




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Carbon Valley Resource	MINE/PROSPECTING ID#: M-2001-017	MINERAL: Sand and gravel	COUNTY: Weld
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: September 2, 2025	INSP. TIME: 11:30
OPERATOR: L. G. Everist, Incorporated	OPERATOR REPRESENTATIVE: Lynn Mayer Shults	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Release Requested SR2	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$864,200.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Nikie Gagnon	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 11, 2025	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was completed as part of a surety release request (SR2), submitted in accordance with Rule 4.14, received by the Division on August 26, 2025. Nikie Gagnon with the Division of Reclamation, Mining and Safety (Division) conducted the inspection. Lynn Mayer Shults, representing L.G. Everist, Inc. (Operator) accompanied the Division during the inspection.

In the release request, the operator stated they completed all major reclamation tasks at the site and is requesting the bond be reduced. The reservoir liner is certified, and all sloping, grading, topsoiling, and seeding are completed as per the reclamation plan. Structures and equipment have been removed, and only the shop building remains, as per the reclamation plan (Photo 6). The total permit area is 58.10 acres, and the vegetative areas around the outside perimeter of the site, and the upper slopes of the reservoir total 7.23 acres.

Hydrologic Balance

Carbon Valley's reservoir liner was approved by the Colorado Division of Water Resources (DWR) on January 23, 2025. The Operator submitted the approval letter to the Division. The letter states the liner meets the design standard referenced in 1999 SEO guidelines.

Per Rule 4.17.2 inspections must be conducted within 60 days from receipt of notice. On September 2, 2025, the Division met the operator at the site and viewed the completed reclamation work.

Backfilling and Grading:

All reservoir slopes have been graded to 3:1 or flatter, consistent with the approved reclamation plan (Photos 1-4).

Revegetation

Topsoil is placed along the top-of-slope to the anticipated high-water line (Photo 5). Evidence of drill seeding and straw mulch was observed (Photo 2). According to the operator, seeding was completed on June 17, 2025. The Division observed grass seed sprouting in the northeast corner of the reservoir (Photo 2). Annual weeds were observed growing on the slopes of the reservoir. This is to be expected at this stage of reclamation and will help hold the soil in place while the desired vegetation fills in. The Division did not observe any noxious weeds around the site. The operator stated that they will continue to control the weeds using mechanical methods (mowing).

Signs and Markers:

The permit sign was posted at the entrance to the site as required by Rule 3.1.12(1) (Photo 7). Barbed wire fencing surrounds the permit area.

Financial Warranty:

The Division currently holds a financial warranty in the amount of \$864,000. The Operator submitted a Reclamation Cost Estimate of \$2,657.50 to cover reseeding of 25% of the 7.23 acres around the upper perimeter of the reservoirs. The Division is required to hold 100% of the reseeding cost for the 7.23 acres. Additionally, although the clay liner has been certified by the CO State Engineer, the Division is required to hold a contingency bond for 20% of the cost of the installation of the clay liner for repairs until the site is

released. Therefore, the Division estimated reclamation liability to be \$60,565.00. The Division's reclamation cost estimate is enclosed with this report for the Operator's review and concurrence. **The Division requests that any questions or concerns regarding the estimated liability be forwarded to the Division by September 25, 2025. The Division must issue a decision on the surety revision within 30 days of the inspection, October 2, 2025.**

A subset of photographs taken during the inspection are included below. Please contact Nikie Gagnon at 720-527-1640 or email at nikie.Gagnon@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1: Looking southwest across the reservoir. Evidence of topsoiling, mulching and drill seeding observed on the slopes.



Photo 2: Looking at the grass seedlings in the northeast corner of the reservoir.



Photo 3: Looking down the eastern side of the reservoir.



Photo 4: Looking northwest at the sloping around the south and west sides of the reservoir.



Photo 5: Closeup view of the topsoil placed above the water line on the south end of the reservoir.



Photo 6: Shop building that will remain after release for use by the Town of Firestone.



Photo 7: Mine sign observed at the entrance to the site.

Inspection Contact Address

Lynn Mayer Shults
L. G. Everist, Incorporated
7321 E 88th Avenue, Suite 200
Henderson, CO 80640

Enclosure: 2025 Reclamation Liability Estimate

CC: Jared Ebert, Senior EPS, DRMS

COST SUMMARY WORK

Task description: Final Reclamation Cost Estimate

Site: Carbon Valley Resource

Permit Action: 2025 SR

Permit/Job#: M2001017

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 8/27/2025

County: Weld

Filename: M017-000

User: NCG

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	7.23 ac. secondary seeding	REVEGE	1	7.00	\$14,820
002	Mob/Demob	MOBILIZE	1	1.88	\$665
003	Clay Liner - 20% contingency	NA	1	16.00	\$33,734
<u>SUBTOTALS:</u>				24.88	\$49,219

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$994

Performance bond: 1.05

Total = \$517

Job superintendent: 1.94

Total = \$146

Profit: 10.00

Total = \$4,922

TOTAL O & P = \$6,579

CONTRACT AMOUNT (direct + O & P) = \$55,798

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$500

Total = \$500

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 5.00

\$2,790

CONTINGENCY: 3.00

Total = \$1,477

TOTAL INDIRECT COST = \$11,345

TOTAL BOND AMOUNT (direct + indirect) = \$60,564

REVEGETATION WORKTask description: 7.23 ac. secondary seedingSite: Carbon Valley ResourcePermit Action: 2025 SRPermit/Job#: M2001017**PROJECT IDENTIFICATION**Task #: 001
Date: 8/27/2025
User: NCGState: Colorado
County: WeldAbbreviation: None
Filename: M017-001Agency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			Total Fertilizer Materials Cost/Acre	\$0.00

Application

Description	Cost /Acre
	\$
Total Fertilizer Application Cost/Acre	\$0.00

TILLING

Description	Cost /Acre
Weed control spraying (MEANS 31 31 16.13 3100)	\$338.80
Total Tilling Cost/Acre	\$338.80

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Big Bluestem - Kaw	2.50	7.46	\$40.17
Blue Grama - Hachita	0.60	9.79	\$17.60
Switchgrass - Blackwell	1.75	15.63	\$23.69
Western Wheatgrass - Arriba	5.00	12.63	\$46.25
Totals Seed Mix	9.85	45.51	\$127.70

Application

Description	Cost /Acre
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Drill Seeding (DRMS Survey Cost)	\$242.30
Total Seed Application Cost/Acre	\$242.30

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered	2.00	TON	\$504.56	\$1,009.12
Total Mulch Materials Cost/Acre				\$1,009.12

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$239.35
Total Mulch Application Cost/Acre	\$239.35

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres: 7.23 Cost /Acre: \$1,957.27
 Estimated Failure Rate: 25% Cost /Acre*: \$370.00
 *Selected Replanting Work Items: SEEDING

Initial Job Cost: **\$14,151.06**
 Reseeding Job Cost: **\$668.78**
 Total Job Cost: **\$14,820**
 Job Hours: **7.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mob/Demob**Site: **Carbon Valley Resource**Permit Action: 2025 SRPermit/Job#: M2001017**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 8/27/2025County: WeldFilename: M017-002User: NCGAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per dayCost Data Source: CRG DataTruck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,
400 HP (2ND HALF, 2006)Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT
TRAILER (25T, 50T, AND 100T)**Cost Breakdown:**

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$21.47	\$38.32	\$48.96
Operating Cost/Hour:	\$31.47	\$60.11	\$65.86
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$22.25	\$22.25
Total Unit Cost/Hour:	\$75.46	\$143.20	\$159.59

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Drill/Broadcast Seeder with Tractor	25.00	\$5.99	\$75.46	1	\$81.45	\$75.46	\$250.00

Subtotals: **\$81.45** **\$75.46** **\$250.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$31.11	1	\$31.11	\$31.11

Subtotals: **\$31.11** **\$31.11**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	LONGMONT	
Total one-way travel distance:	10.00	miles
Average Travel Speed:	45.00	mph

Total Non-Roadable Mob/Demob Cost *	\$651.19
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$13.83
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.22	0.22
Return Time (Hours):	0.22	0.22
Loading Time (Hours):	0.25	NA
Unloading Time (Hours):	0.25	NA
Subtotals:	0.94	0.44

JOB TIME AND COST

Total job time:	1.89	Hours
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Total job cost:	\$665
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