




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
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: Mesita Hill Pit	MINE/PROSPECTING ID#: M-1977-227	MINERAL: Volcanic materials	COUNTY: Costilla
INSPECTION TYPE: Monitoring	INSPECTOR(S): Wallace H. Erickson	INSP. DATE: April 10, 2014	INSP. TIME: 15:30
OPERATOR: MWCA, Inc.	OPERATOR REPRESENTATIVE: None present	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Acreage Reduction (AR-01) Request	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$67,462.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Windy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 14, 2014	

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

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

OBSERVATIONS

This inspection occurred as part of the Division's review process of a request for release of approximately 0.09 acres from the permit area (AR-01) to accommodate the construction of a communications tower. The permit is approved for 201 acres affected lands for the excavation and processing of basalt and scoria materials. Affected lands will be reclaimed to support rangeland and wildlife habitat post-mining land use. The Division holds \$67,462 financial warranty. This report is accompanied by one image from Goggle Earth and four photographs taken during the inspection.

As shown on the enclosed image from Google Earth, the location of the proposed cell tower was immediately adjacent to the access road and south of the disturbance created by the mining activities. The lands addressed under AR-01 include the cell tower pad, approximately 50 feet x 50 feet = 0.06 acres; an access easement to the pad, approximately 20 feet x 46 feet = 0.02 acres; and an easement for utilities, approximately 5 feet x 87 feet = 0.01 acres. For the lands addressed under AR-01, slopes were extremely mild and appeared stable; evidence of settling, slumping or erosion was not observed. Vegetative cover for the lands addressed under AR-01 appeared diverse, effective, capable of self-regeneration, and at least equal in extent of cover to the natural vegetation of the surrounding lands. All mining related equipment and/or debris had been removed. Based on observations made during the inspection and recorded within this report, the Operator has completed reclamation of the 0.09 acres area addressed under AR-01 in accordance with the conditions of the approved reclamation plan and applicable portions of the Act and Rules. The Division recommends approval of AR-01. As part of AR-01 the Operator did not request a reduction in the amount of financial warranty held for the operation. Therefore, the Division's recommendation to approve AR-01 is limited to the release of 0.09 acres and no reduction in the amount of financial warranty.

The balance of the permit area was briefly inspected as part of the Division's routine monitoring of permitted operations. As noted in the annual reports submitted by the Operator, and inspection reports previously completed by the Division, the Operator has conducted substantial efforts at completing reclamation. However, the establishment of a stabilizing vegetative cover has proven challenging. As shown in the four enclosed photos, vegetative cover ranged from well established to sparse and weedy. Division records indicate the permit conditions include a weed control plan and the Operator is employing appropriate weed control methods. As shown in the photos, evidence of wind erosion of the graded scoria was observed. Evidence of other instability, including slumping, settling or erosion by water, was not observed.

The Division last reviewed the cost of reclamation on March 8, 2011, totaling \$67,462. Current site conditions appear consistent with the assumptions utilized in the March 8, 2011 bond calculation. Therefore, the existing \$67,462 financial warranty appears sufficient to ensure the completion of reclamation.

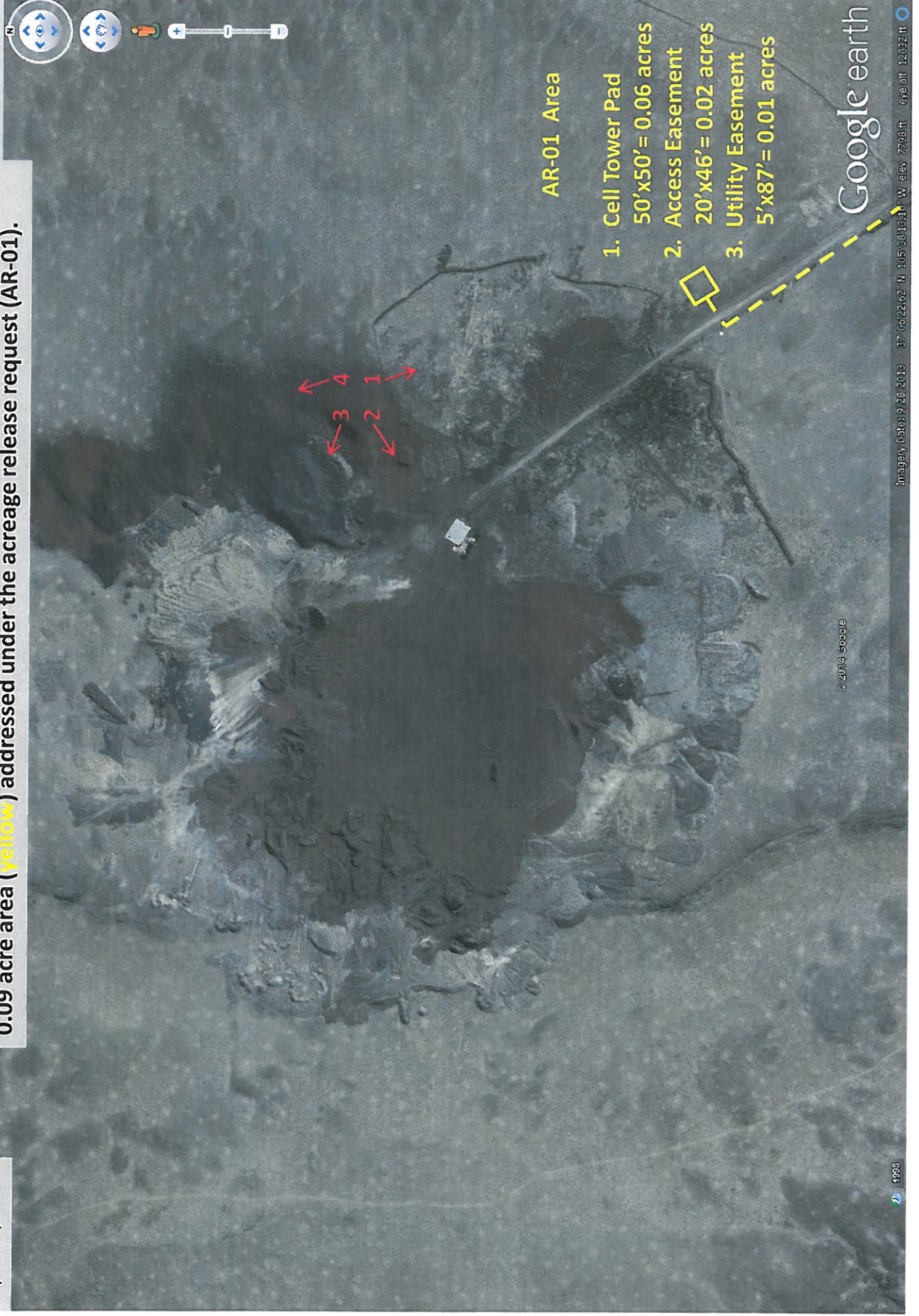
Inspection Contact Address

Paul L. Glader
MWCA, Inc.
6500 Mineral Drive, Suite 200
Coeur d'Alene, ID 83815-9408

Enclosure: Google Earth image and four photographs taken during the inspection
Ec w/enclosure: Paul Glader, MWCA; and Russ Means, DRMS GJFO

Mesita Hill Pit
M-1977-227
April 10, 2014

Google Earth, imagery date September 28, 2013, showing portions of the permit area, locations of photos taken during the inspection (**red**), and the approximate 0.09 acre area (**yellow**) addressed under the acreage release request (AR-01).

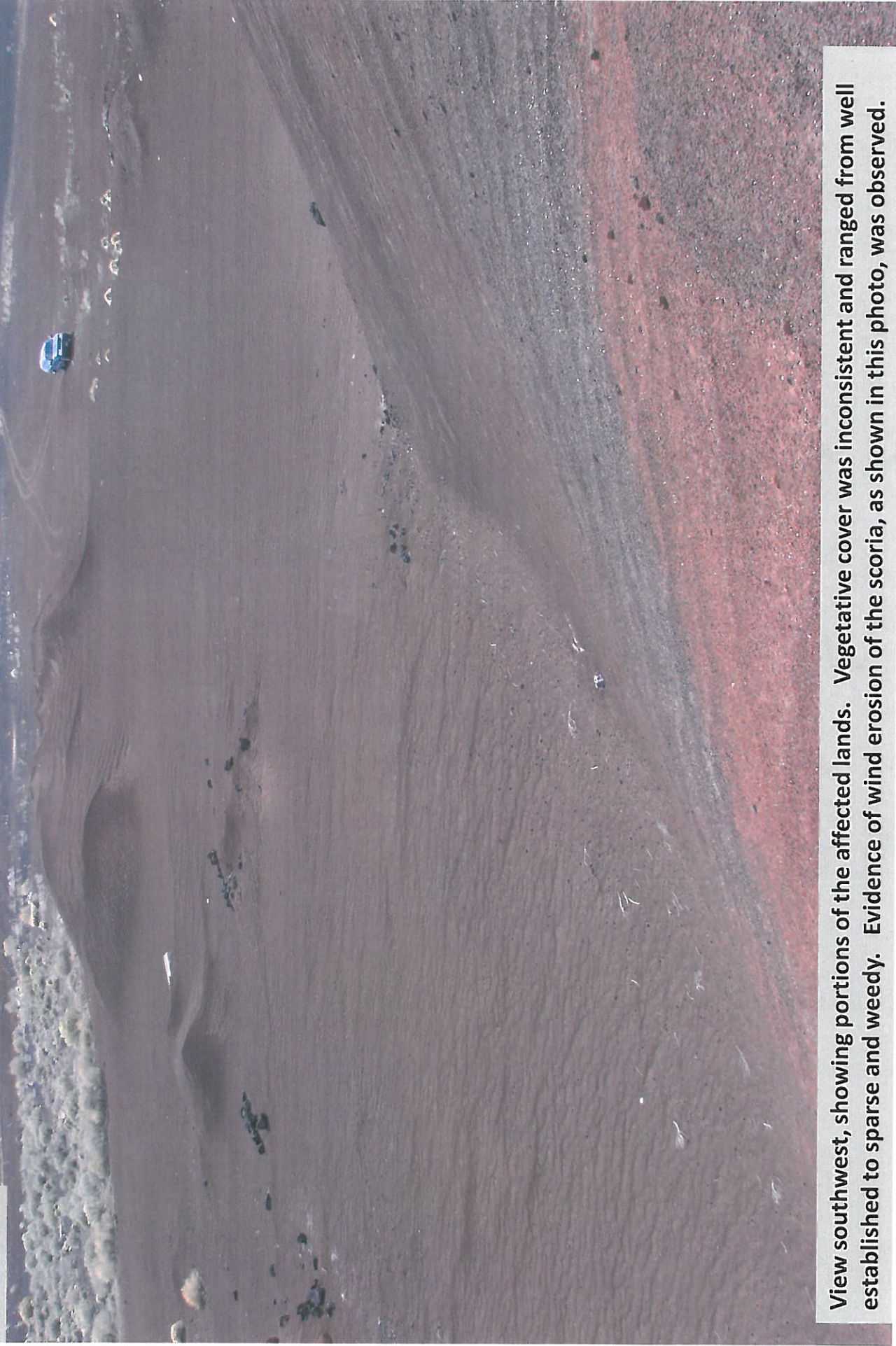


Mesita Hill Pit
M-1977-227
April 10, 2014
Photo 1



View south, showing portions of the reclaimed lands with well established vegetative cover. The lands addressed under AR-01 are located beyond the area enclosed within the earthen berm and not detailed in this photo.

Mesita Hill Pit
M-1977-227
April 10, 2014
Photo 2



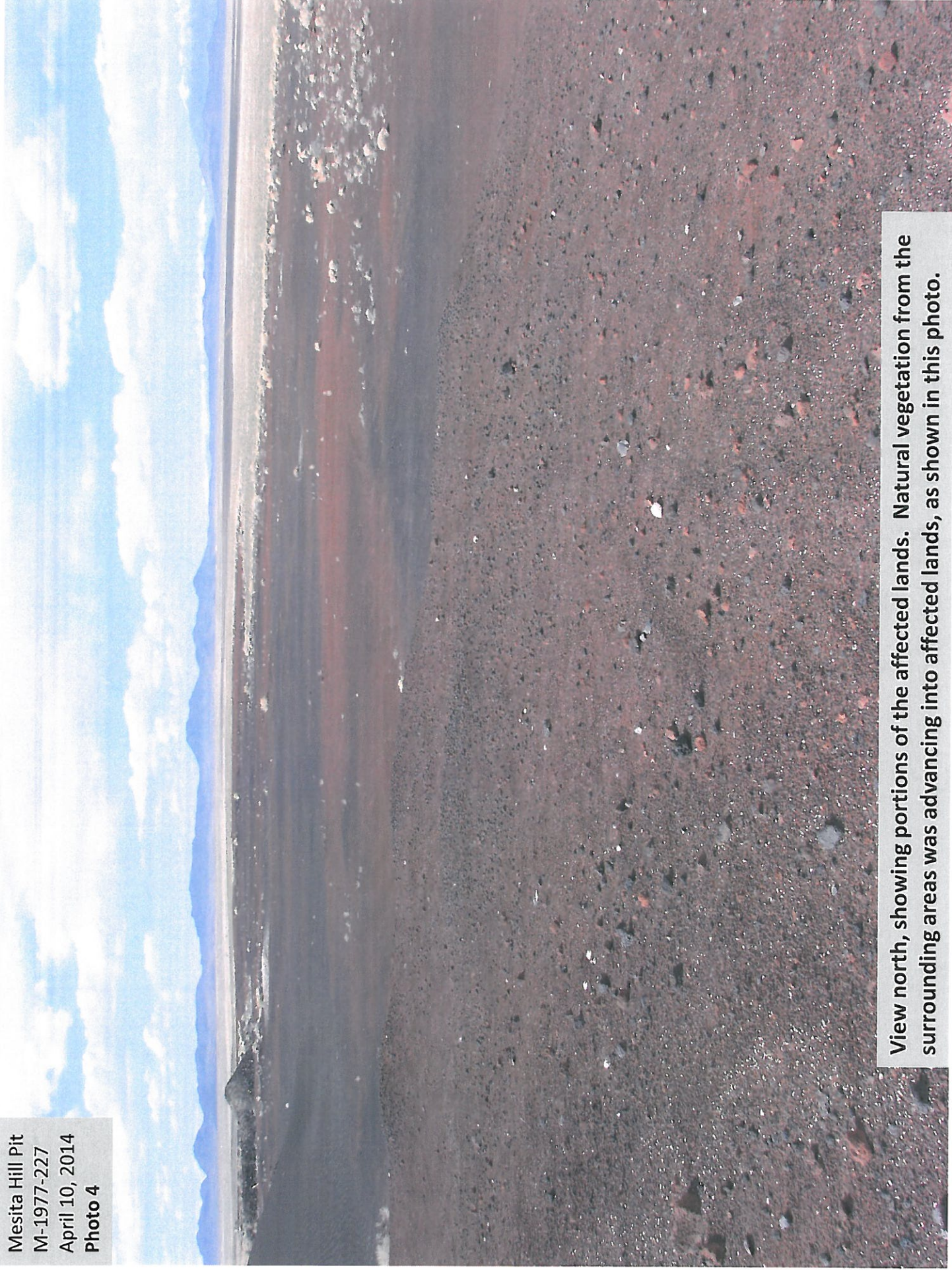
View southwest, showing portions of the affected lands. Vegetative cover was inconsistent and ranged from well established to sparse and weedy. Evidence of wind erosion of the scoria, as shown in this photo, was observed.

Mesita Hill Pit
M-1977-227
April 10, 2014
Photo 3



View northwest, showing portions of the affected lands. Vegetative cover was inconsistent and ranged from well established to sparse and weedy. Evidence of wind erosion of the scoria, as shown in this photo, was observed.

Mesita Hill Pit
M-1977-227
April 10, 2014
Photo 4



View north, showing portions of the affected lands. Natural vegetation from the surrounding areas was advancing into affected lands, as shown in this photo.