

May 2, 2016

Peter Babin
CalX Minerals, LLC
5501 Lakeshore Drive
Littleton, CO 80123



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Mid-Continent LST, Permit No. M-1982-121, Approved Acreage and Map Boundaries

Dear Mr. Babin:

On April 12, 2016 the Division of Reclamation Mining and Safety (Division) inspected the above name site in conjunction with the Bureau of Land Management (BLM) Colorado River Valley Field Office. During the inspection Mrs. Pearce of the BLM requested data in GIS format and was informed that Calx's surveyor High Country Engineering, Inc. (HCE) had those files. On April 21, 2016 BLM received the digitized DRMS permit boundary from HCE as requested. A copy of this data was forwarded to DRMS.

On April 22, 2016 the BLM pulled the files into ArcGIS and calculated the geometry. It was brought to the Divisions attention that the GIS permit boundary provided by HCE was approximately 47 acres. Upon further inspection the polygon shape does not appear to coincide with the approved permit boundary of AM-2 (enclosed). Additionally the permit boundary approved in AM-2 appears to be approximately 39 acres rather than the 32.8 acres described in the narrative portion of the amendment. Map comparing boundaries generated by the BLM is enclosed.

Division staff believes it has identified when some of these errors arose. Beginning April 26, 2010 the Division received your annual report, map and fee. The map included in this report depicted a similar permit boundary however the northeast corner was pushed out as compared to previous maps (enclosed). On October 12, 2011 staff inspected the site and cited signs and boundary markers as a problem. Corrective actions required that the site be resurveyed so that markers could be replaced. On December 1, 2011 Division staff received an email that corrective actions had taken place and the HCE resurveyed map was included. This map depicted a different permit boundary than what was approved under AM-2. Since then all annual reports have followed the HCE permit boundary line which incorporates a larger affected area than what is approved.

At this time it is unclear if all disturbances associated with this site are in fact contained within the original AM-2 approved boundary or if that boundary was the approved 32.8 acres. The Division strongly recommends that you do not expand the current footprint of the mine until the boundary and acreage issue is resolved, as that could alter the affected acreage and create a possible violation.

To resolve this matter the Division requests:

- That the site be resurveyed and provide updated, corrected maps to the Division
- Please clarify and depict the total affected land to date.
- Please provide the Division with clarification of the acreage depicted in the AM-2 boundary
- If it is proven to be 32.8 acres, please provide documentation all boundary markers have been replaced to the shape depicted in the approved AM-2 map.



- If the boundary depicted in AM-2 is larger than 32.8 acres notify the Division immediately.

The requested information shall be received in the Division's Denver office by **Monday, October 31, 2016**. At that time the Division will make a determination of how to move forward to rectify the situation. The Division would like to remind you that if you wish to affect the 47 acres boundary an amendment shall be required prior to any disturbance outside of the currently approved boundary.

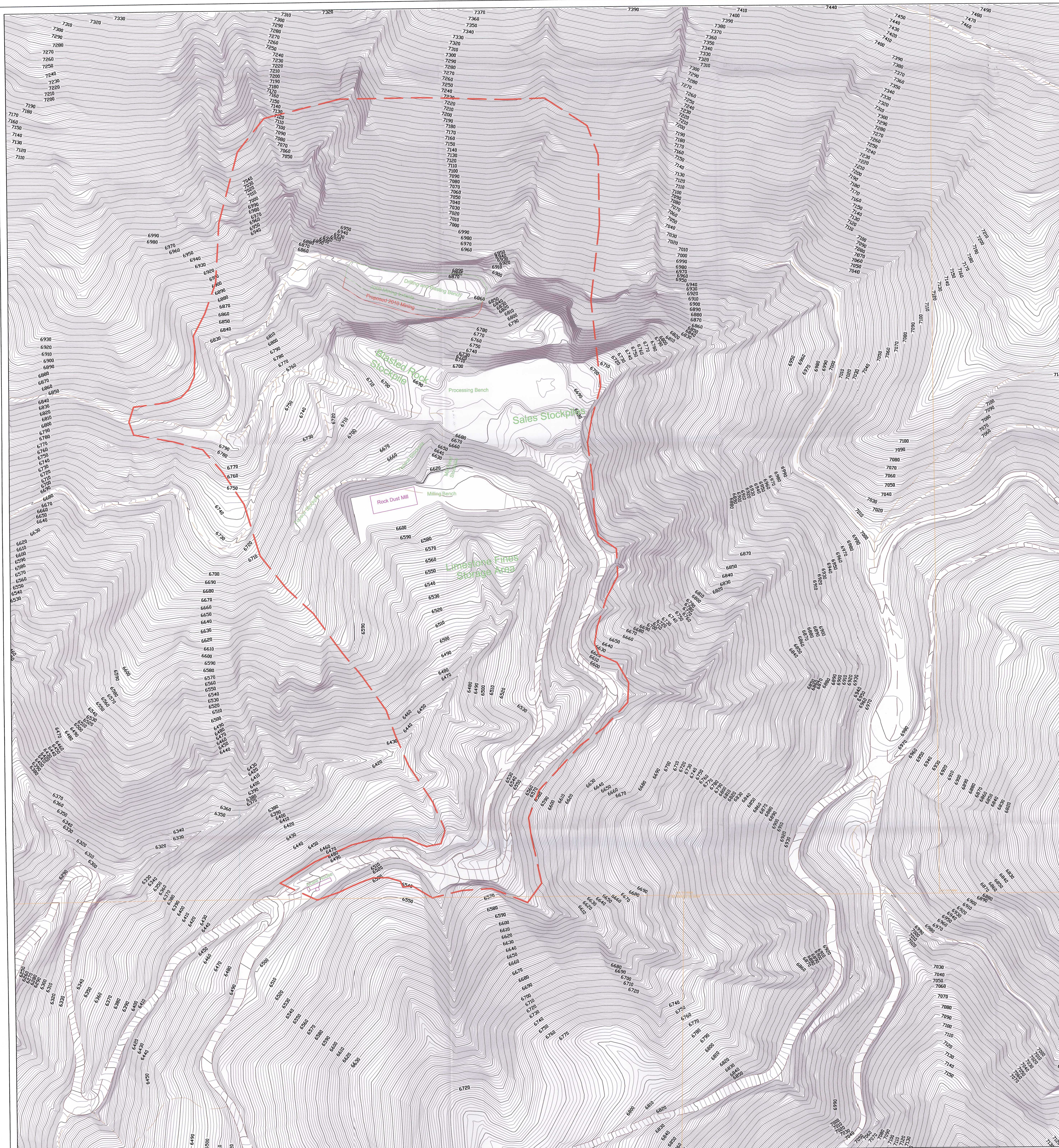
If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

Sincerely,



Amy Yeldell
Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
Phone: (970) 254-8511

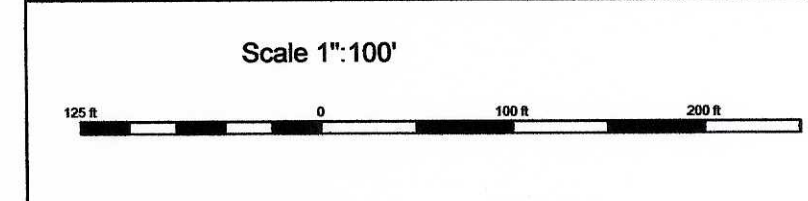
Ec: Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS
Jessica Lopez Pearce, Colorado River Valley BLM Field Office



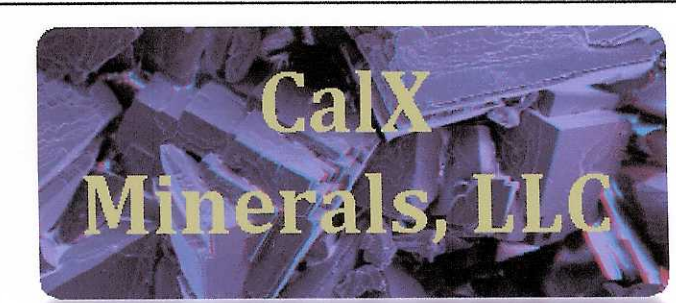
Map Legend

DRMS Boundary

M-1482-121
CR: Calx Minerals, LLC
Annual Report Map
RECEIVED
APR 26 2010
Division of Reclamation,
Mining and Safety

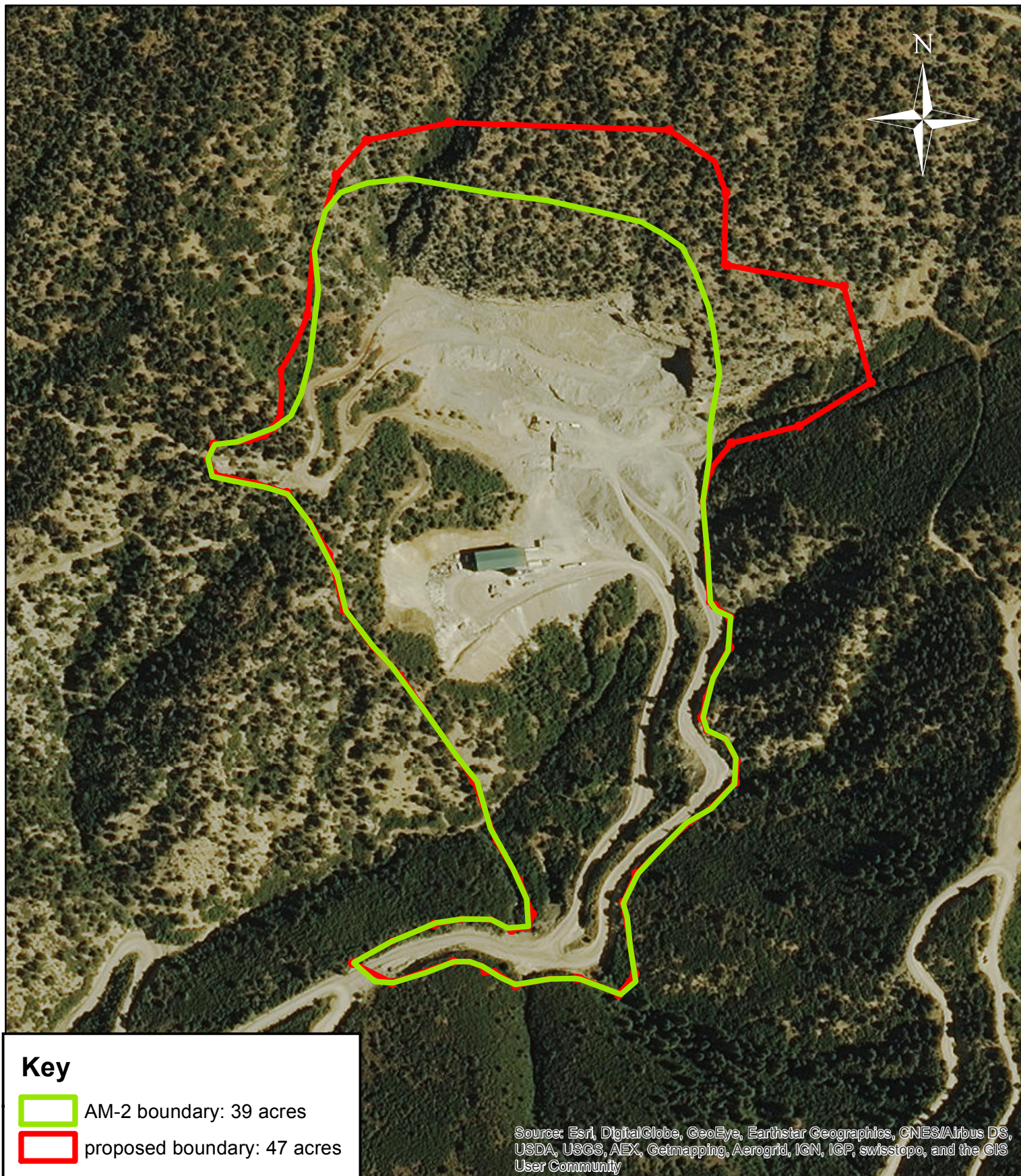


Mid-Continent Quarry 2009 Annual Report



Notes:

Drawn By: BHM
Drawn Date: 4/15/10
Drawing Name: MidCon.dwg



BLM - Colorado River Valley Field Office
CalX Mid-Continent Quarry
April 25, 2016

0 0.0425 0.085 0.17
Miles

1:4,000

No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data. Original data were compiled from various sources. This information may not meet National Map Accuracy Standards. This project was developed through digital means and may be updated without notice.