'2.5" dia. x 5'1" L
- Dredge Barge: 24' W x 30'1" L x 3'H
- Dredge: 96' L x 24' W x 5'H

Note: all the fuel tanks are aboveground and have secondary containment (double-walled).

Rule 6.4.13- Exhibit M- Other Permits and Licenses:

8. On May 15, 2025, the Division received a Compliance Advisory Letter from CDPHE, indicating that the currently held certifications COR414592, COR418738, and COR419504 under the CDPS General Permit COR400000 for stormwater discharge do not authorize industrial stormwater and/or process water discharges associated with sand and gravel mining and/or processing. CDPHE has mandated that FRICO submit a COG500000 Permit Application within 30 calendar days from May 15, 2025. Please update Exhibit M to include a statement indicating the Applicant is seeking a COG50000 Permit to discharge industrial

stormwater and/or process water.

FRICO Response: See attached Exhibit M.

Rule 6.4.14- Exhibit N- Source of Legal Right to Enter:

9. Please provide documentation for Legal Right to Enter for Farmers Reservoir and Irrigation Company to parcels owned by REI LLC for their respective parcels.

a. **FRICO Response:** FRICO's Legal Right to Enter the parcels owned by REI LLC is provided in Exhibit N, document titled 220705 Property Lease and Reclamation Agreement. The mining operations (e.g. stockpiles, settling ponds, and haul roads) will be located on REI parcel numbers 121303301004, 121304000038, 121309000026, 121310000007, 121310000009, 121310000029, 121310001002, and 121315000010. These parcels are depicted in Exhibit N, Sheets 1 thru 3.

b. **DRMS Response:** The 220705 Property Lease and Reclamation Agreement provided does not indicate Legal Right of Entry for REI parcel numbers 121309000026, 121310000007, 121310000009, and 121315000010. Please provide it.

c. **FRICO Response:** The REI and FRICO lease agreement is included in attached Exhibit N.

d. **DRMS Response:** Attachment 1: Project Map, does not include REI parcel numbers 121309000026 and 121310000009. Please clarify.

FRICO Response: The REI and FRICO lease agreement with the revised Attachment 1: Project Map showing parcel #'s 121309000026 and 121310000009 will be submitted under separate cover.

Rule 6.4.19- Exhibit S- Permanent Man-made Structures:

10. Please provide copies if a structure agreement was obtained with Beebe Draw Farms Authority. If the Applicant is unable to obtain a structure agreement, then an engineering evaluation that demonstrates that such structure shall not be damaged by activities occurring at the mining operation can be used instead pursuant to Rule 6.4.19(b). The Applicant provided a Geotechnical Stability Exhibit in the initial application, which the Division determined meets the requirements of Rule 6.5. However, please provide any evidence of attempts made to obtain a structure agreement with Beebe Draw Farms Authority if the Applicant was unable to obtain one.

FRICO Response: Beebe Draw Farms Authority Indemnification Agreement is provided in attached Exhibit S.

Rule 6.4.18- Exhibit R- Proof of Filing with County Clerk and Recorder:

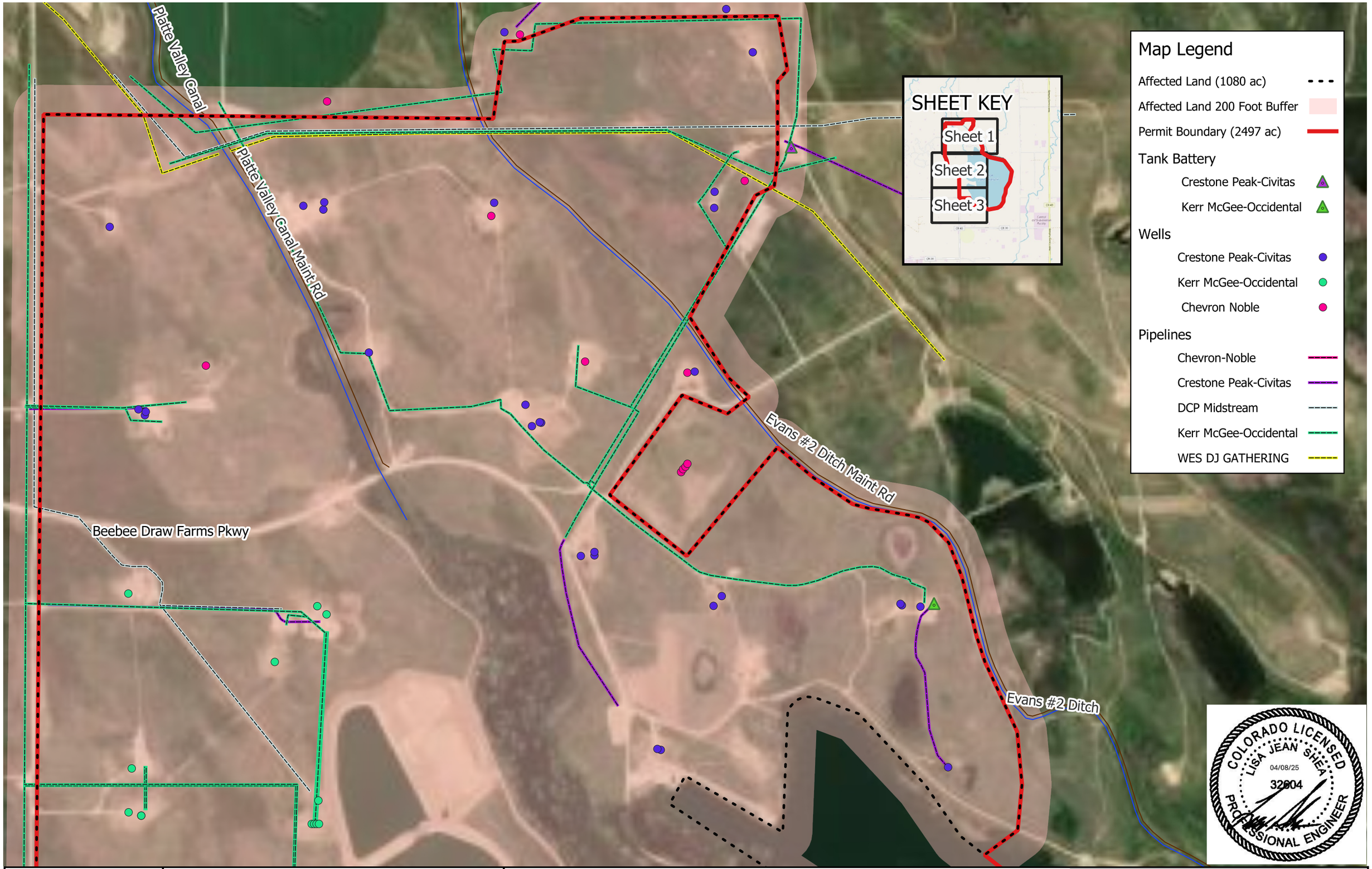
11. In accordance with Rule 1.6.2(1)(c), any changes to the application must be reflected in the public review copy which was placed with the Weld County Clerk and Recorder. In accordance with Rule 6.4.18, please provide our office with an

affidavit or receipt indicating the date the revised application pages were placed with the Weld County Clerk and Recorder.

FRICO Response: We will provide this information once all changed materials have been delivered to the Weld County Clerk and Recorder.

EXHIBIT C

PRE-MINING AND MINING MAPS



COLORADO LICENSED
LISA JEAN SHEA
04/08/25
32604
PROFESSIONAL ENGINEER

Prepared By:

ERC

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Suite 206
Lakewood, CO 80228
(303) 679-4820

ERC# 342-2203

0 600 1,200 Ft

Projection:
NAD 1983 StatePlane Colorado North FIPS 0501 Feet

EXHIBIT C (g) - LAND OWNERSHIP AND SIGNIFICANT PERMANENT MAN-MADE STRUCTURES WITHIN 200 FEET

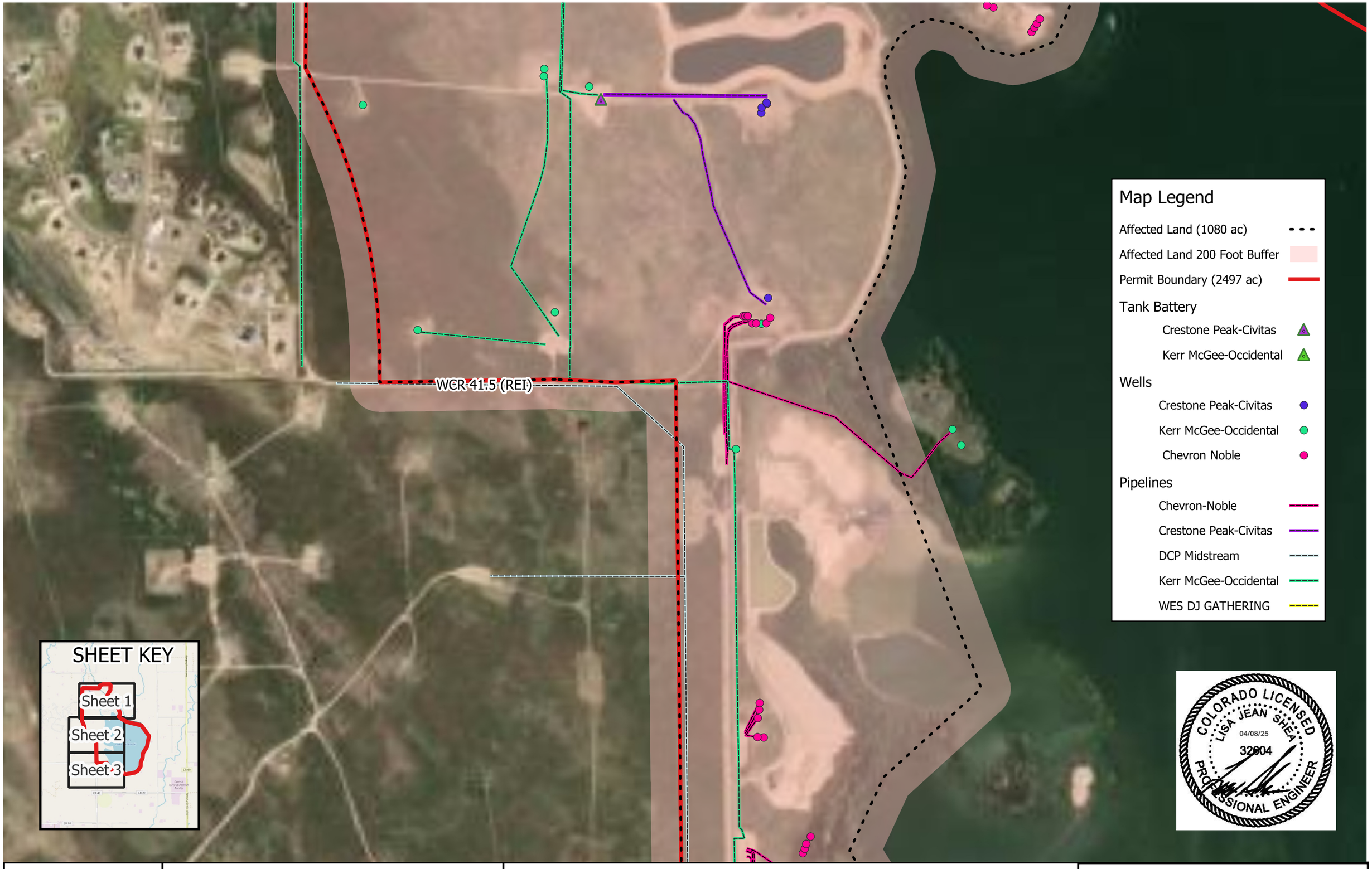
SHEET 1

FARMERS SAND
WELD COUNTY, COLORADO

Applicant: FRICO

Prepared By: ERC

REV	Date:	DESCRIPTION
C	05/2025	RE-ISSUED FOR PERMITTING
B	03/2025	RE-ISSUED FOR PERMITTING
A	12/2024	ISSUED FOR MINE PERMIT



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Projection:
NAD 1983 StatePlane Colorado North FIPS 0501 Feet

EXHIBIT C (g) - LAND OWNERSHIP AND SIGNIFICANT PERMANENT MAN-MADE STRUCTURES WITHIN 200 FEETP

SHEET 2

FARMERS SAND
WELD COUNTY, COLORADO

Applicant: FRICO

Prepared By: ERC

REV	Date:	DESCRIPTION
C	05/2025	RE-ISSUED FOR PERMITTING
B	03/2025	RE-ISSUED FOR PERMITTING
A	12/2024	ISSUED FOR MINE PERMIT

Prepared By:

ERC

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ERC# 342-2203

0 600 1,200 Ft

Projection:
NAD 1983 StatePlane Colorado North FIPS 0501 Feet

EXHIBIT C (g) - LAND OWNERSHIP AND SIGNIFICANT PERMANENT MAN-MADE STRUCTURES WITHIN 200 FEET

SHEET 3

FARMERS SAND
WELD COUNTY, COLORADO

Applicant: FRICO

Prepared By: ERC

REV	Date:	DESCRIPTION
C	05/2025	RE-ISSUED FOR PERMITTING
B	03/2025	RE-ISSUED FOR PERMITTING
A	12/2024	ISSUED FOR MINE PERMIT

EXHIBIT D
MINING PLAN

MILTON RESERVOIR

FARMERS SAND MINING PLAN

Revised May 2025

PREPARED FOR:

The Farmers Reservoir and Irrigation Company (FRICO)

PREPARED BY:

ECOLOGICAL RESOURCE CONSULTANTS, LLC
12345 W ALAMEDA PARKWAY
LAKEWOOD, COLORADO 80228

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1.0 MINING METHOD

Throughout all phases of the operation, mining will involve extracting soil from the Milton reservoir basin, primarily targeting sand. The excavated materials will either be sold for commercial use or stockpiled on-site. The mining plan involves removing sediments that have built up in the reservoir due to inflows, as well as the native materials beneath these sediments. The goal is to excavate the reservoir to a level that allows for gravity drainage through the existing low-level outlet, avoiding the creation of a dead pool. While the mining operation may be paused for economic reasons, it will be conducted in a way that ensures materials are extracted to maintain positive drainage toward the outlet conduits. The operation aims to restore and increase the water storage capacity in Milton while selling the mined materials for construction or hydraulic fracking sand. Currently, the demand for these materials looks promising, but future conditions remain uncertain.

The removal method primarily employs a floating dredge operation. The dredge is equipped with a cutter head and suction system that extracts solids from the basin and transports them to the surface as a slurry. An on-board pump moves the slurry to the shore, where it is currently directed either into temporary holding bays for dewatering or to a cyclone system for solids-water separation. The dredged materials have a solids content of approximately 15% to 20% and require dewatering before being stockpiled. Currently, dewatering is achieved using temporary holding/dewatering basins (settling basins) and/or a cyclone operation that utilizes vortex separation to remove soil particles from the water. An additional step will be incorporated into the dewatering operation once the equipment has been manufactured and delivered to site. This will involve installing dewatering screens where cyclone underflow (solids) materials will be directed for further dewatering. This adjustment will allow the drier materials to be conveyed and placed into the stockpile using radial stackers. The water from the screening process is returned to the reservoir.

The plan moving forward is to build a sand plant on the west side of Milton. Along with the sand plant, the dredge discharge, cyclone, and dewatering screens will be relocated to the west side to improve operational efficiency. Materials will continue to be dewatered through the cyclone and screening process before being placed into a stockpile via conveyors and stackers. As plant capacity allows, previously stockpiled materials will be transferred to the plant for processing.

The plant will separate the sand particles to produce a sellable product suitable for hydraulic fracturing. By-products will include oversized materials, undersized materials, and water. The oversized materials will be stockpiled for potential use as construction material, while the undersized particles and water will be pumped as a slurry to a settling pond. The resulting solids could be utilized as a construction resource or stored in a permanent stockpile. Water will be returned to the reservoir by gravity through low-level drainage pipes or decanted over spillways.

FRICO started removing materials from the basin via dredging in November 2021 and plans to continue the removal process for approximately 20 years. The first year of mining operations will continue to follow the existing operations in that materials will be dredged and run through the cyclone to separate water and solids. The solids will be stockpiled and water will be directed back to the reservoir either via a settling

pond or direct routing. The process flow diagram associated with the current and Year 1 operation is shown on **Figure 1.1**. The proposed future process flow diagram with the sand plant operation is shown in **Figure 1.2**. The figure represents the current plan, however, with final design this may change. This diagram will be updated in the Technical Revision to reflect the actual design once it is complete.

Figure 1.1: Process Flow Diagram – Existing and Pre-Sand Plant Operations

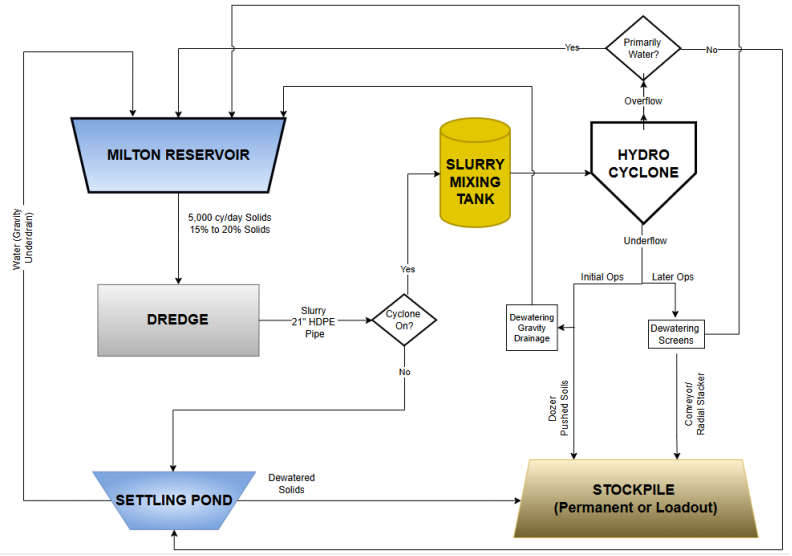
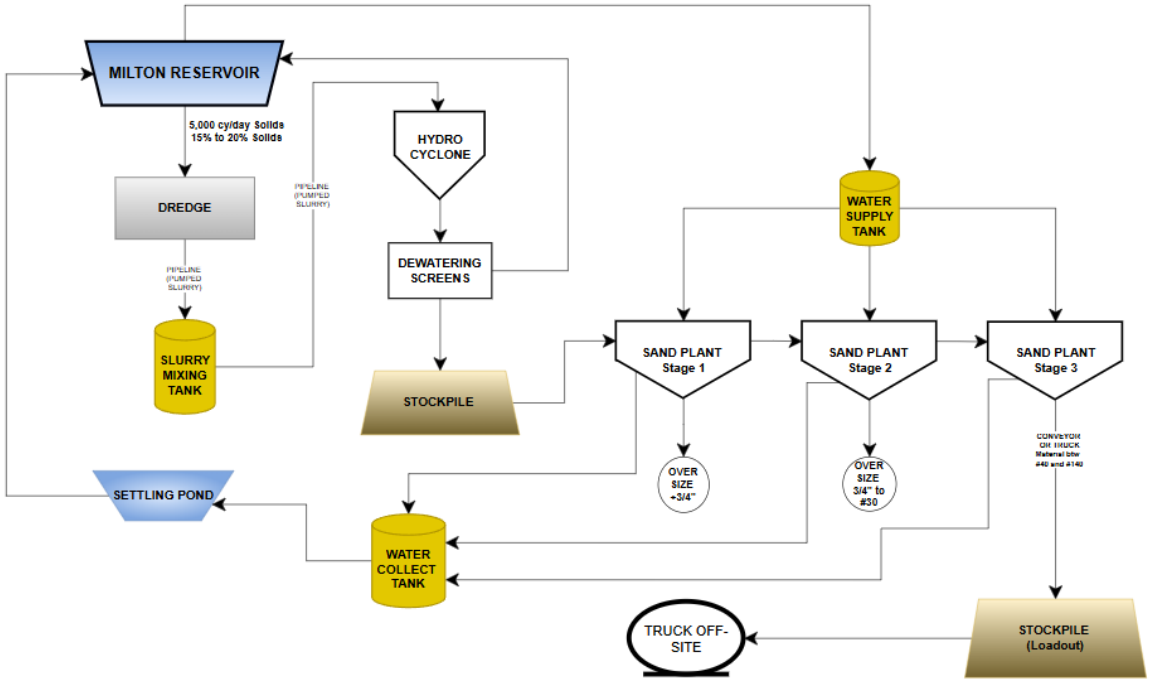


Figure 1.2: Preliminary Process Flow Diagram - Future Operations



2.0 DEPOSIT TO BE MINED

As stated previously, the objective of the dredging operation is to remove materials from the basin to restore and expand the water storing capacity of the reservoir. The constraints of the excavation are based on maintaining gravity drainage from the outer edges of the reservoir to the invert of the outlet pipes that extend under the dam. Using the inlet elevation of the outlet works as a low point in the grading, contours representing the maximum excavated surface were generated by radiating outward at a slope of 0.5%. Across the reservoir floor there will be an approximate 5-foot elevation difference. Equipment on the dredge is used to monitor excavation elevations. The proposed ultimate excavated surface is shown on **Drawing 04**. Dredging of the basin will occur in four quadrants by focusing on a single area before moving onto another area. Area 1, where current operations have been focused, is located in the northwest quadrant of the reservoir. Dredging will occur in a counterclockwise direction with Area 2 being the southwest quadrant, Area 3 the southeast, and Area 4 the northeast. An isopach showing the estimated excavation depths within the basin is shown on **Drawing 05**. The average excavation depth ranges between 12 to 13 feet with maximum excavations reaching 20 feet. The deepest regions of the excavation are in the northwest quadrant where the Platte Valley Canal enters the reservoir. It makes sense that this area would have a deep sandy sediment deposit as this type of material would be first to settle out.

A geotechnical investigation was completed in 2019 to evaluate the properties of the accumulated sediments, to the extent possible, and the underlying native materials along the west shoreline of the reservoir. The investigation was completed in November of 2019 when the reservoir was low exposing more of the reservoir basin ground surface, however, due to the soft nature of the basin materials, drilling was limited to a maximum distance of 400 feet from the shoreline. From this investigation, it was possible to get an understanding of the sediment characteristics along with the localized existing ground conditions even though the sampling was limited to only a small fraction of the entire reservoir. At this point of the project the primary intent of the project was to increase the water storage space within the reservoir by removing materials and stockpile materials around the lake into permanent fill areas. The investigation was done to develop an understanding of the materials to see if dredging was the best option for the removal process, to make business decisions, and to see from a broad perspective if the materials could potentially have a use for other off-site third-party projects. Once dredging began and it became evident that the materials being dredged were primarily sand with a large portion of the sand being of the grains sizes used in the oil and gas industry for fracking, the concept of being able to use the sand as a fracking material along with using the oversize and undersize materials for construction borrow sources became a possibility.

The results of the 2019 investigation revealed three distinct stratums within the explored areas. Each stratum is summarized as follows.

1. **Stratum 1**: This layer consists of sediments or materials transported with flows into the reservoir over the course of 100 plus years since the dam was built. These materials consisted primarily of sand and were found at depth ranging between 5 to 15 feet deep.

2. **Stratum 2**: This layer starts at the sediment/native ground intercept and is characterized as clayey sand to sandy clay. These materials were found primarily at depths ranging between 5 to 25 feet.
3. **Stratum Three**: Here the subsurface transitions into the weathered bedrock layer and consists of high plasticity, stiff clay. These materials were found primarily at depths ranging between 19 to 30 feet.

In addition to the 2019 geotechnical investigation, three test pits were excavated on the periphery of the lake near the In-Res Settling ponds and in April 2024, a sample of the dredged materials was obtained and tested. Samples from the 2022 test pit investigation were subjected to particle size analysis (PSA) and Atterberg limit testing and the results are in **Table 2.1**. About half of the samples tested consisted of silty sand while the other half classified as clayey sand. About 50% of the material was of a size that is desirable for use as frac sand. **Figure 2.1** shows the location of the geotechnical drill holes and test pits.

When the dredged sample was collected in 2024, a hydro-cyclone had been added to the operation to more effectively remove a significant amount of water more quickly. Underflow (solids) from the cyclone was discharged and worked into a stockpile while overflow (water and fines) was fed to a settling pond. A sample was taken from both the underflow and overflow and PSA and Atterberg limits testing were completed on the samples. It was estimated that 70% of the dredged materials were coming out as underflow and 30% as overflow. Based on the ratio, a PSA test was recreated to represent the base material. These results are shown on **Figure 2.2** and indicate that the material consists of 70% sand and 30% fines. The 70% sand portion is of a size that can be used for frac operations.

Figure 2.1: 2019 Drill Hole and 2022 Test Pit Locations

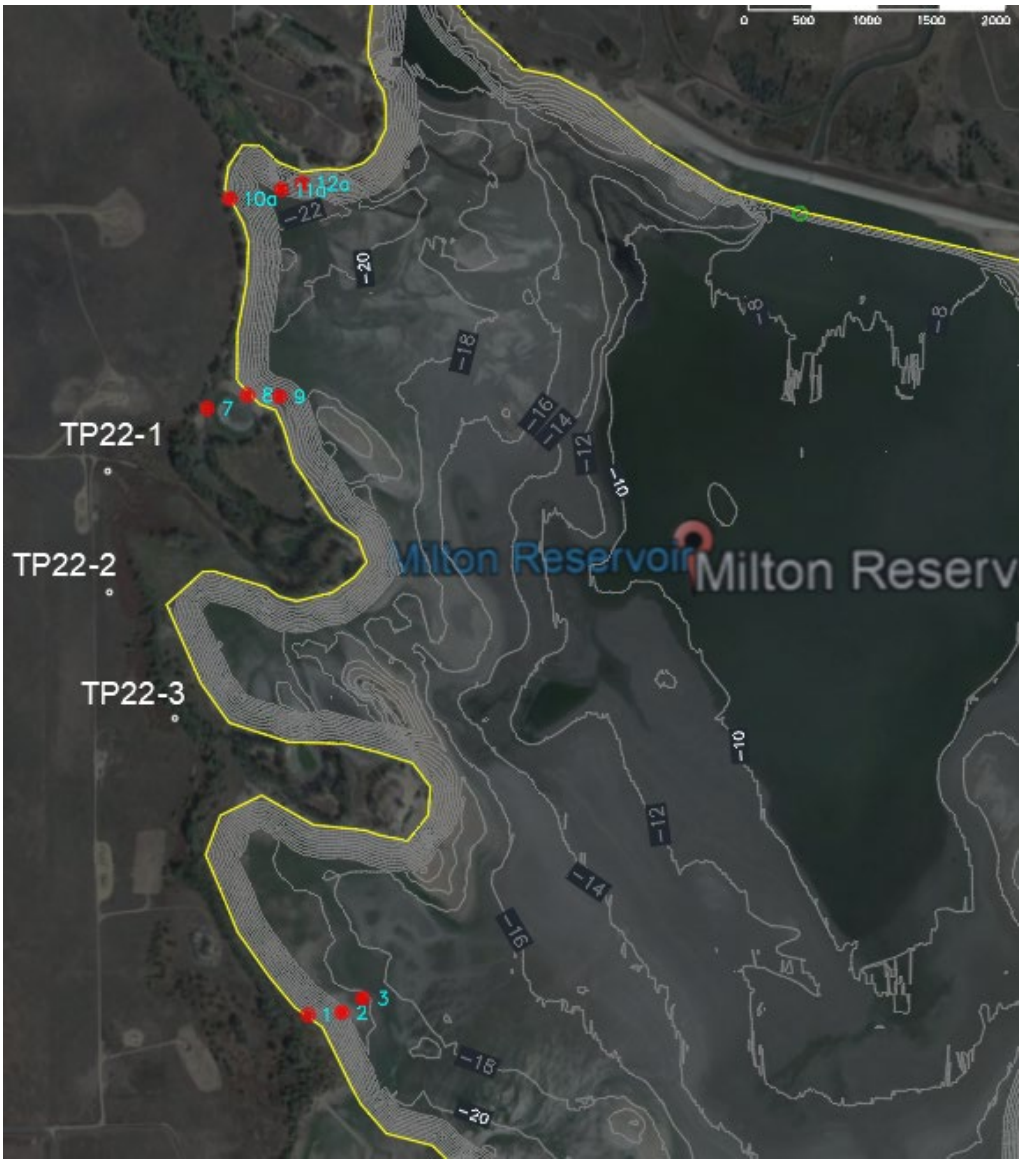
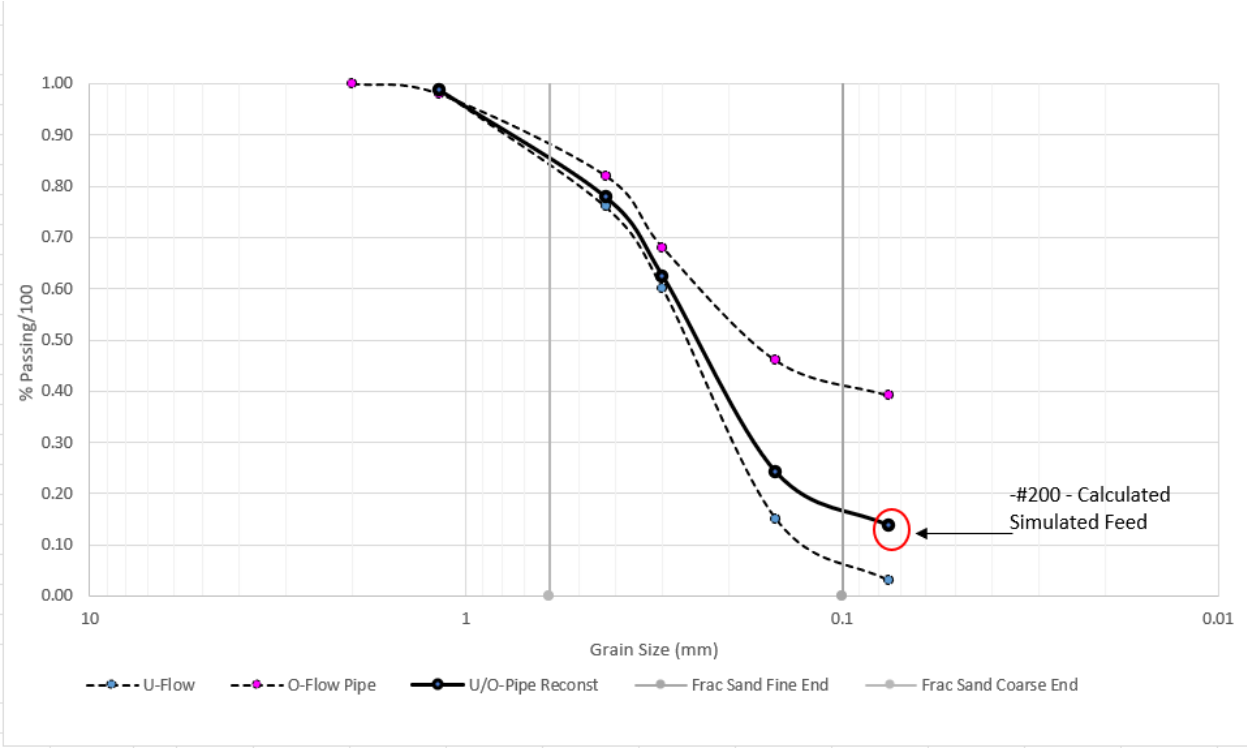


Table 2.1: Particle Size Analysis Results – 2019 and 2022 Testing

Test Pit	Depth (ft)	Atterberg Limits			Grain Size Analysis - Percent Passing						Soil Classification
		LL	PL	PI	#4	#10	#30 (0.6mm)	#40	#140 (0.1mm)	#200	
2022 TEST PIT INVESTIGATION - North Dredge Ponds											
22-1	5	NP	NP	NP		100	88	79	18	12	Sand
22-1	8	21	17	4		100	98	96	52	44	Silty/Clayey Sand
22-2	4	21	18	3		100	96	93	53	45	Silty Sand
22-2	4	21	16	5		100	96	92	48	39	Silty Sand
22-2	7	27	17	10	100	98	92	88	59	55	Sandy Clay
22-3	2-3	NP	NP	NP		100	90	83	28	18	Silty Sand
22-3	10-11	34	19	15		100	99	97	75	68	Sandy Clay
2019 INVESTIGATION (Western Shoreline) - In Basin Sediments											
3	5	NP	NP	NP	0	100	97	94	38	18	Silty Sand
11A	10	26	14	12	0	100	96	94	54	41	Clayey Sand
12A	3	40	19	21	0			100	86	77	Lean Clay w/ Sand
2019 INVESTIGATION (Western Shoreline) In-Basin Native Ground											
8	10	27	11	16		100	98	96	62	54	Sandy Lean Clay
9	15	NP	NP	NP	100	93	83	78	30	24	Silty Sand
12A	20	31	12	19		100	98	94	66	60	Sandy Lean Clay

Figure 2.2: 2024 Dredge Material Particle Size Analysis



No overburden will be removed within the deposit since the sand stratum starts immediately at the basin ground surface. The dredge will move positions in the reservoir to follow the sand deposit following the counterclockwise progression described above.

3.0 INTENDED USE OF MINED MATERIALS

Given that the materials mined from the basin are not solely sand, the process generates by-products in addition to the primary commodity. The different materials are described below:

PRIMARY COMMODITY: FINE SAND

- Fine sand consists of particles sizes ranging from a #30 sieve (0.0232 in or 0.595 mm) to a #140 sieve (0.0041 in or 0.071 mm).
- This sand is specifically intended for use in hydraulic fracturing (fracking) in the oil and gas industry.

INCIDENTAL PRODUCT #1: COARSE SAND

- This by-product includes coarse sand and occasional gravel that is generated during the screening process.
- Coarse sand can be sold as a construction material, commonly used for applications such as concrete production or other earthwork operations.

INCIDENTAL PRODUCT #2: SILT/CLAY

- This by-product comprises silts and clays that are finer than the desired frac sand.
- These materials can be sold to the construction industry for various earthwork applications, such as backfill or amended to create growth media.

4.0 MATERIAL HANDLING

The slurried material pumped from the dredge to the shoreline can be handled in three primary ways:

1. **RESERVOIR DREDGING:** Dredging will occur every year between mid-February to mid-December, weather dependent. It does not occur in the winter when freezing conditions and low reservoir levels exist. Approximately 1.3 million cubic yards (MCY) of material are dredged on an annual basis.

2. **SETTLING PONDS:** Slurry can be pumped directly into a settling pond, where it is deposited and spreads out since it is a liquid consistency. The solids are allowed to settle and drainage from an underdrain and skimmer system help to dewater the mass. The underdrain collects water that drains through the settled solids, while the skimmer helps to remove surface water. Once the solids have been sufficiently dewatered, they are excavated and moved to a stockpile. This stockpile serves either as permanent storage or as temporary storage for materials to be sold to the construction industry.

3. **HYDRO-CYCLONE:** Slurry is pumped to the hydro-cyclone via booster pumps located in the dredge operations staging area. The cyclone process separates a large portion of the solids from the water

improving the efficiency of the operation by being able to immediately place solids into a stockpile. Through the current use and configuration of the cyclone, it has become evident that the underflow carries a noticable amount of water along with the solids. As sand is deposited from the cyclone underflow, water gravity-drains into a lower containment area for further clarification. Water collected in the containment area is released into the reservoir via pipes or a trench.

4. **DEWATERING SCREEN:** In the latter part of 2025, dewatering screens will be installed at the cyclone underflow to capture materials and remove a significant portion of the water. This will allow excess water to be routed directly back to the reservoir, while the drier sand materials will be conveyed to the stockpile and placed using a radial stacker.

5. **FUTURE SAND PLANT PROCESSING**: Future plans include processing the cyclone underflow materials at an on-site sand plant. This will enable the separation of soils into specific grain sizes suitable for hydraulic fracturing operations.

4.1 SETTLING PONDS

There are five In-Reservoir (In-Res) settling ponds that are located within an outer finger of the Milton Reservoir as shown on **Drawing 18** and are identified as Pond 1A, 1B, 1C, 1D, and 1E**.** Ponds 1A, 1B, and 1C each have a capacity of approximately 90 ac-ft. Ponds 1D and 1C have capacities of approximately 55 and 17 ac-ft, respectively. These were constructed in 2021 in preparation for the dredge operation and consist of adjoining cells separated by low embankments. The cells are constructed such that the crest elevation of the further west basin is one foot higher than the mid cell and the mid cell is one foot higher than the eastern basin. This allows water to overflow from one cell to another when they fill with solids. When the reservoir water level falls in the winter, water drains from the base of these cells. The typical operation involves removing the materials from these basins once the materials have dewatered sufficiently to allow the material to be loaded and transported with haul trucks. Currently the In-Res basins are being excavated and transported to the West Stockpile **Drawings 07 and 10**.

After the initial year of the dredging operation, it was found that additional settling ponds were necessary to handle the volume of materials being generated from the dredge. Consequently, nine ponds were designed and four have been constructed as shown in **Drawing 15**. . The ponds are grouped as follows.

Pond 1: Located furthest north, is a single pond with a capacity of approximately 33 ac-ft.

North Pond Complex (Ponds 2, 3A, 3B, and 4) located int the northwest section of the mine area:

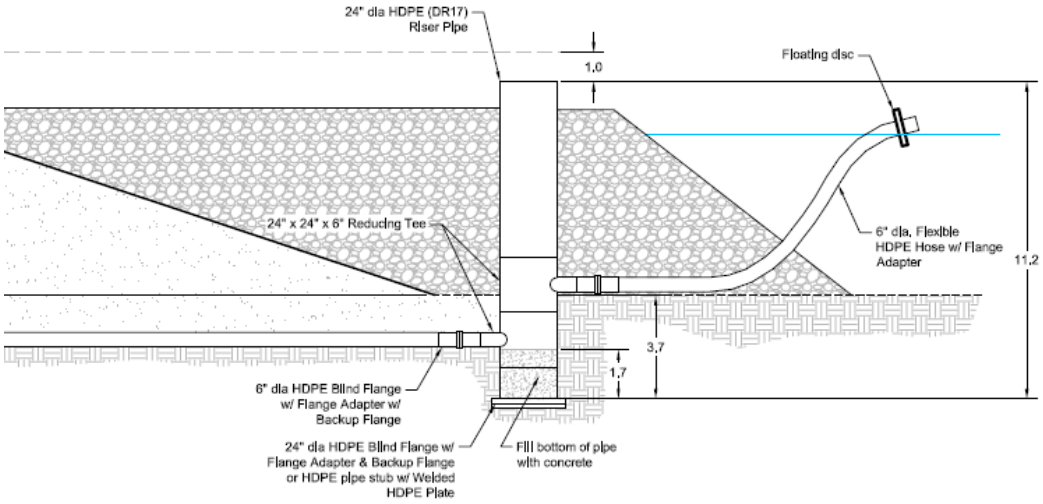
- Pond 2: Highest elevation in the complex and overflows to 3A (Capacity ~73 ac-ft).
- Pond 3A and 3B: Intermediate ponds and 3A overflows to 3B which overflows to 4 (Capacities ~85 and ~84 ac-ft, respectively).
- Pond 4: Lowest elevation; overflows back into Milton Reservoir (Capacity ~76 ac-ft).
- These ponds are interconnected via overflow spillways.

South Pond Complex (Ponds 5/6 and 7/8) located immediately south of the :

- Ponds 5 and 6: Connected with an overflow (Each pond has a capacity of ~62 ac-ft).
- Ponds 7 and 8: Connected with an overflow (Each pond has a capacity of ~60 ac-ft).
- Ponds cannot be continuously connected due to an oil and gas line interference.

The ponds are irregularly shaped to follow the existing topography and facilitate water cascading from one pond to another through an overflow spillway. The ponds are configured to avoid oil/gas pipelines and workings and to optimize cut/fill to the extent possible. Embankments are limited to approximately 10 feet high, have 3H:1V upstream slopes and 3H:1V downstream slopes with a 20-foot-wide crest. Embankments are constructed of compacted fill materials placed in thin lifts. The downstream slopes of the existing ponds were seeded and hydro mulched to provide a vegetative cover to reduce wind erosion. Any new ponds will be completed in this same manner. The ponds are designed with drain systems where water can be removed from the basins via a flexible hose attached to a riser pipe that has an outlet pipe that extends under the embankment and ultimately back into the reservoir. A schematic of the outlet is provided in **Figure 4.1**.

Figure 4.1: Settling Pond Outlet Schematic



4.2 STOCKPILES

Stockpiles have been strategically positioned within the mine area to make use of available space and maximize the amount of storage. The layouts include working around, providing sufficient buffer for, and allowing access to the oil/gas well sites that are located within the area as shown on **Drawing 03**. Ultimately, the objective is to sell the dredged materials, however, if the demand falls short of the amount produced, stockpile storage will be necessary. Consequently, the stockpile will be constructed as needed

to contain the materials being removed and not sold. The stockpiles will be developed to form a stable configuration with final side slopes no greater than 3H:1V.

The plan includes six stockpiles (Stockpile 1, N1 thru N4, and the West Stockpile), as illustrated in **Drawings 09, 10, and 11**. **Table 4.1** provides the available volume, approximate maximum height, and footprint area for each stockpile. **Figure 4.2** shows the initial development of Stockpile N1 and the process of dozing cyclone underdrain sands into the pile.

Figure 4.2: Stockpile Development Constructed from Cyclone Underflow

Table 4.1: Stockpile Geometry

Stockpile	Available Volume (cy)	Approx. Maximum Height (ft)	Area (ft^2)	Area (acres)	Perimeter Length (ft)	Comments
Stockpile 1	700,000	60	790,000	18.1	4,500	Filled 2021 - 2024
N1	4,300,000	110	2,400,000	55.1	8,300	Partially Filled 2024
N2	740,000	90	520,000	11.9	3,000	
N3	11,200,000	150	3,700,000	84.9	8,000	
N4	7,300,000	180	2,240,000	51.4	5,500	
West	1,300,000	40	1,500,000	34.4	9,800	Partially Filled 2024

Stockpile	Available Volume (cy)	Approx. Maximum Height (ft)	Area (ft^2)	Area (acres)	Perimeter Length (ft)	Comments
North Topsoil & LC Material	148,000	30	237,000	5.4	2,100	
West Topsoil	75,000	30	123,000	2.8	1,500	
LC Material	50,000	30	81,000	1.9	1,300	
TOTAL	**25,813,000**		**11,591,000**	**266**		

4.3 Future Sand Plant Operation (Preliminary)

The sand plant will have stages to produce an end product of sand with particles between the #30 and #140 sieve size. Preliminary planning and design are currently in progress. The following is the basic description of the future sand plant. The final design will be submitted under separate cover when the design is complete. A general description of the intended plan is included below.

STAGE 1: Velocity Reducer and Oversize Removal

1. Velocity Box: The flow from the dredge will first enter a velocity box. This component reduces the speed of the flow, allowing for more controlled feeding into Stage 2.
2. Oversize Material Removal: From the velocity box; The feed material will then be spread over a 3/8" screen. This screen effectively separates oversize materials, such as sticks, clay balls, and gravel.
3. Slurry Mixing Tank Entry: All material passing the initial oversize screening system will enter the slurry mixing tank, which helps to regulate and stabilize the flow of material.
4. Material Separation:
    - Minus 3/8" Material: The fine material (less than 3/8") will be pumped to Stage 2 for further processing.
    - Plus 3/8" Material: The larger particles, which typically constitute less than 1% of the total feed, will be set aside and placed in a stockpile for later use or placed in a permanent stockpile.

STAGE 2: COARSE Screen System.

1. Coarse Screen: The minus 3/8" material from Stage 1 will be fed into the coarse screen system, which uses a +#30 sieve.
2. Separation Process: This stage targets the separation of coarse sand and possibly pea gravel from finer materials. The coarse screen will allow for effective segregation based on particle size, ensuring that only the desired materials proceed further in the processing chain.

3. Output: The outputs from this stage may include usable coarse sand and gravel, which can be directed to stockpiles or further processed depending on quality and application requirements. Over 30mesh material will be deposited on a belt while the under 30mesh is hydraulically transported to stage 3 for final separation.

STAGE 3: FINE SCREEN SYSTEM.

1. Feed: This stage will process the output from Stage 2, which includes materials that are #30 sieve size and finer.
2. Separation of the feed material begins with a bank of hydro-cyclone separators designed to "cut" the material at 140mesh; finer material will exit the overflow and coarser material will be deposited onto a dewatering screen.
3. Marketable Product: The end product is the frac sand, which will consist of particles sized between #40 and #140. This specific range is typically used in hydraulic fracturing.
4. Conveyor System: The marketable frac sand will then be output onto a conveyor belt, which transports it to a load-out stockpile for storage. This area is specifically designed for temporary storage before the sand is loaded onto transport trucks.
5. Water and Fines Discharge: Water and any materials finer than the #140 sieve will be directed to settling ponds. This will help liberate water and allow for the settling of fine particles.

The initial phase will consist of clearing, grubbing, and grading the sand plant area for construction of the plant. The foundation of the sand plant will be a reinforced concrete pad. Between the concrete pad and the native surroundings/vegetation the area will be stabilized with gravel. The design of the sand plant, concrete foundation/slab, and conveyors are in progress and will be provided under separate cover when the design is complete.

4.4 TOPSOIL

The "A" horizon topsoil (approx. top 4-inches of surface material) will be salvage and stockpiled prior to construction of future settling ponds, the sand plant, and stockpiles. Two designated topsoil stockpile areas will be located on-site: (1) northwest of the West Stockpile next to the north-south haul road (West Topsoil stockpile), and (2) adjacent to the Platte Valley Canal, south of Beebe Draw Farms Parkway (North Topsoil & LC Material stockpile). The stockpile locations are shown on **Drawing 03**. The topsoil stockpiles will be developed with an overall slope angle of 3H:1V as they are loaded. Water will be applied to the surfaces of the stockpiles as needed to control dust during active placement of material. To ensure the stockpiles are not eroded when topsoil is not being placed or removed, the stockpiles will be vegetated per the procedures and seeding/mulching process provided in the Reclamation Plan. Once all the topsoil has been used for revegetation of the disturbed areas, these areas will be graded to match the existing topography and scarified in preparation for seeding and mulching per Exhibit E – Reclamation Plan. **Table 4.1** above provides the available volume, approximate maximum height, and footprint area for each topsoil stockpile.

4.5 LAKE CHRISTINA REMOVED MATERIAL

Material that overflowed into the southern portion of Lake Christina is being removed and stockpiled. This material can only be removed from the lake from November through March when the water level is low enough/non-existent to allow material removal. This material is being stockpiled in two locations adjacent to the Platte Valley Canal, one north of Beebe Draw Farms Parkway (LC Material stockpile) and the other south of Beebe Draw Farms Parkway (North Topsoil & LC Material stockpile). The LC Material stockpile will only contain material removed from Lake Christina. The North Topsoil & LC Material stockpile will contain the material removed from Lake Christina and the "A" horizon topsoil salvaged prior to construction of north stockpiles N2, N3, and N4. Since the lake material will be removed and stockpiled prior to the construction of stockpiles N2, N3, and N4, the "A" horizon topsoil salvaged will be placed over top the Lake Christina material. The stockpile locations are shown on **Drawing 03**. **Table 4.1** above provides the available volume, approximate maximum height, and footprint area for each of these stockpiles.

These stockpiles will be developed with an overall slope angle of 3H:1V as they are loaded. Water will be applied to the surfaces of the stockpiles as needed to control dust during active placement of material. To ensure the stockpiles are not eroded when material is not being placed or removed, the stockpiles will be vegetated per the procedures and seeding/mulching process provided in the Reclamation Plan. Once all the topsoil/material has been used for revegetation of the disturbed areas, these areas will be graded to match the existing topography and scarified in preparation for seeding and mulching per the Reclamation Plan.

The Lake Christina material will be tested for a complete nutrient test to determine if the material is adequate for growth of vegetation. Dependent on the laboratory results, soil amendments may be added and/or permanently stockpiled if additional topsoil/growth media is not required for revegetation of disturbed areas.

5.0 PROJECT TIMEFRAME

The current plan involves removing the maximum amount of material from the reservoir while ensuring proper drainage across the basin and into the low-level outlet conduits, allowing the reservoir to be emptied, if necessary. At the current dredging production rate, the sediment removal process will take approximately 20 years. However, if any economic, business, or permitting changes occur that render the project no longer feasible, operations may be suspended at any time. Plans have been developed assuming the operation is viable for complete removal of materials from the reservoir but in a way that earlier termination is not detrimental. The plans have been organized to illustrate existing conditions, and general mining operations throughout the project. Below is a summary of work activities in these time frames.

EXISTING AND PRE-SAND PLANT OPERATIONS

- Dredging will occur from mid-February through mid-December with a production rate of approximately 1.3 MCY per year.

- Dredged materials will be directed to the hydro-cyclone on the north side of the reservoir where it currently resides for separating solids and water.
- Solids from the cyclone will be stockpiled in the north stockpiles. The current plan is to maximum filling within N1 before filling in another stockpile.
- Currently water carried with the underflow will be routed to a basin located directly east of the N1 Stockpile and then piped back into the Milton Reservoir. Water will be transported to a natural depression on the east end of the N1 Stockpile (**Drawing 08**). Containment embankments, constructed along the outer rim of the depression, will contain the maximum water surface elevation, determined by the outflow pipes to the Milton Reservoir. The embankments were constructed of compacted fill placed in thin lifts and are geomembrane lined on the upstream slopes. Water will outlet the pond via two 24-inch diameter HDPE pipes that routes water to the Milton Reservoir.
- An additional step to dewater the cyclone underflow materials will be added to the operation once the necessary equipment becomes available. This step involves directing the material to dewatering screens positioned near the cyclone underflow discharge area to further reduce moisture content. Excess water from the screening operation will be routed to the Milton Reservoir, and the drier sand will be conveyed to higher elevations in the N1 Stockpile and placed using a radial stacker.
- The stockpile configuration shown on **Drawings 08 and 09** can accommodate the total volume of material expected to be dredged prior to the sand plan becoming operational.
- The cyclone overflow, which is primarily water, will be piped to the reservoir or to settling ponds.
- Materials from the settling ponds will be transferred to the West Stockpile or Stockpile 1 as needed.
- Planning and designing the sand plant will continue.
- Materials will be sold to customers if the opportunity arises.
- Third party trucks will enter and exit from the main mine entrance.

FUTURE OPERATIONS

- The sand plant will be operational.
- Dredging will occur from mid-February through mid-December annually with an average production rate of 1.3 MCY per year.
- Until the sand plant is running, dredged materials will continue to be routed to the hydro-cyclone similar to 2025 operations.
- The stockpile configuration shown on **Drawing 10** the north stockpile (in addition to the West and Stockpile 1) can accommodate the total volume of material expected to be dredged. The actual volume of dredged materials in the stockpiles will depend on the quantity sold. The stockpile

layout shown on **Drawing 10** conservatively assumes that no material will be sold. Selling the materials is a key objective of this project, so it is anticipated that the stockpiles will be significantly smaller than depicted in the drawings.

- Normal operations when the sand plant is operational (current plan):
    - Materials from the stockpiles will be fed to the sand plant.
    - The sand plant will segregate the materials into the desired particle sizes. Oversize materials will be placed into stockpiles. Water and fines will be pumped to the settling ponds.
    - After dewatering the solids, materials will be extracted from the settling ponds and placed in one of the site stockpiles. These materials will primarily consist of particles smaller than #200 sieve size and are likely to contain a significant amount of clay. As a result, these materials could be beneficial and marketable for projects requiring low permeability materials.
    - The current plan is to transport the primary product (sand) from the sand plant to a load-out stockpile using a conveyor system equipped with a radial stacker.
- Operations when the sand plant is not operating (current plan):
    - The dredging, cyclone, filling, and dewatering processes will be similar to those currently in use with the addition of the dewatering screens.
    - The hydro-cyclone will be relocated as needed to enhance logistics and efficiency in material handling.
- Third party trucks will enter and exit from the main mine entrance (Southwest access - intersection of WCR 32 & Cavanaugh Rd).

6.0 HAUL ROADS

The site will be traversed with primarily light vehicle pickup trucks and haul trucks. The roads will be used occasionally by large equipment when moving within different areas of the site. Haul roads as shown on **Drawings 06 and 07** include a primary haul route that extends the entire north-south length of the project area along the west side of the reservoir and another road along the north side of the reservoir from the Platte Valley Canal to the northwest end of the dam. Both of these existing roads have been improved for use by large equipment. The roads are approximately 20 feet wide and gravel surfaced. A second bridge has been installed over the Platte Valley Canal to handle heavy equipment (mine and O&G traffic) transversing between the north-south road and east-west sections of road.

The north-south road has been and will continue to be used when removing materials from the settling ponds and transporting them to Stockpile 1 or the West Stockpile. The east-west road will continue to be used to access and move material from the north stockpiles (N1 thru N4) to Stockpile 1 or the West Stockpile, and to access the dredge operations staging area. These roads have historically, currently, and

into the future will continue to be used by larger vehicles/equipment to support dam maintenance and by oil/gas companies that have infrastructure in the area.

Off-site transport trucks entering the mine to load out stockpiled materials will enter in the southwest corner of the mine site (intersection of WCR 32 & Cavanaugh Rd). The proposed sand plant is sited in this area such that materials produced by the mining operation can be efficiently loaded into trucks and transported off site without having to enter a significant portion of the mine. The proposed sand plant and load out area are shown on **Drawing 10**.

The proposed change to southwest access (existing access) is to move the gate further onto the property allowing tractor trailers a longer length of area to stop without impeding WCR 32 and Cavanaugh Road (WCR 43) in the event the gate is closed when entering the property or to be closed/locked when exiting the property. In addition, FRICO will be installing 300 feet of asphalt for access onto WCR 32 and Cavanaugh Road (WCR 43). The asphalt surface will be installed to reduce the tracking of mud and other materials onto WCR 32 and Cavanaugh Road (WCR 43).

The road shown along the east side of the reservoir is an existing gravel road that is used by the boating community that has several spots along the shoreline in this area. This road has been removed from the original plans to be used as a haul route for the mine operation. No mine operations are proposed for the east side of the reservoir.

7.0 EROSION AND SEDIMENT CONTROL

During the mining phase, interim sediment control BMPs (ED/DS, ST, and SB) will be installed to manage sediment and erosion. Water will be applied to the surfaces of the stockpile areas as needed to control dust during active placement of material. Stockpile perimeter control will consist of installing earthen dikes/drainage swales (ED/DS) around the stockpiles to intercept stormwater runoff directing the runoff to a sediment trap (ST) constructed at a low point on the perimeter. Stormwater accumulated in the sediment traps will be directed to the reservoir by gravity through low-level drainage pipes.

Stockpiles will be developed by placing material in lifts starting at the furthest end and working back. The stockpile slopes and top areas will be stabilized using an environmentally friendly biodegradable water resistant soil binder (SB) to control wind and water erosion as the lifts are being developed. Once material is done being placed and awaiting processing through the sand plant, the stockpile slopes and top areas will be temporarily vegetated. In the interim, if there are extreme weather conditions that are inhibiting seed growth, an environmentally friendly biodegradable water resistant SB will be applied to prevent erosion and provide a protective barrier. These areas will be monitored monthly and additional SB applied, as needed.

In the final construction phase, permanent stockpile slopes will be developed with an overall angle of 3H:1V as the final configuration, resulting in a roughly graded outer surface. To facilitate reclamation, these slopes will need to be further graded to establish more uniform contours that align with the existing

topography. Once the slopes have been roughly graded, they will be scarified in preparation for seeding and mulching. Reclamation details are provided in Exhibit E – Reclamation Plan.

BMPs will be designed, installed, and maintained in accordance with the Mile High Flood District, Urban Storm Drainage Criteria Manual: Volume 3 Best Management Practices, March 2024 and manufacturer recommendations.

8.0 PROPOSED MINING OPERATIONS SIGN LOCATIONS

In accordance with Rule 1.6.2(1)(b) the mine notice (sign) was posted on November 5, 2024 at the five entrances into Milton Reservoir. The locations are shown on **Drawings 06 and 07** and the latitudes longitudes of each location are provided below.

Southwest Entrance Gate - Lat: 40.218210 Long: -104.659123

South Entrance Gate - Lat: 40.209154 Long: -104.641359

East Entrance Gate #1 - Lat: 40.232695 Long: -104.623289

East Entrance Gate #2 - Lat: 40.232461 Long: -104.623241

East Entrance Gate #3 - Lat: 40.229016 Long: -104.621193

9.0 SAMPLING AND REPORTING PLAN

Direct bulk samples will be collected and analyzed monthly from the discharge point of the cyclone separator (the presumed 'point of compliance'). This sandy slurry will be analyzed by EPA Method 6020-SPLP for Total and Dissolved Metals, Method 8260-SPLP for VOCs, and Method 160.1 for TDS. Additionally, Method 8270-SPLP will be employed quarterly to analyze for SVOCs. Quarterly laboratory results will be summarized, and data provided by January 15, April 15, July 15, and October 15 each year. Should any analytical results, from any sampling event, exceed the Standards as shown in Table 3 from 5CCR 1002-41 (CDPHE Regulation 41), the Division of Reclamation, Mining and Safety (DRMS) will be notified.

10.0 REFERENCES

Arnold and Gibbons (1996) and Pikes Peak Area Council of Governments (2005).

Colorado Division of Water Resources (DWR 2019), "Colorado-New Mexico Regional Extreme Precipitation Study REPS Tool and Met Portal PF Tool Interim Use Guidance Document," State of Colorado. Version: January 15, 2019.

Colorado Division of Water Resources (DWR 2022), "Guidelines for Hydrological Modeling and Flood Analysis," State of Colorado. Version: January 2, 2022.

EXHIBIT E
RECLAMATION PLAN

MILTON RESERVOIR

FARMERS SAND RECLAMATION PLAN

Revised May 2025

PREPARED FOR:

The Farmers Reservoir Irrigation and Company (FRICO)

PREPARED BY:

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Table of Contents

Appendices

1.0 INTRODUCTION

Milton reservoir is a plains reservoir fed by surface water diversions from the South Platte River through the Platte Valley and Beebe canals. Milton Reservoir, which is an artificial man-made reservoir, was constructed to regulate and store water for irrigation. The reservoir is owned and operated by Farmer's Reservoir and Irrigation Company (FRICO). FRICO also owns the land surrounding the reservoir.

Since its original construction in the early 1900s, the reservoir has accumulated a significant amount of sediment conveyed with inflows that enter the reservoir. In 2019, a geotechnical investigation was completed in the reservoir for the purpose of estimating the thickness of the sediments and evaluating the properties of deposited sediments and the native materials beneath. Sediments, consisting of primarily silty to lean clayey sands were found in thicknesses ranging from 3 feet to 10 feet thick. It is estimated that the accumulated sediments have resulted in approximately 4,000 to 8,000 acre-feet of lost reservoir capacity. FRICO started removing these sediments in November 2021 and will continue the removal process for 20 years.

The sediment removal process consists of using a dredge equipped with a cutter head and suction. The solids are removed as a slurry (approximately 20% solids) from the lake bottom and pumped through a large diameter pipeline to either the settling ponds or the cyclone where the dredge materials are dewatered prior to placing them in stockpiles.

2.0 RECLAMATION PLAN

The disturbed areas that will require reclamation consist of stockpiles, settling ponds, sand plant, dredge operations staging area, and haul roads. Revegetation was selected as the type of reclamation for the stockpiles, settling basins, and sand plant, and dredge operations staging area since these areas consisted of native grasses prior to the mining operations. Permanent roads which have been used during mining operations are also used for daily use of larger vehicles/equipment to support dam maintenance and by oil/gas companies for access to infrastructure. These roads are routinely graded and graveled and will continue to be maintained as such through the mining operations and after mining is completed to support operations and maintenance at the reservoir. There are approximately 399 acres of revegetation and 8-acres of permanent roads. The locations of the settling ponds, stockpiles, sand plant, dredge operations staging area, and haul roads are presented on **Exhibit F – Reclamation Plan Map, Drawings R-1 thru R3**.

2.1. VEGETATION EARTHWORK PLAN

2.1.1. SETTLING PONDS

Scenario 1: Prior to the closure of mining operations, it is likely that the settling ponds will be backfilled with materials excavated from the reservoir basin. If this occurs, reclamation will involve grading the backfilled surfaces to restore the area's contours, ensuring they blend seamlessly with the natural topography. The inter-berms between the ponds will also be integrated into the overall landscape, and the entire area will be seeded and mulched to encourage regrowth of native vegetation.

Scenario 2: The pond will be drained, and the surrounding embankments will be cut down. The area will then be regraded to contours that blend with the surrounding landscape. Finally, it will be seeded and mulched to promote the regrowth of native vegetation.

2.1.2. STOCKPILES

The stockpile slopes will be developed with an overall angle of 3H:1V as the final configuration, resulting in a roughly graded outer surface. To facilitate reclamation, these slopes will need to be further graded to establish more uniform contours that align with the existing topography. Once the slopes have been roughly graded, they will be scarified in preparation for seeding and mulching.

2.1.3. SAND PLANT

The sand plant will be dismantled and removed from the site. In addition, the sand plant foundation/concrete base slab and surrounding gravel base will be removed and transported to a recycle facility. The ground surface will be graded to match the existing topography and scarified in preparation for seeding and mulching.

2.1.4. DREDGE OPERATIONS STAGING AREA

The construction trailer, Conex's, and fuel tanks will be removed from the site. In addition, the asphalt and 8,000-gallon concrete containment structure will be demolished and transported to a recycle facility. The ground surface will be graded to match the existing topography and scarified in preparation for seeding and mulching.

2.1.5. FINAL GRADING

Final grading of stockpile slopes will be 3H:1V. Settling basins, sand plant, and dredge operations staging area final grades will be restored to blend in with the existing/surrounding topography. Final grading will be accomplished using a dozer and/or grader, as applicable.

2.2. VEGETATION PLAN

The Site is situated within the Great Plains ecoregion at an approximate elevation of 4,800 feet above mean sea level (AMSL). The landscape within the Site surrounding the open water reservoir predominantly consists of Western Great Plains Sandhill Steppe (22%), Western Great Plains Shortgrass Prairie (10%), Cultivated Cropland (7%), and Pasture/Hay (7%). Smaller portions of upland habitat comprise less than 1% of the total area and include Inter-Mountain Basins Playa, Disturbed/Successional Shrub Regeneration, and Developed Open Space. Vegetated wetland habitat mapped within the site comprises less than 1% of the total land cover and includes a few small pockets of fringe habitat along the dam which are characterized by the Western Great Plains Floodplain, and Western Great Plains Riparian Woodland and Shrubland vegetation communities.

The vegetation plan was developed so a single seed mix can be used throughout to establish ground cover quickly, minimize weed infestation, and stabilize the soil to reduce wind and water erosion with minimal maintenance.

2.2.1. SOIL CHEMISTRY

Understanding soil chemistry for any seeding work is critical for establishment success. Seed will not germinate and develop if soil chemistry is not within acceptable ranges. A minimum of 3 composite grab samples of soil in areas to be revegetated will be collected for laboratory analysis. The samples will be sent to Weld Laboratories, Inc. (www.weldlabs.com) in Greeley, Colorado for a Complete Nutrient Test or equivalent. Most critical soil chemistry parameters are salts below 2 mmhos/cm and pH between 6.0 to 7.5.

2.2.2. SOIL AMENDMENTS

Once soil chemistry results are reviewed, soil amendments may need to be added or the seed mix modified. The addition of soil amendments (e.g., fertilizer + organic matter) should be considered to facilitate more rapid native grass establishment. Soil amendments will only be applied based on the nutrient testing so as not to promote excessive weed growth. Recommended (for initial planning purposes only) soil amendments include 1) Biosole Forte at a rate of 800 pounds per acre, 2) humates at a rate of 200 pounds per acre and mycorrhizae at a rate of 20 pounds per acre. Soil amendments will be applied hydraulically to the soil surface or incorporated into the soil surface through other broadcast methods.

2.2.3. SOIL PREPARATION

All areas to be seeded shall be ripped or tilled to a minimum depth of 3-inches. Soil decompaction will be completed with a tractor, ATV with disc/harrow, or with dozer rippers.

2.2.4. SEEDING

The seed mix presented in the following table is diverse and effective at wind and water erosion control, is fast growing and has a fibrous and/or rhizomatous root system which will provide adequate ground cover. Seeding will be completed using drill methods (drill seeding is preferred) or by broadcast seeding on slopes or narrow locations where equipment may have limited access.

Scientific Name	Common Name	% of Mix	LBS/PLS Required per Acre
Achnatherum hymenoides	Indian ricegrass	10	6
Andropogon gerardii	Big bluestem	10	7
Elymus lanceolatus	Streambank wheatgrass	20	11
Koeleria macrantha	Prairie Junegrass	20	0.1
Pascopyrum smithii	Western wheatgrass	15	12
Setaria italica	Foxtail millet	5	2
Sporobolus cryptandrus	Sand dropseed	20	0.1
Total:		**100**	**38.2**

Notes:

LBS/PLS = pounds pure live seed. Values in table are per acre
LBS/PLS values for Prairie Junegrass and Sand dropseed set to 0.1 due to high seeds/weight
Quantity assumes 200 seeds per square foot broadcasted.
Reduce 25% for drill seeding (150 seeds per square foot).
Total quantity assumes 1.0 acre of seeding. Adjust accordingly for required seeding area.
Species variety to be determined approved based on commercial availability.
Final species composition and rates subject to commercial availability.

- Seed will be purchased locally at Granite Seed (https://graniteseed.com) or Arkansas Valley Seed (https://avseeds.com) or equivalent.
- Dormant seeding is recommended generally between October through May when soil moisture is adequate. Summer seeding is not recommended.
- Seed bags will be thoroughly mixed prior to distributing for seeding.
- Drill Seeding is the most effective and preferred method. All seed is to be drilled one-quarter (1/4) inch to one-half (1/2) inch into the soil at the specified pure live seed (PLS) per acre rate with a mechanical grass drill with depth bands and an agitator in the seed box. Rows shall be spaced no more than seven (7) inches apart. One-half (1/2) of the required PLS per acre will be drilled in one compass direction, and then the remaining half of the required PLS per acre will be drilled in a direction ninety degrees (90°) to the first half. Drills will be calibrated to ensure the correct pounds per acre application rate.
- Broadcast Seeding will be used on the 3:1 slopes (e.g. stockpile slopes) that are not accessible to drilling. Broadcast seeding shall be accomplished by hydro-seeding or using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery. All machinery will be equipped with metering devices.

The disturbed areas to be seeded using the seed mix and application rates above are as follows:

- Stockpiles (Stockpile 1, West, N1 thru N4, Topsoil, and LC stockpiles) – 266 acres
- Settling Ponds – 110 acres
- Future Sand Plant – 20 acres (estimated)
- Dredge Operations Staging Area – 3 acres

Total – 399 acres

2.2.5. MULCH, SOIL BINDER AND STABILIZATION

Mulch and soil binder will be used for soil stabilization. Mulching will follow seeding for immediate soil stabilization and to enhance seed germination. Mulching will be completed within twenty-four (24) hours after seeding. Soil binder (SB) will be utilized as needed to provide a protective barrier where extreme weather conditions may affect seed growth.

The following describes the two proposed methods stabilization.

- Mulching will be accomplished via hydraulic application of wood fiber (Profile High Performance Mulch-Wood) with organic tackifier (Rantec EM-Tack) at a rate of 2,000 pounds per acre. Hydraulic application will result in a consistent and complete uniform coverage done from multiple angles to prevent any shadow effect areas. Wood fiber mulch is the best type to minimize weeds.

- Soil binder will be used as needed for additional stabilization. An environmentally friendly biodegradable water resistant SB (Soilworks Soiltac or equivalent) will be used due to the close proximity to the reservoir and wildlife. The SB can be applied via standard water-spraying equipment. The SB will not be applied during storm events (e.g. rain, snow, wind) or on frozen soil/material. Manufacturer recommendations will be followed for mixing the SB with water and application rates and equipment. The areas where SB is applied will be monitored monthly and additional SB applied, as needed.

2.2.6. TOPSOIL

The “A” horizon topsoil (approx. top 4-inches of surface material) will be salvaged and stockpiled prior to construction of future settling ponds, the sand plant, and stockpiles. Two designated topsoil stockpile areas will be located on-site: (1) northwest of the West Stockpile next to the north-south haul road (West Topsoil stockpile), and (2) adjacent to the Platte Valley Canal, north of Beebe Draw Farms Parkway (North Topsoil & LC Material stockpile). The stockpile locations are shown on **Exhibit F – Drawings R-1 & R-2A**. Prior to seeding disturbed areas, salvaged topsoil or equivalent growth media will be placed at a minimum thickness of 4 to 6 inches, as needed. If there is not enough salvaged “A” horizon topsoil, samples of potential growth media soils will be collected from available on-site soils and sent to a laboratory for a complete nutrient test (refer to Section 2.2.3 – Soil Chemistry). Depending on the laboratory results, soil amendments may be added and/or the seed mix modified to enhance growth of vegetation. Refer to Section 2.2.4 – Soil Amendments.

When materials are not being borrowed from the topsoil stockpile and the pile is dormant for an extended

period of time, the stockpile will be seeded to promote vegetative growth and provide resistance against erosion. Once all the topsoil has been exhausted, the disturbed areas under the stockpiles will be graded to match the existing topography and scarified in preparation for seeding and mulching.

2.2.7 Lake Christina Removed Material

Material that overflowed into the southern portion of Lake Christina is being removed and stockpiled. This material is being stockpiled in two locations adjacent to the Platte Valley Canal, one north of Beebe Draw Farms Parkway (LC Material stockpile) and the other south of Beebe Draw Farms Parkway (North Topsoil & LC Material stockpile). The LC Material stockpile will only contain material removed from Lake Christina. The North Topsoil & LC Material stockpile will contain the material removed from Lake Christina and the "A" horizon topsoil salvaged prior to construction of north stockpiles N2, N3, and N4. Since the lake material will be removed and stockpiled prior to the construction of stockpiles N2, N3, and N4, the "A" horizon topsoil salvaged will be placed over top the Lake Christina material. The stockpile locations are shown on **Exhibit F – Drawings R-1 & R-2A**.

If there is not enough salvaged "A" horizon topsoil for seeding disturbed areas, the Lake Christina material will be tested for a complete nutrient test to determine if the material is adequate for growth of vegetation (growth media). Depending on the laboratory results, soil amendments may need to be added. Refer to Section 2.2.4 – Soil Amendments.

When materials are not being placed in either stockpile and the pile(s) is/are dormant for an extended period of time, the stockpile(s) will be seeded to promote vegetative growth and provide resistance against erosion. Once this material has been exhausted and/or is no longer required for revegetation, the disturbed area(s) under the stockpile(s) will be graded to match the existing topography and scarified in preparation for seeding and mulching. If the material is inadequate for growth of vegetation, the stockpile slopes will be developed with an overall angle of 3H:1V as the final configuration, resulting in a roughly graded outer surface. To facilitate reclamation, these slopes will need to be further graded to establish more uniform contours that align with the existing topography. Once the slopes have been roughly graded, they will be scarified in preparation for seeding and mulching.

3.0 POST-MINING LAND USE

Historically and currently, the land surrounding Milton Reservoir has been used for reservoir and dam maintenance and monitoring, oil and gas operations, and the Heritage Hunting Club. Mining facilities, including stockpile and settling pond locations, have been sited to allow these uses to continue during mining. Many wells have since been plugged and abandoned, eliminating the need for continued access to these sites. Future (post-mining) land use will continue accommodating these uses.

4.0 RECLAMATION SCHEDULE

Concurrent Reclamation: Reclamation activities will be completed as necessary while the mine is active and will include the following:

- Settling pond slopes will be seeded/mulched to provide a vegetative cover to reduce wind and

water erosion.

- Stockpiles will be developed to form a stable configuration with side slopes no greater than 3H:1V. When necessary, during interim conditions, an application of soil binder may be required to control wind erosion. In addition, if stockpiles remain in place for longer than one year, measures to revegetate will be implemented.
- Vegetative growth will be monitored and if necessary, additional revegetation measures will be taken.

Final Reclamation: As settling ponds and stockpiles are no longer being utilized and upon completion of mining operations, reclamation operations will begin. Earth work such as cutting, filling, contouring, grading, and topsoil placement will take place immediately with seeding occurring between October and May.

Water will be applied to seeded areas via a water truck. The anticipated watering schedule is weekly for the first four (4) months and monthly for the next eight (8) months. This schedule may be adjusted according to weather conditions and vegetation establishment.

5.0 WEED MANAGEMENT

The primary goals of the Weed Management Plan are to prevent the establishment of noxious weed species in the disturbed affected mining areas that will be re-vegetated during and upon completion of the mining operations in accordance with the Colorado Noxious Weed Act, Section 35-5.5-101, et seq., C.R.S. and Weld County Chapter 15 – Vegetation, Article I – Noxious Weed Management Enforcement Policy. The Weed Management Plan is provided in Appendix A.

APPENDIX A

WEED MANAGEMENT PLAN

EXHIBIT F
RECLAMATION PLAN MAPS

NOTES:

1. THE STOCKPILE SLOPES WILL BE CREATED WITH AN OVERALL ANGLE OF 3H:1V AS THEY ARE LOADED, RESULTING IN A ROUGHLY GRADED OUTER SURFACE. TO FACILITATE RECLAMATION, THESE SLOPES WILL NEED TO BE FURTHER GRADED TO ESTABLISH MORE UNIFORM CONTOURS THAT ALIGN WITH THE EXISTING TOPOGRAPHY. ONCE THE SLOPES HAVE BEEN GRADED, THEY WILL BE SCARIFIED IN PREPARATION FOR SEEDING AND MULCHING.

2. THIS LAYOUT SHOWS THE MAXIMUM STOCKPILE CONFIGURATION ASSUMING NO DREDGED MATERIALS ARE HAULED OFF-SITE.

LEGEND:

- EXISTING GROUND CONTOURS AND ELEV (2' INTERVAL)
- PERMIT BOUNDARY
- REVEGETATED AREA
- HAUL ROAD

0 600 1200 Feet

N

N4 STOCKPILE

N3 STOCKPILE

N2 STOCKPILE

N1 STOCKPILE

3.0:1

STOCKPILE OF EXCAVATED MATERIAL FROM LAKE CHRISTINA

PLATTE VALLEY CANAL

EVANS #2 DITCH

LAKE CHRISTINA

BEEBE DRAW FARMS PKWY

SETTLING POND 1 (RESTORED TO NATIVE TOPOGRAPHY)

MATERIAL REMOVED FROM LAKE CHRISTINA AND TOPSOIL STOCKPILE

DREDGE OPERATIONS STAGING AREA

EXISTING NORTH SETTLING PONDS (RESTORED TO PRE-MINING CONDITIONS)

EXISTING GROUND SURVEY COMPLETED BY AYERS IN 2004 BASED ON NAD83 COLORADO STATE PLANES, NORTH ZONE, US FOOT. VERTICAL DATUM BASED ON NGVD29.

COLORADO LICENSED
LISA JEAN SHEA
05/08/25
32604
PROFESSIONAL ENGINEER

REV	DATE	DESCRIPTION
B	05/2025	RE-ISSUED FOR PERMITTING
A	03/2025	ISSUED FOR PERMITTING

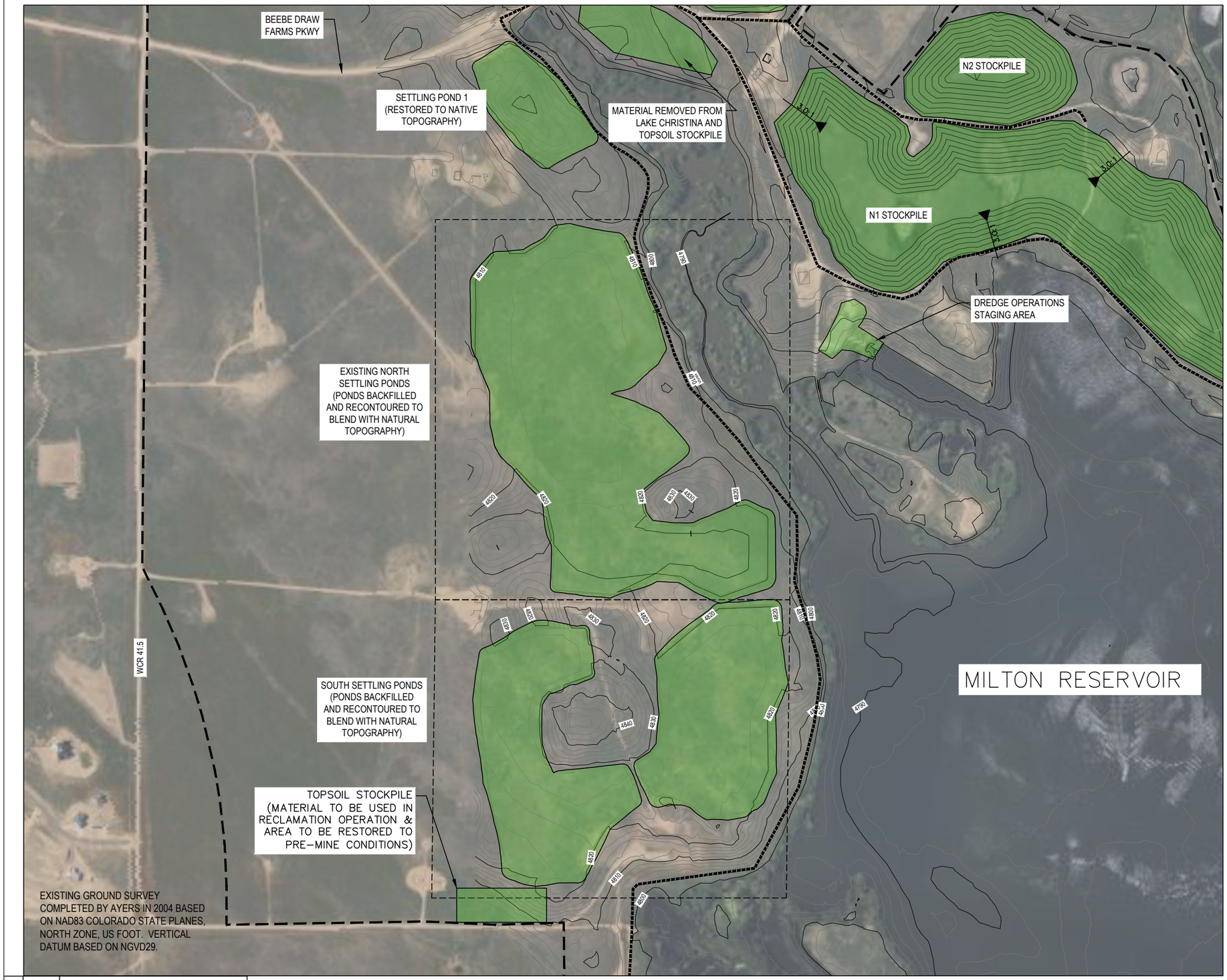
PREPARED BY
ECOLOGICAL RESOURCES CONSULTANTS, LLC
12345 W ALAMEDA PARKWAY SUITE 206
LAKEWOOD, CO 80228

CLIENT
FARMERS RESERVOIR AND IRRIGATION COMPANY (FRICO)

PROJECT
FARMERS SAND

TITLE
RECLAMATION PLAN NORTH STOCKPILES

DRAWING
R-1



NOTES:

1. THE SETTLING PONDS CONFIGURATION ASSUMES THE AREA WILL BE GRADED TO REPLICATE THE PRE-MINING TOPOGRAPHY.
2. THIS LAYOUT ASSUMES THAT POND 1 AND THE SOUTH POND COMPLEX WILL BE CONSTRUCTED, AND RECLAMATION OF THESE AREAS WILL BE REQUIRED. IF THEY ARE NOT NEEDED DURING THE MINING OPERATION AND ARE NOT CONSTRUCTED, THE AREA WILL NOT REQUIRE REVEGETATION.

LEGEND:

- EXISTING GROUND CONTOURS AND ELEV (2' INTERVAL)
- PERMIT BOUNDARY
- REVEGETATED AREA
- HAUL ROAD

N

0 600 1200 Feet

COLORADO LICENSED
LISA JEAN SHEA
05/08/25
32604
PROFESSIONAL ENGINEER

REV	DATE	DESCRIPTION
A	03/2025	ISSUED FOR PERMITTING

PREPARED BY
ECOLOGICAL RESOURCES CONSULTANTS, LLC
12345 W ALAMEDA PARKWAY SUITE 206
LAKEWOOD, CO 80228

CLIENT
FARMERS RESERVOIR AND IRRIGATION COMPANY (FRICO)

PROJECT
FARMERS SAND

TITLE
RECLAMATION PLAN SETTLING PONDS SCENARIO 1

DRAWING
R-2A

NOTES:

1. THE SETTLING PONDS CONFIGURATION ASSUMES THE AREA WILL BE GRADED TO REPLICATE THE PRE-MINING TOPOGRAPHY.
2. THIS LAYOUT ASSUMES THAT POND 1 AND THE SOUTH POND COMPLEX WILL BE CONSTRUCTED, AND RECLAMATION OF THESE AREAS WILL BE REQUIRED. IF THEY ARE NOT NEEDED DURING THE MINING OPERATION AND ARE NOT CONSTRUCTED, THE AREA WILL NOT REQUIRE REVEGETATION.

LEGEND:

- EXISTING GROUND CONTOURS AND ELEV (2' INTERVAL)
- PERMIT BOUNDARY
- REVEGETATED AREA
- HAUL ROAD

N

0 600 1200 Feet

COLORADO LICENSED
LISA JEAN SHEA
04/08/25
32604
PROFESSIONAL ENGINEER

REV	DATE	DESCRIPTION
A	03/2025	ISSUED FOR PERMITTING

PREPARED BY
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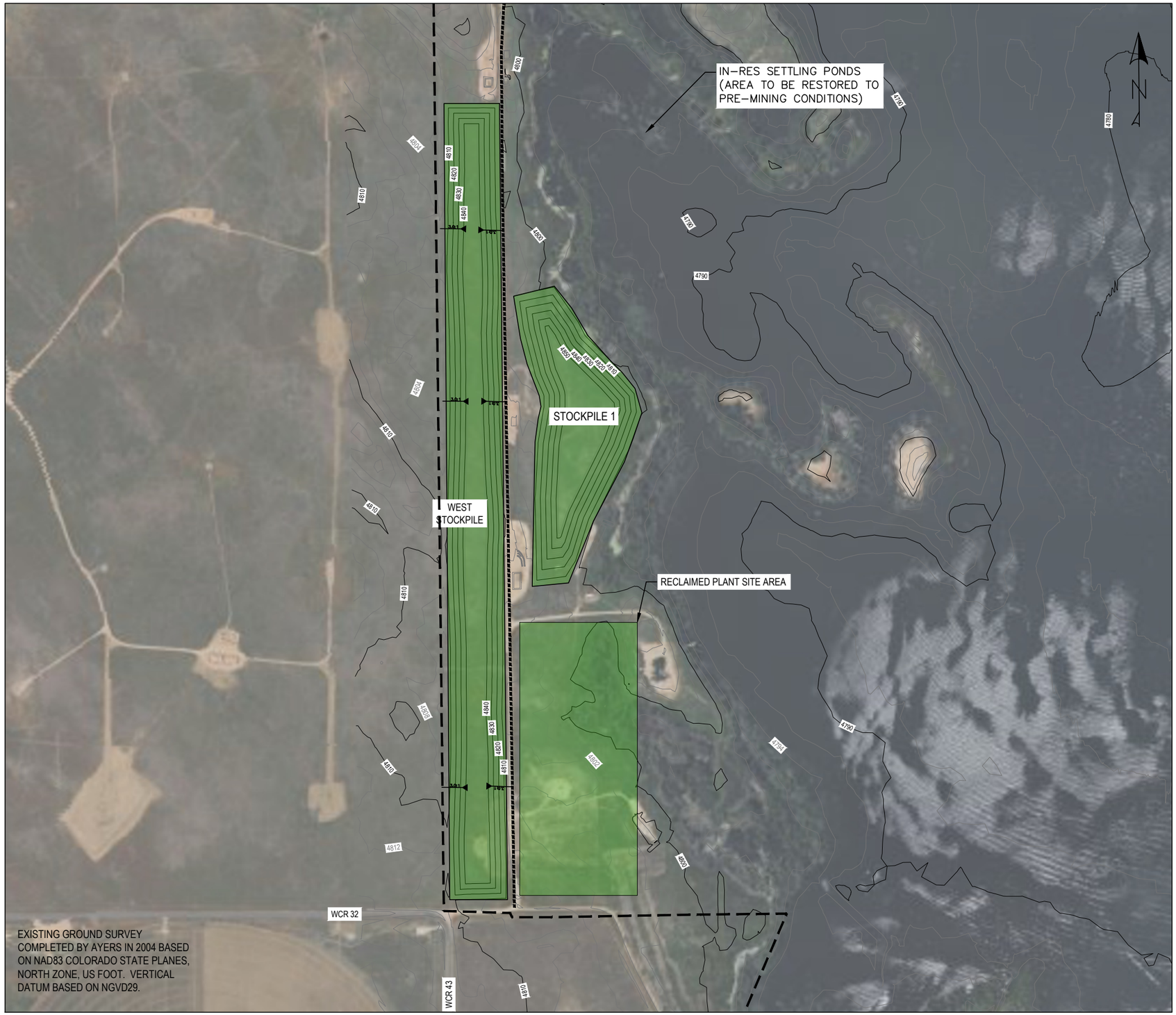
12345 W ALAMEDA PARKWAY SUITE 206
LAKEWOOD, CO 80228

CLIENT
FARMERS RESERVOIR AND IRRIGATION COMPANY (FRICO)

PROJECT
FARMERS SAND

TITLE
RECLAMATION PLAN SETTLING PONDS SCENARIO 2

DRAWING
R-2B



NOTES:

1. THE STOCKPILE SLOPES WILL BE CREATED WITH AN OVERALL ANGLE OF 3H:1V AS THEY ARE LOADED, RESULTING IN A ROUGHLY GRADED OUTER SURFACE. TO FACILITATE RECLAMATION, THESE SLOPES WILL NEED TO BE FURTHER GRADED TO ESTABLISH MORE UNIFORM CONTOURS THAT ALIGN WITH THE EXISTING TOPOGRAPHY. ONCE THE SLOPES HAVE BEEN GRADED, THEY WILL BE SCARIFIED IN PREPARATION FOR SEEDING AND MULCHING.

2. THIS LAYOUT SHOWS THE MAXIMUM STOCKPILE CONFIGURATION ASSUMING NO DREDGED MATERIALS ARE HAULED OFF-SITE.

3. ALL PLANT SITE FACILITIES, EQUIPMENT, AND CONCRETE FOOTINGS/SLABS WILL BE REMOVED FROM SITE. ONCE ALL PLANT FACILITIES HAVE BEEN REMOVED, THE AREA WILL BE SCARIFIED PRIOR TO THE REVEGETATION OPERATION.

LEGEND:

- EXISTING GROUND CONTOURS AND ELEV (2' INTERVAL)
- PERMIT BOUNDARY
- REVEGETATED AREA
- HAUL ROAD

N

0 600 1200 Feet

COLORADO LICENSED
LISA JEAN SHEA
04/08/25
32604
PROFESSIONAL ENGINEER

REV	DATE	DESCRIPTION
A	03/2025	ISSUED FOR PERMITTING

PREPARED BY
ECOLOGICAL RESOURCES CONSULTANTS, LLC
12345 W ALAMEDA PARKWAY SUITE 206
LAKEWOOD, CO 80228

CLIENT
FARMERS RESERVOIR AND IRRIGATION COMPANY (FRICO)

PROJECT
FARMERS SAND

TITLE
RECLAMATION PLAN SOUTH SIDE

DRAWING
R-3

EXHIBIT G
WATER INFORMATION

EXHIBIT G – WATER INFORMATION

SURFACE WATER RUNOFF

Milton Dam and Reservoir are located in southern Weld County approximately twelve miles north of Hudson, Colorado and thirteen miles south of Greeley, Colorado and is owned and operated by Farmers Reservoir and Irrigation Company (FRICO). The reservoir has an approximate storage capacity of 32,300 acre-feet at the spillway crest and 44,122 acre-feet at the dam crest. The Beebe Seep Canal feeds the reservoir from the south and the Platte Valley Canal from the northwest as shown in **Exhibit C(b).** In addition, precipitation falling directly on the reservoir and runoff from upstream watershed areas contribute to the reservoir. FRICO is in the process of applying for a Mining Permit through the Colorado Department of Reclamation, Mining and Safety (DRMS) to extract soil from the Milton reservoir basin, primarily targeting sand and selling the material for commercial use.

The mine area is situated along the perimeter of the Milton Reservoir, meaning that any runoff from the mine facilities will be contained and flow into the reservoir rather than onto neighboring properties. The watershed area that drains to the west side of the reservoir, where most of the mine facilities are located, extends northwestward and includes the nearby Pelican Lake Ranch neighborhood. While the mine development will not change the ultimate discharge point of the runoff, some rerouting may be necessary to manage runoff effectively. This will help prevent excessive ponding, erosion, and issues with driving on the site roads.

To model rainfall-runoff of the watershed, the hydrological modeling software HEC-HMS (version 4.10) developed by the U.S. Army Corps of Engineers was used. HEC-HMS models a watershed with hydrological elements such as sub-basins, reservoirs, diversions, and reaches. Parameters needed for the HEC-HMS model are as follows:

1. Watershed Sub-basin Areas and Characteristics
2. Basin Loss Method
3. Basin Transformation (Convert excess precipitation into runoff)
4. Meteorological Data (Precipitation depth and distribution)

BASIN CHARACTERISTICS

The tributary areas to the site extend about three miles to the northwest, encompassing approximately 4,635 acres as shown in **Figure 1**. Within this area, there are four primary drainages that converge at specific discharge points along the perimeter of the mine area. The upland sub-basins generally consist of prairie grassland, a residential area, and smaller portions of pasture/hay land. The basin areas, drainage lengths, elevations, and average slopes of the four basins are included in **Table 1**.

Figure 1: Watershed Map
(Yellow lines represent basin boundaries and cyan lines the longest flow paths)

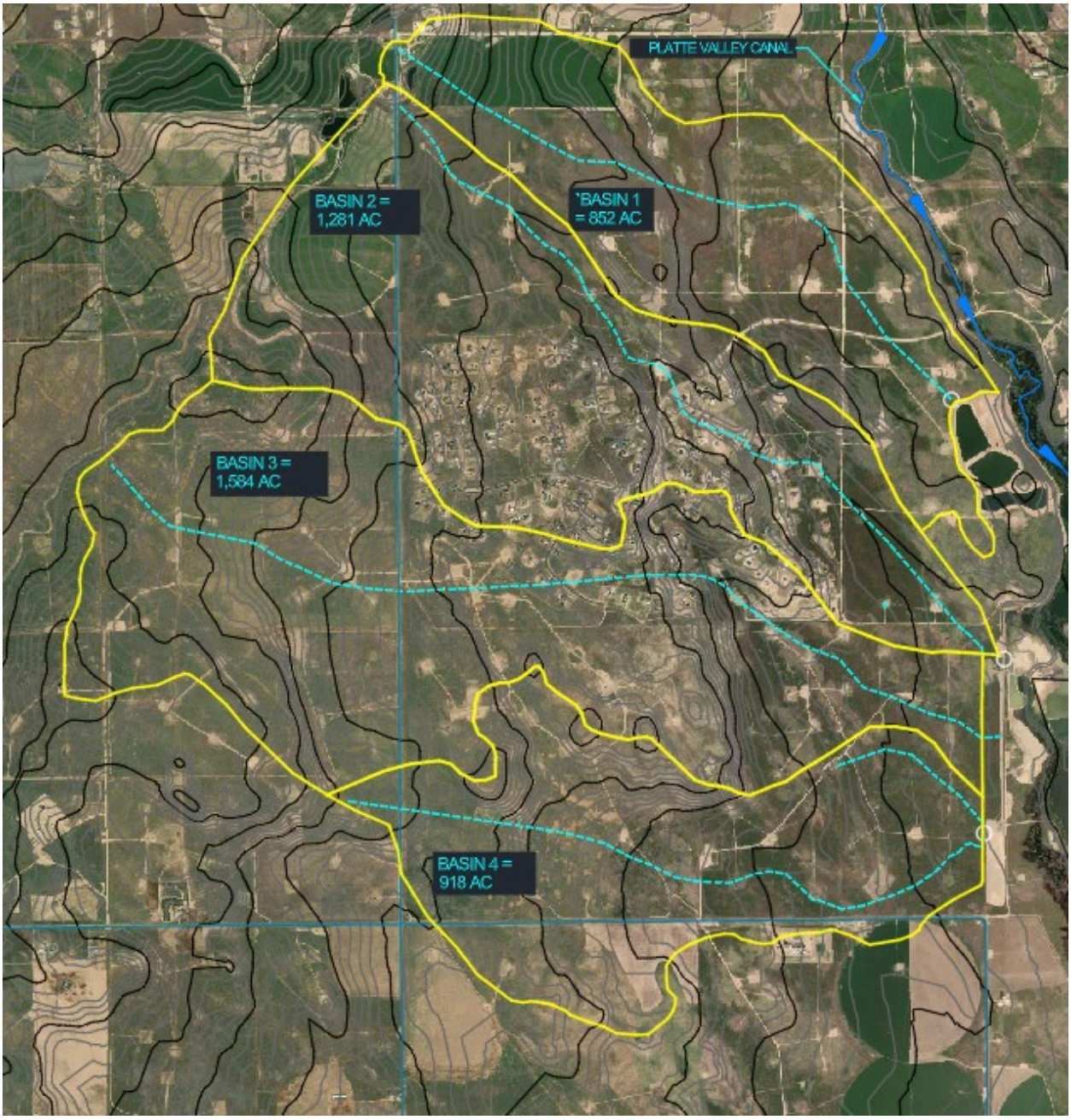


Table 1: Watershed Areas

Basin	Area (ft^2)	Area (ac)	Area (sqmi)	Longest Flowpath Length	Average Flowpath Length	Top Elev (ft)	Btm Elev (ft)	Elev Change (ft)	Longest Flowpath Slope	Basin slope
1	37,100,000	852	1.3308	13,600	8,100	4995	4810	185.0	1.36%	1.35%
2	55,800,000	1,281	2.0015	15,000	10,400	4990	4805	185.0	1.23%	1.35%
3	69,000,000	1,584	2.4750	17,800	9,800	5020	4805	215.0	1.21%	1.20%
4	40,000,000	918	1.4348	13,500	6,500	4980	4810	170.0	1.26%	1.14%

Basin Loss Method

The NRCS/SCS (Natural Resource Conservation Service formerly the Soil Conservation Service) Curve Number (CN) method was used in HEC-HMS to estimate the amount of runoff from a rainfall event in a watershed. This method involves assigning a CN value to each basin based on land use, soil conditions, and vegetation as these parameters reflect the ability of the land surface to absorb or prevent infiltration of rainfall. CNs values were established by the NRCS for different land uses and hydraulic conditions (TR-55). A higher CN values results in higher runoff and vice versa for lower CNs. A CN of 72 was assigned to reflect the surface conditions, which consist primarily of sandy soils and extensive areas of bunch-grass lands with few shrubs and little to no trees. This classification is characteristic of semi-arid climates, where land uses include agriculture, pasture, natural semi-arid open space, and large residential lots (such as those found at Pelican Lake Ranch). A 10% impervious surface factor was applied for conservative estimation.

Storm Event Precipitation and Distribution

The model was developed using three storm events to assess the range of flow rates and their magnitudes. Precipitation depths for the storm events were based on 24-hour durations, derived from POINT PRECIPITATION FREQUENCY (PF) ESTIMATES (NOAA Atlas 14). The three storm durations evaluated were the 5-, 10-, and 100-year, 24-hour storm event with a precipitation depth of 2.26, 2.71, and 4.65 inches (NOAA). The rainfall was distributed throughout the 24-hour timeframe using the hypothetical storm option developed by the NRCS. This method requires an input value for lag time for each basin. These values were estimated and are shown on **Table 2**. The rainfall was spread within the 24-hour period using the NRCS Type 2 distribution.

Rainfall to Runoff Correlation

The Unit Hydrograph Method was used to simulate the correlation of direct runoff to excess precipitation from the sub-basins. Unit hydrographs represent discharge over time produced from one inch of excess rainfall expressed as runoff versus time. The time component of the unit hydrograph is a function of the topography, shape, and infiltration characteristics of the watershed. The lag time (time from the rainfall midpoint), which can be calculated based on geometric and physiographic characteristics of the

watershed, is integral to developing the SCS unit hydrograph. The lag time has been estimated using the equation below (NRCS. The lag times calculated for the watershed basins are included in **Table 2**.

$L = \frac{\ell^{0.8}\,(S+1)^{0.7}}{1900\,Y^{0.5}}$ (NRCS, 1997)	L = Lag time in hours l = Hydraulic length of watershed in feet, S = (1000/CN') – 10, Y = Average watershed land slope.

A single unit duration of 5 minutes or less was used to develop unit hydrographs. Depression storage was neglected for the watershed areas.

Table 2: Lag Time Results

Basin	CN	S	L (hr)	L (min)	Tc
1	72	3.89	1.73	104	4.64
2	72	3.89	2.12	127	5.03
3	72	3.89	2.20	132	6.12
4	72	3.89	1.64	99	5.04

Results of the Hydrologic Model

Peak flows were estimated based on the input parameters and modeled results are included in **Table 3**.

Table 3: Results of Runoff Evaluation

Basin	Storm Event - Peak Flows (cfs)		
	5yr-24hr	10yr-24hr	100yr-24hr
1	100	151	437
2	132	198	567
3	158	237	680
4	113	170	491

Stormwater Runoff Control Measures

FRICO is currently working with the State Land Board - property owner of the area west of the west stockpile - to obtain an easement that would allow runoff to temporarily pond on their land. The existing soils in the area have a high sand content, indicating high infiltration rates, which would likely result in inundated areas draining quickly. However, since it is uncertain whether a flooding easement will be granted, a plan for diverting runoff from the upland areas has been incorporated into the design. This

design is detailed in the following sections. If a flooding easement is obtained, the drainage plan outlined herein will not be required.

Based on this evaluation, the following items will be implemented to control runoff:

1. Basin1: Runoff from Basin 1 flows to the low point downstream of Settling Pond 3A. The total estimated runoff volume generated by a 100-year, 24-hour storm event is approximately 169 acre-feet (7,362,000 cubic feet). The approximate inundation boundary is illustrated in **Figure 2**. The pond embankment is constructed with an internal zone of clayey material and has upstream and downstream side slopes of 3H:1V. The downstream slope has a well-established vegetative cover. The upstream slope is armored with riprap. As a result, ponding behind the embankment will not negatively affect its structural integrity. Additionally, FRICO will continue to address any issues related to pond stability. Given the sandy nature of the soils, ponded water is expected to infiltrate. If necessary, any nuisance water can be pumped by FRICO to allow it to enter the reservoir.

Figure 2: Runoff Inundation Area

2. Basin 2/3 Discharge Point: Runoff from Basin 3 reports the northwest side of the West Stockpile. A diversion channel will be constructed along the northwest perimeter of the West Stockpile to route runoff to the north then east across the site haul road. At the northwest end of the West Stockpile, runoff from Basin 2 merges with Basin 3. After the confluence, the channel will be enlarged to accommodate the increased flow. The channel was sized for the 10-year, 24-hour storm using the Manning's Equation (**Equation 1**) and assuming normal depth. The channel was

sized for the peak flow from Subbasin 3 (237 cfs) from Station 23+95 to Station 44+00. The peak flow in the channel for the section from Station 44+00 to 58+00 (431 cfs) was derived by adding the flows from Subbasin 3 and Subbasin 2 with a delay to the Subbasin 3 equal to the travel time in the upstream section of the channel (**Equation 2**). The maximum permissible velocity was assumed to be 4 feet per second (fps), representing a channel with slope less than 5%, lined with a grass mixture and easily eroded soils (NRCS, 2007). The channel sizing parameters are shown in **Table 4**.

Equation 1	$Q = \frac{1.49}{n} A R_h^{2/3} S^{1/2}$
Equation 2	$T_t = \frac{L}{v}$

Where:

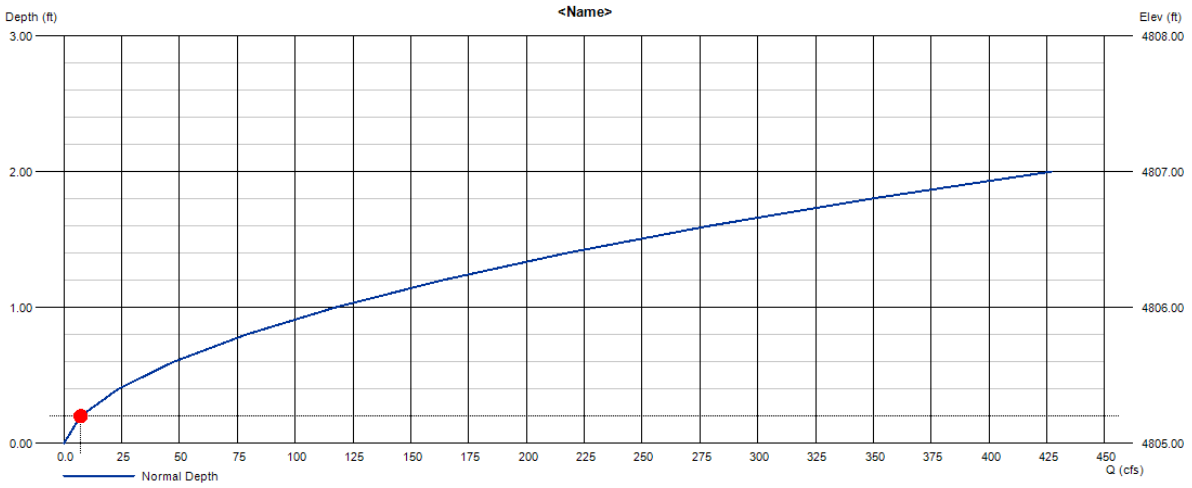
Q = Flow (cfs)
n = Manning's roughness coefficient
A = Cross-sectional area of flow (ft^2)
R_h = Hydraulic radius of flow (ft)
S = Channel slope (ft/ft)
T_t = Travel time (sec)
L = Length (ft)
v = Velocity (ft/s)

Table 4: Channel Sizing

Parameter	Value	
	STA 23+95 to 44+00	STA 44+00 to 58+00
Slope (ft/ft)	0.0016	0.0016
Bottom Width (ft)	22	30
Side Slope (xH:1V)	2	2
Depth (ft)	3.1	3.5
Velocity (ft/s)	2.7	3.4

Where the channel crosses the haul road, a drive-through swale will be graded and reinforced with riprap and gravel to prevent erosion of the sandy soils in the area. The swale sizing is determined based on runoff from the 10-year, 24-hour storm event, as this is considered relevant to the operational timeframe of approximately 20 years. The following channel analysis (Hydraflow Express Civil 3D) indicates that at a depth of 2.0 feet and side slopes of 20H:1V, the required bottom width is 65 feet. The resulting rating curve for the drive through swale is provided in **Figure 3**.

Figure 3: Drive-through Swale Rating Curve



3. Basin 4 Discharge Point: Runoff from Basin 4 reports to the southwest side of the West Stockpile. To manage this runoff, culverts will be installed under the West Stockpile to route water from the west side to the east side of the stockpile. Twenty-four-inch HDPE culverts were used in the analysis as this pipe is available on site and a larger culvert is not practical for this area. A reservoir element was incorporated into the HEC-RAS model upstream of the culvert to estimate the rise in headwater depth and its effect on the resulting inundation areas. This was done while varying the number of culverts to determine the condition that minimizes the number of culverts while maintaining an acceptable headwater depth.

   A storage-elevation curve was derived from the terrain and is shown in **Table 5**. The culvert barrels were assumed to have the properties shown in **Table 6,** which are representative of an HDPE pipe with an inlet protruding from fill. The pond was assumed to overtop at elevation 4809.7 and this overtopping flow was treated as a 30-ft wide broad-crested spillway with a weir coefficient of 2.6 within the model. The results of the 10-year, 24-hour storm for 1, 2, and 4 culvert barrels are shown in Figure 1.

Table 5: Pond Stage-Storage Curve

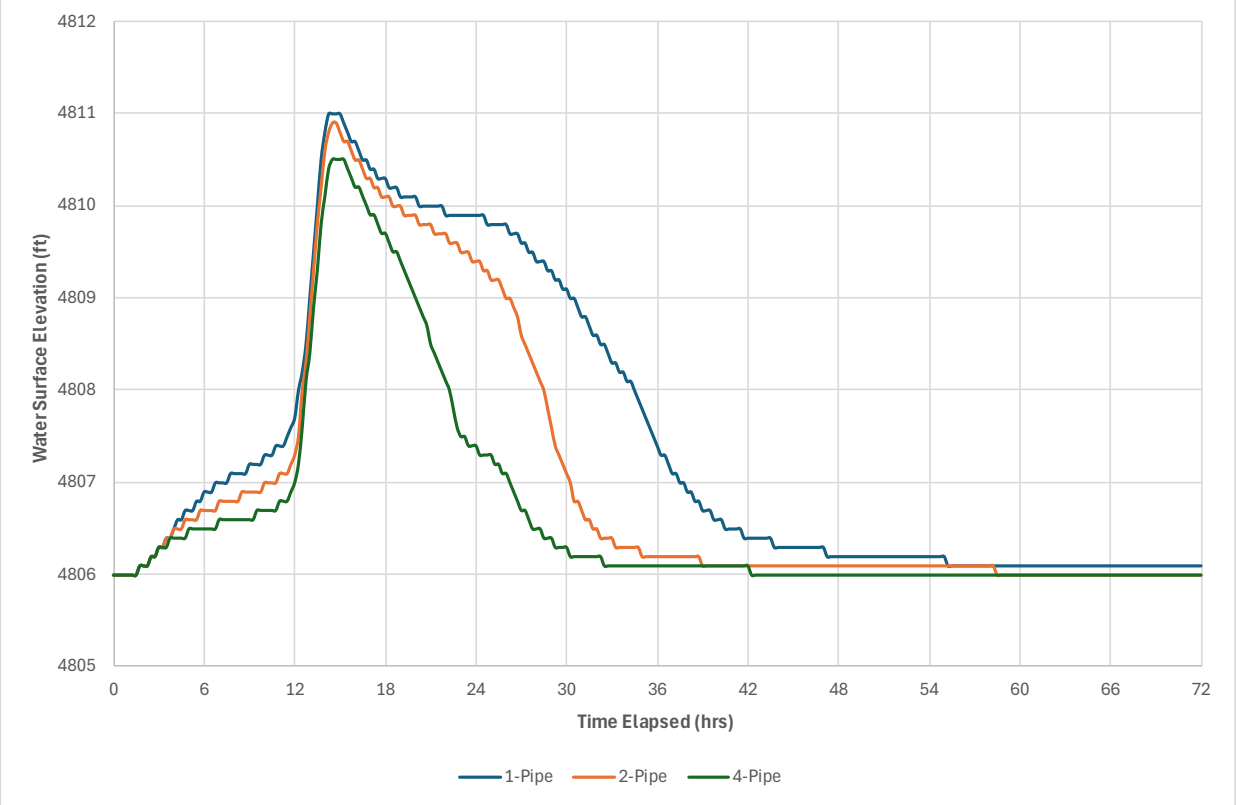
Elevation (ft)	Storage Capacity (acre-ft)	Notes
4806	0	Pipe Invert
4807	0.79	
4808	2.15	
4809	6.13	
4810	11.59	

Table 6: Culvert Properties

Parameter	Value
Length (ft)	438
Diameter (ft)	1.75
Inlet Elevation (ft)	4806
Entrance Coefficient	0.9
Outlet Elevation (ft)	4805
Exit Coefficient	1
Mannings n	0.01

Figure 4 illustrates the water level at the upstream side of the culverts over time for varying numbers of culverts. This helps estimate the time required to drain the area upstream of the culverts and determine the optimal number of culverts, especially when there's a minimal difference between the larger pipe sizes. This was done while varying the number of culverts to determine the condition that minimizes the number of culverts while maintaining an acceptable headwater depth. It was concluded that two 24-inch diameter pipes offer the most efficient solution.

Figure 4: Time to Drain Runoff Through Culverts



GROUNDWATER CONDITIONS

The likelihood that the dredging process will impact groundwater appears small due to the relatively thin depth of deposit that will be excavated with respect to the groundwater in the area. The average excavation depth within the reservoir is on the order of 12 to 13 feet with maximum excavations reaching 20 feet along the outer rim of the reservoir (shown on Drawing C-2 in Exhibit D).

The mine area sits over two known aquifers: the South Platte River Basin (SPRB) alluvium aquifer at the surface level and the Laramie Fox Hills (LFH) aquifer which is part of the Denver Basin Aquifer system. The top of the SPRB, found within the alluvium layer, is estimated to be at least 15 feet deep, if not deeper, outside the reservoir, where the reservoir level has minimal impact on groundwater. The top of the LFH is encountered at depths ranging from 60 to over 100 feet in the area around the lake (Hahn 2023).

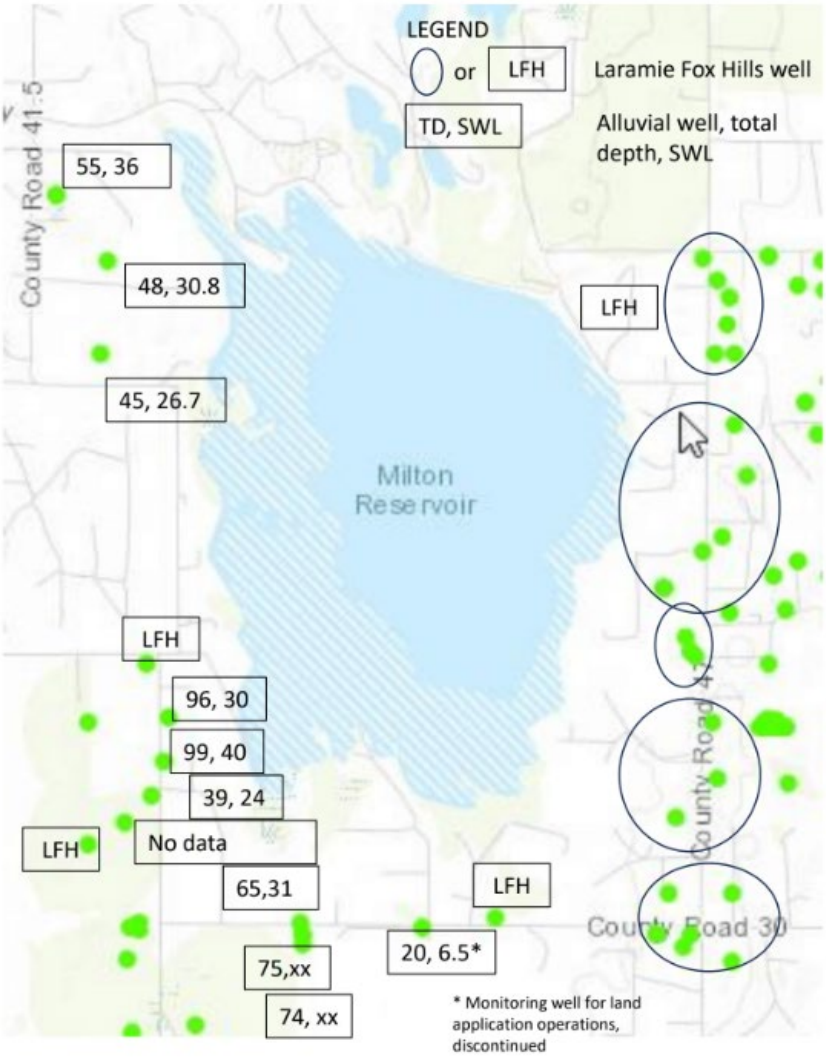
The estimated top of the SPRB alluvium aquifer is based on the following:

- In March 2022, three exploratory test pits were excavated, all located on the west side of the Milton Reservoir as shown on **Figure 5**. The test pits were excavated at locations slightly above high water level of the lake within 200 feet. The water level in the lake at the time of excavation was approximately 4,797.5. The test pits were all excavated to a depth of 10 feet. None encountered the natural groundwater table (Hahn 2023).
- In October 2022, a geotechnical investigation was completed to assess conditions for construction of a bridge near the inlet of the Platte Valley Canal to the Milton Reservoir along the Beebe Draw Farms Pkwy. Two boreholes were drilled, one on either side of the canal. Groundwater was encountered at 16 feet and 20 feet on the west and east sides of the canal, respectively. The natural groundwater in the area is likely lower than these values as these depths are likely influenced by the water level in the canal/reservoir suggesting that the groundwater table is greater than 20 feet below the surface.
- An inventory of wells surrounding Milton Lake was completed with 8 wells having been constructed in the alluvial sediments (Hahn 2023). Of these, one well was reported as a monitoring well installed at a site used for land application of wastewater. That site is no longer operational. Of the remaining 7 wells identified in the inventory, the wells were drilled to an average depth of 64 feet. The average depth to water in the wells was 31 feet, with a minimum depth to water of 27 feet, measured from ground surface. This information is summarized on **Table 7** and a map showing the inventoried wells is shown on **Figure 5**.

Table 7: Groundwater Depth

Well No.	SEO Permit No.	Total Depth (ft)	Depth to Water (ft)
1	47556-MH	55	36
2	47558-MH	48	31
3	47559-MH	45	27
4	236201-	96	30
5	157030-	99.00	40.00
6	176969-	39	24
7	68855-	65	31
8	319033-	20	7

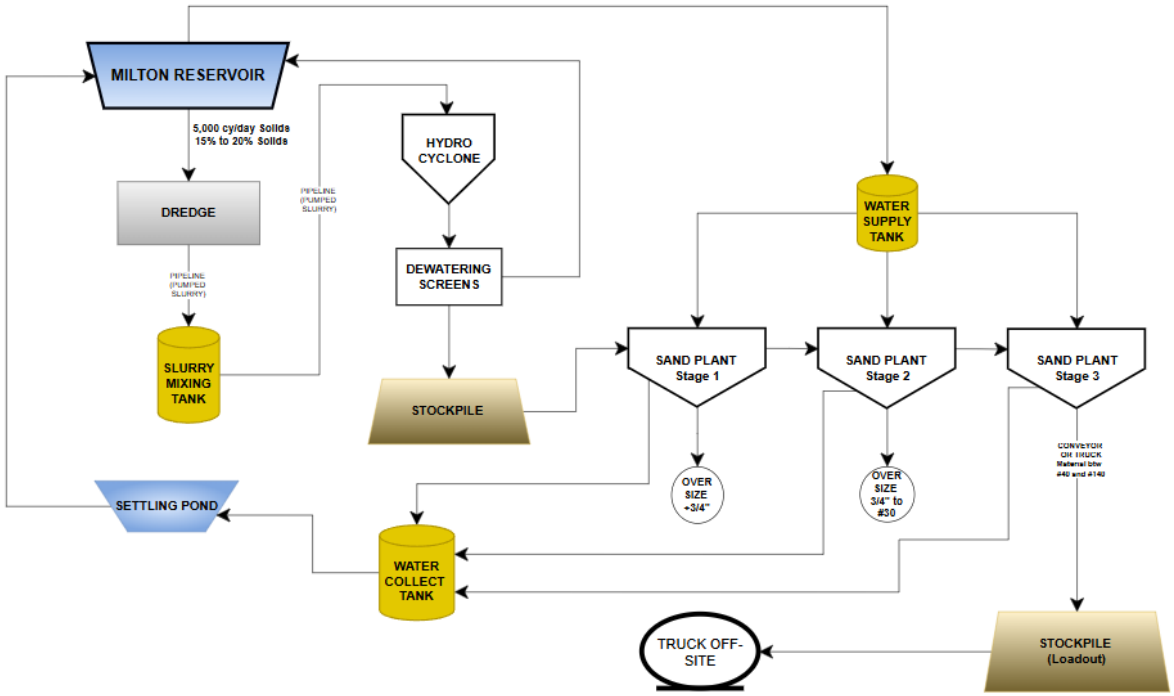
Figure 5: Well Inventory Location Map



Operational Water Requirements

Water used in the mining process will be supplied by FRICO's Milton Reservoir with excess recycled back to the reservoir. The dredging operation generates a slurry by excavating materials from the reservoir and mixing them with reservoir water, achieving a solids content of about 15% to 20%. At present, materials are dewatered using two methods: a cyclone and dewatering ponds. Dewatering screens will soon be incorporated into the system to more quickly reduce the moisture content of the sand, targeting an average between 15% to 20% (w/w), making it suitable for conveying and handling with a radial stacker. Any excess water from the system will be redirected back to the Milton Reservoir, ensuring no water is lost in the process. With the construction of the sand plant, an additional 3,500 to 4,500 gallons per minute (gpm) will be required to push materials through and clean the screens. Water from the sand plant will either be recycled directly to the reservoir if the fines content is low or routed to a settling pond for dewatering via the decant overflow system if needed. A general flow diagram is shown in **Figure 6**.

Figure 6: Flow Diagram for Sand Plant Operations



The only consumptive water use at the mine site consist of that needed for dust suppression. Approximately 10,000 to 15,000 gallons of water per day (~7-10 gpm) will be needed for dust control. The source of the water will be from the reservoir or settling ponds.

Reclamation Water Requirements

Reclamation will require approximately 650,000 gallons of water for the hydroseeding and 240,000 gallons during vegetation establishment (24 watering events at 10,000 gallons per event). Water from the reservoir will be used for reclamation.

Storm and Operational Water Control Permits

FRICO has acquired from the Colorado Department of Public Health and Environment *CERTIFICATION TO DISCHARGE UNDER CDPS GENERAL PERMIT COR400000 STORMWATER ASSOCIATED WITH CONSTRUCTION ACTIVITIES, Certification Numbers: COR419504, COR414592, and COR418738*. Copies of the permits are attached. FRICO is in the process of working with CDPHE to compile the three existing permits into a single permit under *COR414592. COR419504 and COR418738* will be cancelled.

FRICO is in the process of obtaining a Colorado Department of Public Health and Environment, Colorado Discharge Permit System ("CDPS") General Permit COG500000 for Discharges from Sand and Gravel Mining and Processing for the discharge of industrial stormwater and/or process water associated with sand and gravel mining and/or processing activities conducted at the site.

Erosion and Sediment Control

Sediment and erosion control will be completed in phases with implementation of pre-construction BMPs and work continuing through final stabilization. The plans will be dynamic and reviewed/adjusted periodically as the project develops over time. The Pre-Construction and Site Access Phase has included the installation of vehicle tracking control, perimeter controls around stockpile locations, and stabilized staging areas. Perimeter control consists of installing sediment control logs or earthen berms as needed to intercept stormwater runoff from disturbed areas. If needed, stormwater runoff will be directed to sediment traps (ST) that will be constructed to capture runoff at low points around the facilities. The Construction Phase includes modifying the location of sediment control logs/berms as needed to accommodate stockpiles development, applying gravel and/or water to haul roads for dust control, surface roughening, seeding, and mulching, and developing stockpiles to form a stable configuration with side slopes no greater than 3H:1V. The Final Stabilization Phase will include temporary or permanent seeding, mulching, and removing all temporary BMPs when the site has reached final stabilization.

References

Natural Resources Conservation Service (NRCS). National Engineering Handbook Part 630 Hydrology, Chapter 15.

Hahn Water Resources, LLC, Memorandum of September 7, 2023 to Heather Thompson with Subject: Preliminary Assessment of Groundwater Conditions at Milton Reservoir.

EXHIBIT L
RECLAMATION COSTS

WESTERN STATES RECLAMATION

3756 Imperial Street • Frederick, CO 80516
(303) 833-1986 • (303) 833-4447 - Fax

To:	ERC	**Contact:**	Shelly Hoover
Address:	Lakewood Office 12345 W Alameda Pwky #206. Lakewood ...	**Phone:**	
	Lakewood, CO 80228	**Fax:**	
Project Name:	Milton Reservoir Budget ERC 05-30-2025	**Bid Number:**	
Project Location:		**Bid Date:**	5/30/2025

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization - 10% Of Project Cost	1.00	LS	$600,000.00	$600,000.00
2	Project Management	400.00	HR	$247.00	$98,800.00
3	Reclamation Oversight	8.00	WK	$3,960.00	$31,680.00
4	Weekly Meetings	8.00	WK	$3,960.00	$31,680.00
5	Remove Dredge & Cyclone Discharge Pipe	18,600.00	LF	$7.70	$143,220.00
6	Remove Dredge Equipment	1.00	EACH	$31,350.00	$31,350.00
7	Remove Cyclone Infastructure	9,000.00	SF	$9.50	$85,500.00
8	Remove Conveyors	2,080.00	LF	$27.00	$56,160.00
10	Fill Settling Pond	355,000.00	CY	$3.50	$1,242,500.00
11	Grade Stockpiles And Slopes	266.00	ACRE	$190.00	$50,540.00
12	Grade Settling Pond	74,770.00	CY	$4.20	$314,034.00
13	Grade Permanent Roads	8.00	ACRE	$5,065.00	$40,520.00
14	Placement Of Topsoil On Stockpiles	169,150.00	CY	$3.50	$592,025.00
15	Placement Of Topsoil Settling Ponds	74,770.00	CY	$3.50	$261,695.00
16	Placement Of Class 6 On Permanent Roads	4,100.00	CY	$50.00	$205,000.00
17	Ripping Of Stockpiles	266.00	ACRE	$125.00	$33,250.00
18	Ripping Of Settling Ponds	110.00	ACRE	$125.00	$13,750.00
19	Broadcast Seeding And Mulch Stockpiles	266.00	ACRE	$4,950.00	$1,316,700.00
20	Drill Seed And Mulch Settling Ponds	110.00	ACRE	$4,950.00	$544,500.00
21	Monitor And Maintenance	122.00	HR	$440.00	$53,680.00
22	Vegetation Water Truck	24.00	DY	$1,025.00	$24,600.00
23	Vegetation Water	240,000.00	GAL	$0.95	$228,000.00
24	Erosion Controls/maint	1.00	LS	$46,950.00	$46,950.00
25	Waddles	18,700.00	LF	$6.60	$123,420.00
26	Silt Fence	40,000.00	LF	$1.95	$78,000.00
27	SWMP Management & Inspections	1.00	LS	$142,950.00	$142,950.00
28	Debris Removal	1.00	LS	$49,500.00	$49,500.00
29	BMP Removal	58,700.00	LF	$2.45	$143,815.00
30	Decommissioning And Hauling Off Fuel Tanks	5.00	EACH	$1,000.00	$5,000.00
31	Decommissioning And Hauling Off Tank And Hooper	1.00	EACH	$9,600.00	$9,600.00
32	Hauling Off Barge	1.00	EACH	$4,200.00	$4,200.00
33	Hauling Off Conexes	2.00	EACH	$600.00	$1,200.00
34	Hauling Off Construction Trailers	1.00	EACH	$840.00	$840.00

Total Bid Price: $6,604,659.00

Notes:

- Addendums acknowledged: None
- This bid is good for thirty (30) days from the bid date set forth above.
- This bid does not include Davis Bacon wages or certified payroll requirements.
- This bid does not include a performance or payment bond. Add 1.5% for bond. Minimum of $250.00 charge.

WESTERN STATES RECLAMATION

3756 Imperial Street • Frederick, CO 80516
(303) 833-1986 • (303) 833-4447 - Fax

To:	ERC	**Contact:**	Shelly Hoover
Address:	Lakewood Office 12345 W Alameda Pwky #206. Lakewood ...	**Phone:**	
	Lakewood, CO 80228	**Fax:**	
Project Name:	Milton Reservoir Budget ERC 05-30-2025	**Bid Number:**	
Project Location:		**Bid Date:**	5/30/2025

- No greater retainage will be withheld on WSR than is being held on the General Contractor.
- This bid does not include any applicable fees or permits for taps, etc.
- This bid does not include any costs associated with specialized employee training that may be required for this project by the owner.
- Any fees associated with project management platforms (e.g. Textura) are not included in this bid. A pass through cost will be provided by WSR for these fees.
- This bid does not include any costs associated with private locates. WSR assumes that the General Contractor will provide private locates if needed.
- This bid does not include traffic control.
- A minimum of two (2) weeks advance notice is required for mobilization.
- This bid assumes that there will be ONE (1) mobilization for seed and mulch application and ONE (1) mobilization for erosion control. Each additional mobilization will be billed at the bid unit price
- This bid assumes adequate access to and around the site by agricultural equipment and tandem axle trucks. (Tractors, mulchers etc.)
- This bid assumes the soil conditions are such as to allow agricultural equipment to till or rip the soil.
- This bid assumes the project owner will supply seedbed quality material (topsoil) as defined by the U.S. Department of Agriculture and other similar agencies.
- This bid does not include grading of any kind, organic amendment, topsoil or rock picking.
- General contractor to provide sub-grade depth to accommodate landscape materials (mulch, sod, etc.).
- This bid assumes no slope to be steeper than 3:1
- This bid assumes that an adequate water source (150 gpm) will be available for WSR's use within the project limits. This bid does not include the cost of water.
- This bid does not include maintenance or removal of any erosion control structures.
- WSR will maintain the following landscape items for the listed time periods. Native Seeding (1 year), Plantings (1 year), Sod (60 days), Irrigation (1 year). These time frames shall take precedence over all other contract documents. If additional maintenance is requested, it will be at a negotiated cost. The start of the maintenance period is based upon construction substantial completion.
- WSR was not provided with any warranty or guarantee information on this project. Therefore, other than generally accepted workmanship standards, none is expressed or implied.
- WSR will warranty the following landscape items for the listed time periods. Native Seeding (1 year), Plantings (1 year), Sod (60 days), Irrigation (1 year). These time frames shall take precedence over all other contract documents. The start of the warranty period is based upon construction substantial completion.
- This bid is based on the attached scope of work; quantities of work beyond estimated contract amounts will be billed at the bid unit price.
- This is a complete bid and shall not be broken apart without contacting WSR.
- These stipulations, conditions, and clarifications will be considered a part of the contract that is entered into by WSR.

Payment Terms:

Payment net: 30 days. Interest will be charged on delinquent payments at the rate of 1.5% per month.

ACCEPTED: The above prices, specifications and conditions are satisfactory and hereby accepted. **Buyer:** _____ **Signature:** _____ **Date of Acceptance:** _____	**CONFIRMED:** **Western States Reclamation, LLC** **Authorized Signature:** _____ **Estimator:** Joe Schneider 303-833-8840 jschneider@wsreclamation.com

EXHIBIT M

OTHER PERMITS AND LICENSES

EXHIBIT M - Other Permits and Licenses
Rule 6.3.6

1) Please identify which of the following permits, licenses and approvals which are held or will be sought in order to conduct the proposed mining and reclamation operations (check all that apply):

	County zoning and land use permits		City zoning and land use permits
X	Effluent discharge permits	X	Air quality emissions permits
	Radioactive source materials licenses		Explosives permits
	Permit to construct a dam		Well permits
	Highway access permits		State Historic Preservation Office
	UMSM Forest Service permits		Bureau of Land Management permits
X	Disposal of dredge and fill material (404) permits		
X	Other – Eagle Take Permit		
X	Other - Per the CDPHE Compliance Advisory Letter dated May 15, 2025, FRICO is proceeding forward with obtaining a CDPS General Permit COG500000 Discharges from Sand and Gravel Mining and Processing. FRICO will be submitting the COG500000 Permit Application within 30 calendar days of the May 15, 2025 date.		

a. (Optional) If available, please enclose with this application copies of the permits, licenses and approvals identified above or provide proof of filing.

EXHIBIT S
PERMANENT MAN-MADE STRUCTURES

INDEMNITY AGREEMENT

This Indemnity Agreement ("AGREEMENT") is entered by and among The Farmers Reservoir and Irrigation Company, a Colorado mutual ditch company ("FRICO") and Beebe Draw Farms Authority, a quasi-municipal corporation and political subdivision of the State of Colorado ("AUTHORITY") on this 21st day of May, 2025 ("EFFECTIVE DATE"). The term "AUTHORITY" as used herein includes its affiliates and subsidiaries, agents, employees, consultants, contractors, and subcontractors. FRICO and Authority may be collectively referred to in this Agreement as the "PARTIES."

RECITALS

WHEREAS, FRICO is in the process of applying for a 112 Reclamation Permit ("PERMIT") with the Colorado Division of Reclamation, Mining and Safety ("DRMS") for operations within Sections 3, 4, 9, 10, 11, 14, 15, 16, 22, and 23, Township 3 North, Range 65 West, in Weld County, Colorado ("AFFECTED LANDS");

WHEREAS, Authority owns the Beebe Draw Farms Parkway, a trail, park benches and signs, a portion of which are within two hundred feet (200') of the Affected Lands, as shown on Exhibit A attached hereto (that portion being referred to herein as the "PARKWAY");

WHEREAS, because the Affected Lands are within two hundred feet (200') of the Parkway, and pursuant to C.R.S. § 34-32.5-115(4)(e), the DRMS requires, as part of the Permit application, a notarized agreement between FRICO and Authority whereby FRICO agrees to provide compensation for any damage to the Parkway;

WHEREAS, it is the intention of the Parties that FRICO explicitly assume all financial responsibility in the event of any damage to the Parkway caused directly by FRICO's mining operations on the Affected Lands ("MINING OPERATIONS");

WHEREAS, the Parties do not intend by this Agreement to obligate FRICO to assume responsibility for any Environmental Liability not caused by the Mining Operations, and that for the purposes of this Agreement, the phrase "ENVIRONMENTAL LIABILITY" means and includes all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages, and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non-compliance with any environmental law; (b) the generation, use, handling, transportation, storage, treatment, or disposal of any regulated substances; (c) exposure to any regulated substances; (d) the release of any regulated substances; or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing;

WHEREAS, for the purposes of this Agreement, "ENVIRONMENTAL LAW" means all federal, state or local laws, statutes, rules, regulations, and / or ordinances pertaining to health, or environmental or ecological conditions, including but not limited to 2 CCR T. 400 and each of the following (and their respective successor provisions and all their respective state law counterparts): the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. § 9601, *et seq*.; the Resource Conservation and Recovery Act of 1976 ("RCRA"), as amended, 42 U.S.C.

§ 6901, *et seq*.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601, *et seq*.; the Clean Air Act, as amended, 42 U.S.C. § 7401, *et seq*.; the Federal Water Pollution Control Act (a.k.a. "CLEAN WATER ACT"), as amended, 33 U.S.C. § 1251, *et seq*.; the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, *et seq*.; the Solid Waste Disposal Act, Subchapter IX, Regulation of Underground Storage Tanks, 42 U.S.C. § 6991, *et seq*.; and the rules and regulations of the U.S. Environmental Protection Agency ("EPA") and the rules, regulations, ordinances, and resolutions (as applicable) of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Affected Lands as may be applicable to the Mining Operations and as may identify "regulated substances" and;

WHEREAS, for the purposes of this Agreement, "REGULATED SUBSTANCES" means any hazardous, explosive, radioactive, or toxic substance, material or waste which is or becomes regulated by any local government authority, the State of Colorado, or the United States Government including, but not limited to, any material or substance that is: (i) listed in 2 CCR § 404-1, Table 915-1; (ii) listed in 5 CCR § 1002-41 (Colorado Water Quality Control Commission Regulation 41); (iii) defined as a "HAZARDOUS SUBSTANCE," "HAZARDOUS MATERIAL," "TOXIC SUBSTANCE," "POLLUTANT," "HAZARDOUS WASTE," "REGULATED SUBSTANCE," or "SOLID WASTE" in any environmental law; (iv) listed in the U.S. Department of Transportation Hazardous Materials Table, 49 C.F.R. § 172.101, as may be amended from time to time; (v) listed by the U.S. Environmental Protection Agency ("EPA") (or any successor agency) as hazardous substances, see 40 C.F.R. § 301, *et seq*., as may be amended from time to time; (vi) qualified as an "UNLISTED HAZARDOUS SUBSTANCE" pursuant to 40 C.F.R. § 302.4(b), as may be amended from time to time; (vii) asbestos; and (viii) any petroleum product; provided, however, that "REGULATED SUBSTANCES" are limited to those substances that were produced by the Parkway, used in the operation, maintenance, or repair of the Parkway, used in the conduct of Mining Operations, or otherwise released by FRICO on the Affected Lands.

NOW, THEREFORE, in consideration of the foregoing and upon other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. The above recitals are incorporated into this Agreement as if fully set out herein.

2. Indemnification. FRICO agrees to indemnify Authority or any of its officers, employees, agents, and representatives (collectively the "AUTHORITY INDEMNIFIED PARTIES") for any and all damage to its Parkway arising out of or directly caused by FRICO's mining operations within the Affected Area. Authority will immediately notify FRICO in writing of any such claim for which FRICO will be requested to indemnify Authority Indemnified Parties hereunder, provided, however, and Authority acknowledges and agrees, that FRICO shall not indemnify Authority for any Environmental Liability. Such indemnification shall further be limited to the extent of the actual payments made by Authority Indemnified Parties to third parties to remediate the damage. The indemnity evidenced hereby shall terminate upon the termination or expiration of the Permit.

3. Notices. All notices required or permitted to be sent hereunder shall be deemed to have been given for all purposes of this Agreement upon (i) if given by hand delivery or U.S. Mail, Federal

Express or similar expedited commercial carrier, the date of acknowledged receipt or upon the date of receipt or refusal, or (ii) if given by electronic mail, the date of electronic confirmation of successful transmission by the sender thereof; except that whenever under this Agreement a notice is either received on a day that is not a business day or is required to be delivered on or before a specific day that is not a business day, the day of receipt or required delivery shall automatically be extended to the next business day. All notices shall be addressed as follows:

To FRICO: The Farmers Reservoir and Irrigation Company
Attn: Scott Edgar, General Manager
80 South 27th Avenue
Brighton, CO 80601
Email: scott@farmersres.com

With a copy to: Fairfield and Woods, P.C.
Attn: Todd G. Messenger
1801 California Street, Suite 2600
Denver, CO 80202
Email: tmessenger@fwlaw.com

To Authority: CLA
Attn: Lisa Johnson
2001 16th Street, STE. 1700
Denver, CO 80202
Email: Lisa.Johnson@claconnect.com

With a copy to: Icenogle Seaver Pogue, P.C.
Attn: Alan D. Pogue
4725 S. Monaco St., Suite 360
Denver, CO 80237
Email: apogue@isp-law.com

4. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado, without regard to principles of conflicts of law.

5. Entire Agreement. This Agreement constitute the entire agreement of the Parties with respect to the subject matter hereof and may not be amended or modified except by a writing signed by the Parties. The provisions of this Agreement upon and shall insure to the benefit of, and are for the sole benefit of the Parties, their heirs, successors, and assigns.

6. Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each Party by its duly authorized representative has executed this Agreement on the date shown below.

Farmers Reservoir and Irrigation Company,
a Colorado mutual ditch company

_____

Name: Scott Edgar
Title: General Manager
Date: 6-3-2025

Beebe Draw Farms Authority,
a quasi-municipal corporation and political subdivision of the State of Colorado

_____

Name: William P. Caldwell
Title: President
Date: _____

Denver, CO 80237

Email: apogue@isp-law.com

4. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado, without regard to principles of conflicts of law.

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a Colorado mutual ditch company

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Name: Scott Edgar
Title: General Manager
Date: _____

Beebe Draw Farms Authority,

a quasi-municipal corporation and political subdivision of the State of Colorado

_____

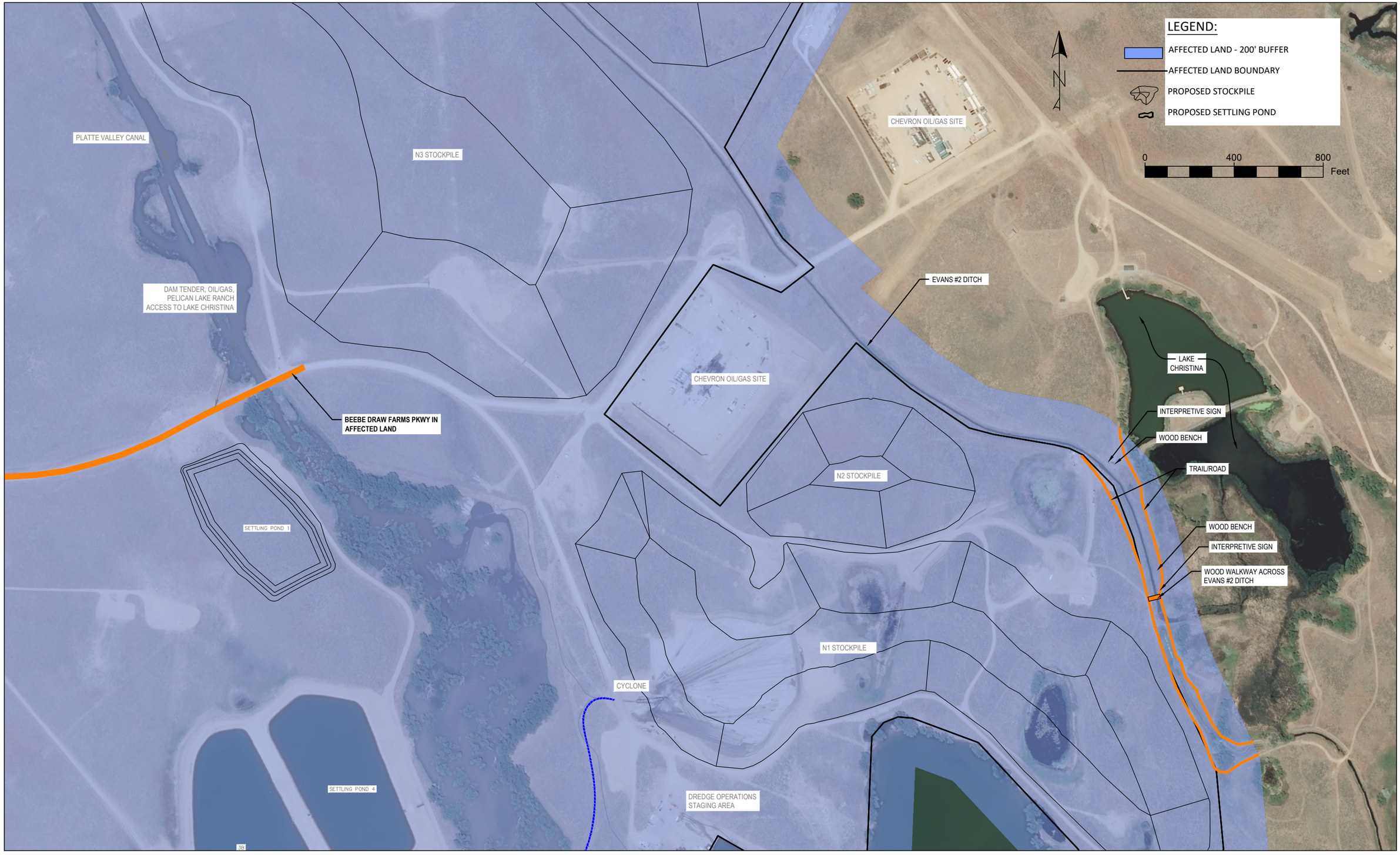
Name: William P. Caldwell
Title: President
Date: 5/22/2025

EXHIBIT A

PARKWAY

EXHIBIT A

PARKWAY



REV	DATE	DESCRIPTION
		Exhibit A
A	05/2025	ISSUED FOR AGREEMENT

ECOLOGICAL RESOURCES CONSULTANTS, LLC
12345 W ALAMEDA PARKWAY SUITE 206
LAKEWOOD, CO 80228

FARMERS RESERVOIR AND IRRIGATION COMPANY (FRICO)

FARMERS SAND

BEEBE DRAW FARMS AUTHORITY STRUCTURES

DRAWING

-