



L.G. EVERIST, INC.

ROCK SOLID SINCE 1876

7321 E. 88TH AVENUE, SUITE 200

HENDERSON, COLORADO 80640

PHONE 303-287-9606 • FAX 303-289-1348

September 19, 2025

Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203
(submitted online as part of Online Annual Report)

RE: DRMS Annual Report 2025 - Carbon Valley Resource, Permit M-2001-017
Anniversary Date: September 19
Annual Fee: \$791.00 + online processing fees

Dear Division:

L.G. Everist, Inc. respectfully submits the DRMS Annual Report package for Carbon Valley Resource, Permit M-2001-017. The annual report includes an annual overview, mine map, and groundwater monitoring report. This annual report package is submitted as an attachment to online annual report form and annual report fee.

Mining and Reclamation Activity

All reclamation has been completed at the Carbon Valley Resource site, except for substantial growth in the vegetated areas. Carbon Valley Resource's **Exhibit F - Reclamation Plan Map (06/17/25)** is attached for reference and shows the entire permit area - the lined reservoir area, vegetated areas, access roads around the perimeter, undisturbed areas, and the remaining shop building and graveled area around it. All major reclamation work of the Carbon Valley Resource is done - the reservoir's compacted clay liner was certified and approved on 01/23/25 by the Division of Water Resources, and all sloping, grading, topsoiling, and seeding are completed as per the reclamation plan. All mine-related equipment has been removed, so that only the shop building remains, as per the reclamation plan.

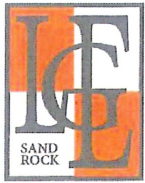
On August 26, 2025, L.G. Everist requested a Surety Reduction from the Division of Reclamation Mining and Safety (DRMS) for significant completion of reclamation requirements at Carbon Valley Resource. On September 15, the DRMS approved the "Surety Reduction for completion of grading, topsoiling and seeding", and reduced the financial warranty (bond) from \$864,200 to \$60,565.00. The remaining warranty amount covers costs for any revegetation needs, a 20% bond on the reservoir liner, and overhead costs and fees. (The surety reduction approval is final 30 days from 09/15/25.)

Please refer to the online report for additional annual information and reclamation acreages. As mentioned above, the Exhibit F - Reclamation Plan Map (06/17/25) is attached for reference on all areas.

Groundwater Monitoring

Analysis of the groundwater monitoring data shows that the groundwater levels in the monitoring wells around the Carbon Valley Resource site have mostly remained within their baseline ranges, with some slight fluctuations. The groundwater level fluctuations have not had any adverse effects to neighbors or the surrounding areas, so there are no compliance issues. We will continue to monitor the groundwater monitoring wells on a monthly basis around the permit area.

The groundwater monitoring data for this annual reporting period and an active monitoring well map are attached. Following is a narrative of the data for each active groundwater well at Carbon Valley Resource.



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Monitoring Well MW-01 A was installed in December-2023, so it is still in its 2-year baseline period. MW-01 A was installed to replace MW-01, which was destroyed in July-2023 during reclamation activities. MW-01 A is located in the northwest corner of site - which is the same general area as the original well, but at a different elevation. After the MW-01 A 2-year baseline period is complete, then the high and low points of the baseline range can be determined. Even though this well is still in baseline period, we are including the MW-01 A groundwater level data, which shows levels holding very steady since we installed the well, so there are no compliance issues.

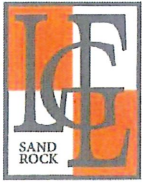
Monitoring Well MW-02 is located along the west side of the active mining area. The groundwater levels in this well have stayed within its baseline ranges, except for being slightly high (.3 foot) in the most recent month of data collection. This well is in compliance.

Monitoring Well MW-03 is located outside the active mining area to the south-west, and the Last Chance Ditch (a large irrigation ditch) is located between this well and the permitted reservoir area. MW-03 had slight fluctuations outside baseline ranges in the first two months of 2024 - possibly due to when the ditch is not running - but then levels came back and stayed in baseline range. The slight fluctuations did not adversely affect any neighbors or the surrounding areas, so there are no compliance issues.

Monitoring Well MW-04 is located outside the active mining area to the south-east. MW-04 has been within baseline range throughout 2024 and 2025. This well is located beyond the south end of the permitted mining area, and is also on the far side of the Last Chance Ditch (like MW-03). There are no compliance issues.

Monitoring Wells MW-05 and MW-06 are located on property that has been reclaimed and released from the mine permit. These two monitoring wells are located over 1000 feet away from the current permit area, and on the far side of a lined water storage reservoir that has been released from this permit, so any fluctuations in groundwater levels could not be caused by the mining activity, and should not be considered compliance issues. However, we still collected data from these monitoring wells in 2024 and 2025. The Town of Firestone has developed the (released) reservoir for its own use as a municipal water storage reservoir. Monitoring Well MW-05 stayed within its baseline range for the past year. Monitoring Well MW-06 stayed within its baseline range for much of the year, and when the levels were out of range they were less than 1 foot out of range. This minor fluctuation is likely due to the changing levels of the Town of Firestone's reservoir. No one has been adversely affected.

Monitoring Well MW-07 is located in the northeast corner of the mine site, near where the permittee's scale-house was located until it was moved in August 2025. MW-07 groundwater levels are higher than the initial baseline range, but they are still more than 10 feet below ground. The higher groundwater level has stabilized into a new adjusted baseline range from June 2022 until present. There are a few possible reasons for the water levels to have reached a new baseline range. The scale-house had a domestic water well and septic system which were shut off and properly abandoned early in 2025. When we shut off the water to the scale-house in early 2025, there was no sanitary water use, so the natural groundwater level has risen. Also, looking into the background of the well, we realize the initial baseline range was artificially low. This well was installed in June-2018 after dewatering and mining was already occurring in the existing permit area on the east side (aka Area B, Lohmann Pit), and mining and dewatering had started in the amended permit area to the west (aka Area C, Brooks Farm) - so the beginning groundwater levels were influenced by the dewatering, resulting in a lower baseline range. The compacted clay liner for the east reservoir (Area B) was approved in Sep-2018, and the area was released from the permit in Oct-2018. Dewatering continued in the west reservoir (Area C), until mining and the compacted clay liner were near completion. When dewatering stopped, the groundwater levels increased back to a static elevation consistent with pre-dewatering levels. Other influences to groundwater levels in the area could come from the reservoir liners installed by other companies on the north side of the County Road, directly across from MW-07. In conclusion, the current higher groundwater levels have stabilized into an adjusted baseline elevation, which is likely closer to pre-mining groundwater elevations. And although the levels are above the original baseline, they are stable, and still more than 10 feet below ground, and the fluctuations have never adversely affected us or any other neighbors. Therefore, there are no compliance issues.



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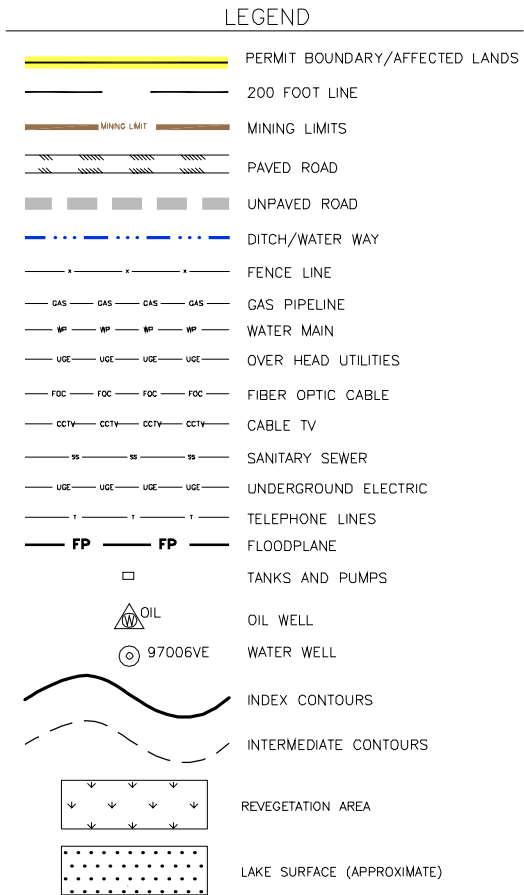
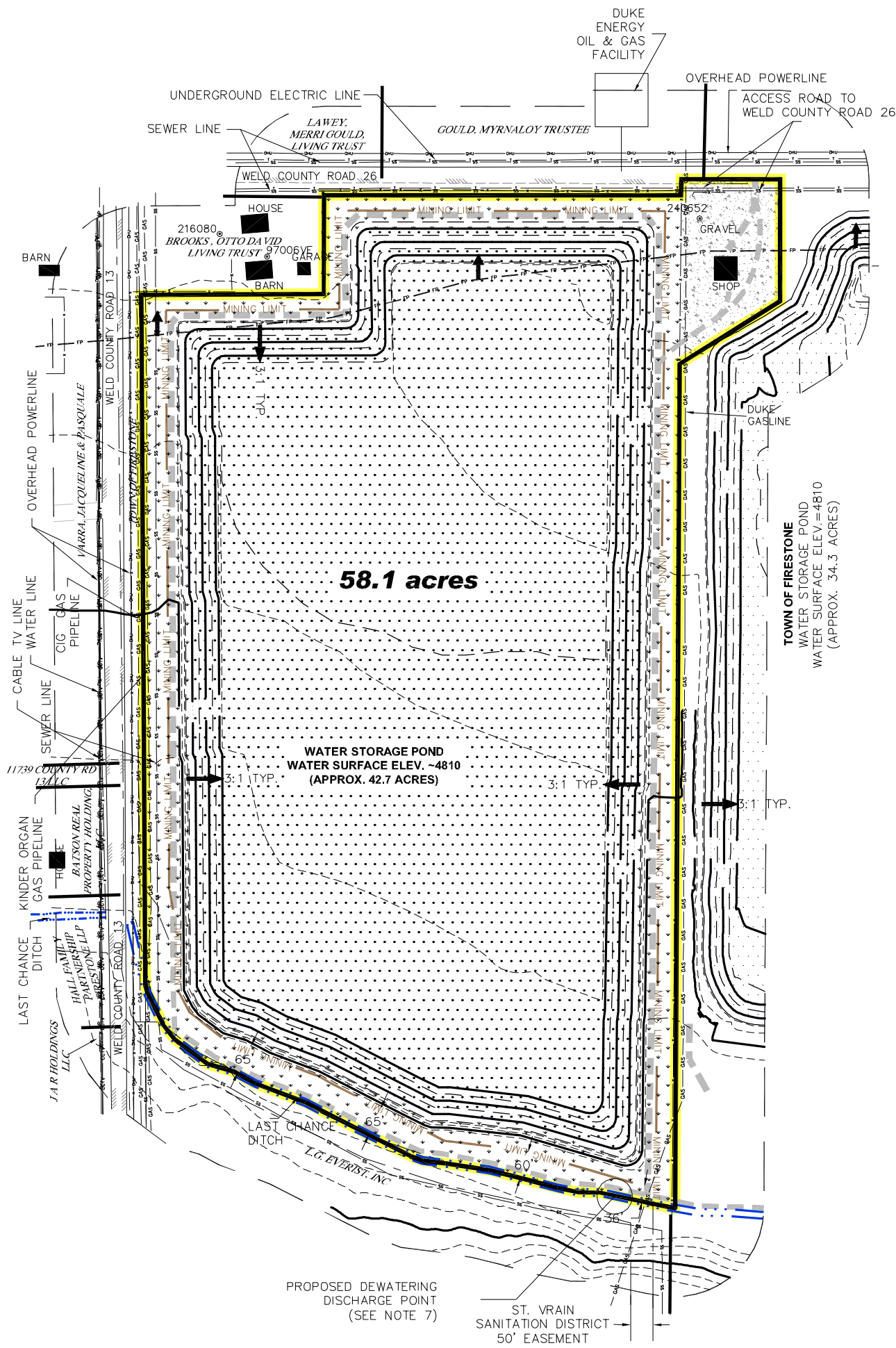
If you have questions pertaining to this annual report, feel free to contact me via phone (cell-303-514-2778, office-303-286-2247) or email (lmshults@lgeverist.com).

Sincerely,

Lynn Mayer Shults
Regulatory Manager

Attachments:

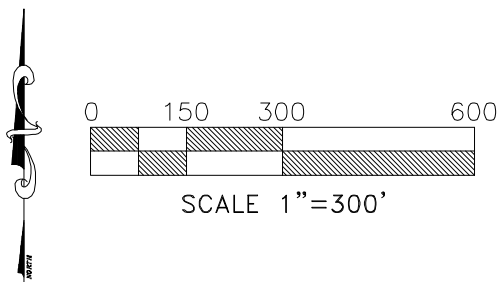
- Carbon Valley Resource - Exhibit E-1, Reclamation Plan Map
- Groundwater Monitoring Data
- Groundwater Monitoring Well Map




LEGAL DESCRIPTION

CARBON VALLEY RESOURCE PROPERTY:

A TRACT OF LAND LOCATED IN PARTS OF THE NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ AND NW $\frac{1}{4}$ NW $\frac{1}{4}$, OF SECTION 6, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6th P.M., WELD COUNTY, COLORADO, LYING NORTH OF THE CENTERLINE OF THE LAST CHANCE DITCH AND SOUTH OF WELD COUNTY ROAD 26 CONTAINING 58.1 ACRES \pm



TECHNICAL REVISION - JUNE 17, 2025
MAP EXHIBIT F - RECLAMATION PLAN

DATE	DESCRIPTION	BY	 PREPARED BY: ENVIRONMENT, INC. 7985 VANCE DR., # 205A ARVADA, CO 80003 (303) 423-7297 environment-inc@startmail.com		 L.G. EVERIST INC. 7321 EAST 88TH AVE., SUITE 200 HENDERSON, CO 80640	CARBON VALLEY RESOURCE			
9/17/2001	ORIGINAL PERMIT ISSUED	LGE/B&G				MLRB PERMIT # M-2001-017			
6/21/2010	PARTIAL RELEASE - FRENCH PARCEL	LGE							
10/21/2016	AMENDMENT - ADDED BROOKS FARM PARCEL	LGE/ENV							
10/19/2018	PARTIAL RELEASE - LOHMANN PARCEL	LGE/ENV							
JOB NO	DATE	SCALE	DRAWN BY	DESIGNED BY	APPROVAL	REV	SHEET		
	06/17/2025	1"=300'	SLO	SLO		REV	1		

L.G. Everist, Inc. - Carbon Valley Resource (M-2001-017) - Groundwater Monitoring Well Data

MONITOR WELL NO.	MW-01	MW-01 A	MW-02	MW-03	MW-04	MW-05	MW-06	MW-07
NORTHING, FT	1,307,353.84	1306981.27	1,306,390.31	1,305,531.41	1,305,207.10	1,306,084.75	1,307,521.49	1,307,522.07
EASTING, FT	3,156,990.45	3156129.54	3,156,962.85	3,156,965.85	3,157,915.49	3,159,231.68	3,159,255.52	3,158,242.86
ELEVATION (TOG), FT	4,814.364	4834.30	4,820.651	4,824.874	4,827.098	4,819.53	4,819.87	4,816.45
CASING HEIGHT, FT	4.34	2.88	2.48	(2.59)	2.45	2.56	2.22	2.70
ELEVATION (TOC), FT	4,818.702	4837.18	4,823.127	4,822.280	4,829.552	4,822.10	4,822.09	4,819.15
Notes >>>	destroyed 07-2023	installed 12-2023						
HIGH (max of first 2 yrs + 2)	4,812.60	baseline period	4,816.83	4,819.18	4,820.95	4,816.25	4,807.19	4,800.35
LOW (min of first 2 yrs - 2)	4,800.50	Dec2023-Dec2025	4,804.83	4,812.98	4,816.30	4,811.20	4,801.57	4,790.65

Sampling Date	MW-01	MW-01 A	MW-02	MW-03	MW-04	MW-05	MW-06	MW-07
01/29/24	---	4,824.73	4,812.13	4,809.93	4,816.85	4,813.52	4,806.14	4,806.40
02/26/24	---	4,824.73	4,812.13	4,810.18	4,818.20	4,813.72	4,806.34	4,806.61
03/27/24	---	4,825.08	4,814.73	4,816.38	4,819.16	4,813.68	4,806.63	4,806.84
04/25/24	---	4,825.08	4,815.53	4,817.33	4,819.87	4,814.15	4,806.89	4,806.95
05/28/24	---	4,825.93	4,816.43	4,817.73	4,820.25	4,814.55	4,807.54	4,807.25
06/25/24	---	4,825.90	4,816.28	4,817.86	4,820.47	4,814.68	4,807.49	4,807.45
07/25/24	---	4,826.28	4,816.77	4,817.98	4,820.38	4,814.65	4,807.99	4,807.54
08/27/24	---	4,826.18	4,816.83	4,817.98	4,820.45	4,814.70	4,807.59	4,807.45
09/24/24	---	4,825.78	4,816.13	4,817.78	4,820.35	4,814.70	4,807.59	4,807.45
10/29/24	---	4,825.78	4,815.93	4,817.38	4,819.95	4,814.30	4,807.29	4,807.45
12/06/24	---	4,825.48	4,815.53	4,817.18	4,819.75	4,814.10	4,806.99	4,807.25
12/16/24	---	4,825.48	4,815.43	4,817.18	4,819.75	4,814.00	4,806.89	4,807.05
01/29/25	---	4,825.38	4,815.33	4,816.98	4,819.55	4,813.80	4,806.39	4,806.85
02/26/25	---	4,825.53	4,815.38	4,816.98	4,819.65	4,813.70	4,806.39	4,807.15
03/27/25	---	4,825.28	4,815.23	4,816.88	4,819.35	4,813.60	4,806.49	4,806.85
05/01/25	---	4,825.28	4,815.53	4,817.28	4,819.75	4,813.90	4,806.69	4,806.95
05/28/25	---	4,825.48	4,816.23	4,817.38	4,819.75	4,812.50	4,800.69	4,804.75
JUN - avg of May & Jul	---	4,825.53	4,816.28	4,817.48	4,819.85	4,813.25	4,803.84	4,805.85
07/29/25	---	4,825.58	4,816.33	4,817.58	4,819.95	4,814.00	4,806.99	4,806.95
08/27/25	---	4,826.08	4,817.13	4,817.48	4,819.75	4,814.00	4,806.99	4,807.05
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MW-01	MW-01 A	MW-02	MW-03	MW-04	MW-05	MW-06	MW-07
NW	NW	W	SW	SE	released - far E	released - far E	N - by road, office

(MW-01A baseline period from 12/2023 - 11/2025)

L.G. Everist, Inc. - Carbon Valley Resource (M-2001-017) - Groundwater Monitoring Well Map

Active groundwater monitoring wells - 2025

Note: MW-01 A is new (Dec-2023) and replaced MW-01, which was destroyed (July-2023)

