

ACG



December 28, 2017

Amy Yeldell  
Colorado Division of Reclamation, Mining and Safety  
1313 Sherman St., Room 215  
Denver, CO 80203

RECEIVED  
DEC 29 2017  
DIVISION OF RECLAMATION  
MINING AND SAFETY

**RE: Mid-Continent LST, Permit No. M-1982-121, Quarry Boundary and Survey**

Dear Ms. Yeldell,

In response to your letter, **RE: Mid-Continent LST, Permit No. M-1982-121, Commitment Until Amendment is Submitted (Included herein)**, sent January 17, 2017, Rocky Mountain Resources (RMR) would like to provide the following information, and propose a resolution to the AM-2 acreage issue.

RMR contracted SGM Engineering to survey the current quarry area at the Mid-Continent quarry in September of 2017. SGM surveyed the quarry on September 28, 2017, created a topographical map of the surveyed points, and delivered information on the area of disturbance and the size of the permit boundary we believed matched the CO DRMS permit boundary. The information was delivered to RMR in mid-December 2017.

After reviewing the data, and going back into our records to review documents relating to the approved AM-2 boundary, we realize there is a discrepancy between the currently approved AM-2 boundary and the boundary we thought was the approved CO DRMS boundary. You have commented on this apparent difference in your previous letters. The boundary RMR believed to be the approved CO DRMS AM-2 boundary appears to be a proposed revision that was not approved by the DRMS. As such, the current boundary is the AM-2 boundary depicted in the figures in the included letter (pg. 3 and pg. 5 in green), **RE: Mid-Continent LST, Permit No. M-1982-121, Approved Acreage and Map Boundaries**, sent May 2, 2016.

RMR has survey point information for the proposed revision boundary, but does not have survey point information for the approved AM-2 boundary currently. RMR was able to recreate the AM-2 boundary with good accuracy using the visual image provided in **RE: Mid-Continent LST, Permit No. M-1982-121, Approved Acreage and Map Boundaries (pg. 5)** and Google Earth. Figure 1 below shows the recreated AM-2 boundary in comparison to the proposed revision boundary. The currently disturbed mining area falls within the limits of both boundaries, except for the previously discussed surface disturbance (0.287 acres) on the eastern edge of the mining boundary. The calculated area of the AM-2 boundary is approximately 38 acres. The calculated area of the proposed revision boundary is 43 acres. The calculated area of the total affected land to date is 20.8 acres.

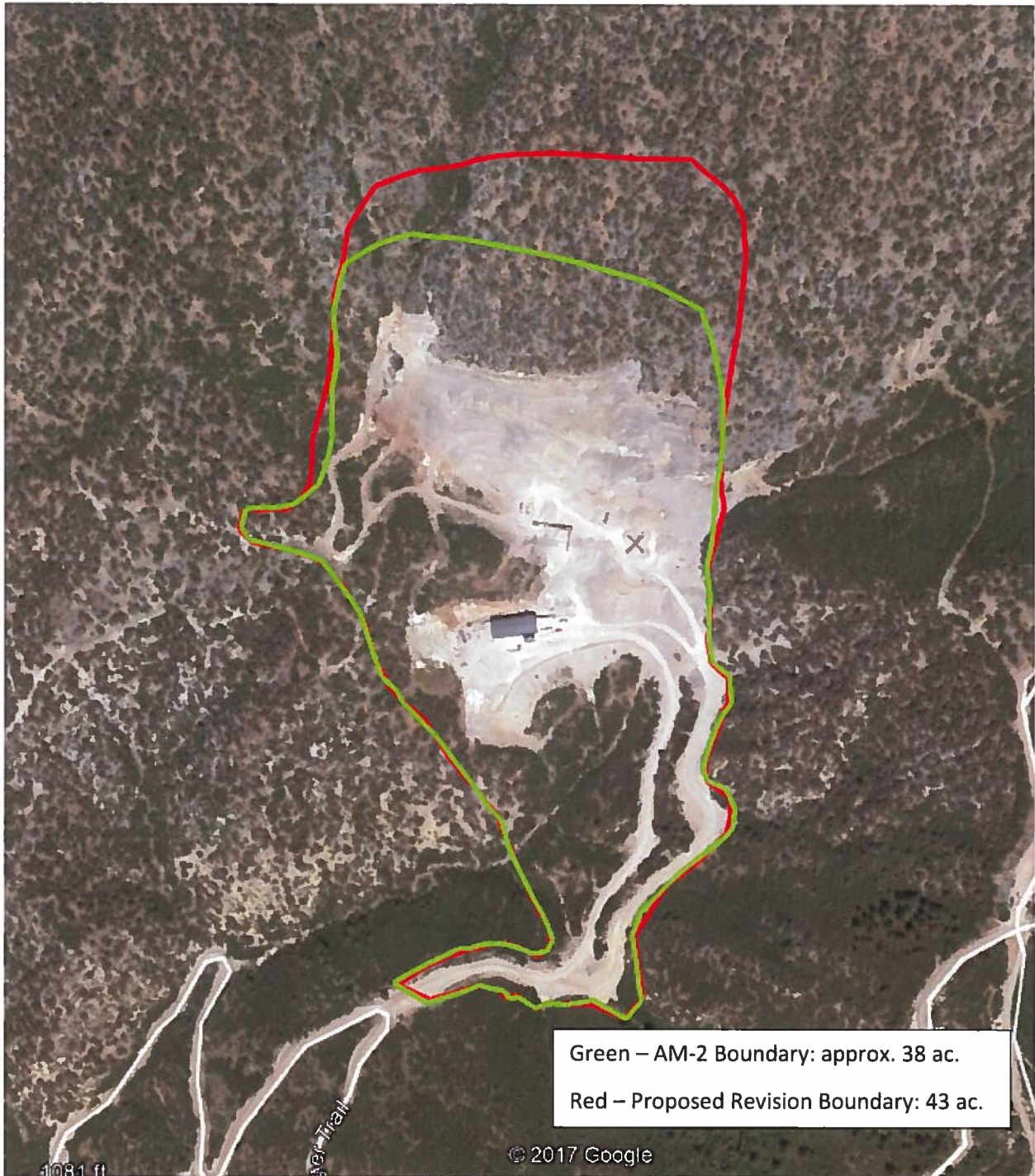


Figure 1: AM-2 boundary vs. previously proposed revision boundary

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DIVISION OF LAND MANAGEMENT  
MINING AND ENERGY



RMR proposes the following solution to the boundary issue.

1. Recreate the survey points for the approved AM-2 boundary using the perimeter shown in green in Figure 1 and in ***RE: Mid-Continent LST, Permit No. M-1982-121, Approved Acreage and Map Boundaries*** (pg. 3 and pg. 5 in green).
2. Adjust the recorded area of the AM-2 boundary to approximately 38 acres to match the area shown in the AM-2 boundary drawings mentioned in bullet point number 1.
3. Survey and install visible boundary markers, in the field, for AM-2 boundary.

RMR could quickly affect the above-mentioned items through the CO DRMS if they are deemed acceptable.

The surveyed images and topographical maps provided to RMR by SGM Engineering are included below. RMR has placed boundary markers on the proposed revision boundary in the field. Pictures of the boundary markers are included below. RMR realizes this boundary is not the currently approved AM-2 boundary, and would change the markers to match the approved AM-2 boundary once there is agreement on the location of the boundary between CO DRMS and RMR. RMR does not have a need to extend the boundary to the proposed revision boundary of 43 acres. We wish to resolve the boundary issue in the easiest way possible, and are open to ideas from the CO DRMS if they have more history or information available to reference.

Please feel free to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "R. T. Wagner", with a long, sweeping horizontal line extending to the right.

Robert T. Wagner  
VP, Mining Operations  
Rocky Mountain Resources  
720-660-3279  
[rwagner@rmrholdings.com](mailto:rwagner@rmrholdings.com)



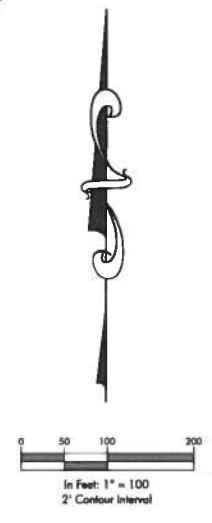
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DIVISION OF RECREATION  
MINING AND SURVEY

NOTES:

AREA WITHIN PERMIT BOUNDARY: 43.063 ACRES  
TOTAL AREA AFFECTED TO DATE: 20.831 ACRES  
AREA DISTURBED OUTSIDE PERMIT BNDY: 0.287 ACRES  
DATE OF AERIAL IMAGERY AND TOPOGRAPHY: SEPT. 28, 2017



Current Permit Boundary



Notice:  
According to Colorado Law, you must  
commence any legal action based upon  
any defect in this survey within three  
years after you first discover such defect.  
In no event may any legal action based  
upon any defect in this survey be  
commenced more than ten years from  
the date of the certification shown hereon.

**SGM**  
P.O. Box 1153 646 Main Street  
Meeker, CO 81641  
970.878.5292 www.sgm-inc.com

RMR Limestone Quarry  
Topography and Aerial

Job No.	2017-353.001	1
Drawn by:	BAK	
Date:	11/9/2017	
Approved:	JU	1
File:	112217 BAK Surface and Boundary	



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DIVISION OF RECLAMATION  
MINING AND SAFETY

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RMR Limestone Quarry  
Aerial and Bndy

Job No.	2017-353.001
Drawn by:	BAK
Date:	11/9/2017
Approved:	JU
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MINING AND SAFETY

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RMR Limestone Quarry  
Topography and Bndy

Job No.	2017-353 001
Drawn by:	BAK
Date:	11/9/2017
Approved:	JU
File:	112217 RMR Surface and Boundary

1

1



January 17, 2017

Greg Dangler  
RMR Aggregates, Inc.  
9301 Wilshire Blvd, Suite 312  
Beverly Hills, CA 90210



**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, Commitment Until Amendment is Submitted***

Dear Mr. Dangler:

On November 1, 2016 the Colorado Division of Reclamation, Mining and Safety (Division) received a letter in response to the Approved Acreage and Map Boundaries letter sent by the Division on May 2, 2016. The letter was sent by RMR Aggregates, Inc. who at the time had not completed the succession of operator process and therefore no discussions could occur at the time. On January 12, 2017 the succession of operator (SO-3) was approved.

In your letter RMR stated that 50-75 feet may be disturbed beyond the approved permit boundary. Additionally it is noted that the HCE maps (red) delineate the previous operator's desired permit boundary rather than the approved permit boundary (green). Based on these statements the Division believes that there may be off-site damage issues which will require that all affected lands be incorporated into the permit boundary in the form of an amendment. The Division acknowledges that RMR must also do a Plan of Operations (POO) modification with the BLM. The Division proposes that RMR completes their BLM permitting requirements first. Then once all BLM approvals are obtained submit an amendment to the Division to make the permits concur. In order for this to happen and avoid an enforcement issue now, the operator will need to submit a signed commitment letter to the Division.

The commitment letter from RMR shall include the following statements:

- The active operation will not make any further disturbances in the area identified as potentially being out of the approved permit boundaries.
- RMR will provide the Division with copies of all material submitted to BLM.
- Upon submittal of the BLM POO modification RMR shall provide the Division with a progress update quarterly until the matter is resolved.
- Within 60 days of the BLM POO modification approval RMR will submit an amendment to the Division.
  - The amendment at a minimum will incorporate all affected lands within the permit boundary.
  - The amendment will modify all exhibits to meet the standards of the current Rules.
- RMR agrees that if any of these stipulations are violated the Division may set this matter for a hearing before the Mined Land Reclamation Board.

The commitment shall be received in the Division's Denver office by **Tuesday, February 28, 2017.** Please note that all correspondence needs to go through the Divisions Denver office rather than the Grand Junction field office.



DRMS would like to address the additional requirements noted in the May 2, 2016 letter to CalX that have not been complied with:

- The site will be resurveyed and provide updated, corrected maps to the Division by June 1, 2017.
  - Please clarify and depict the total affected land to date.
  - Delineate both the approved permit boundary and the affected land boundary on one map.
  - 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 and a resolution will be discussed.

Please submit the outstanding mapping and survey requirements as required above to the Divisions Denver office by **Thursday, June 01, 2017**.

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



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

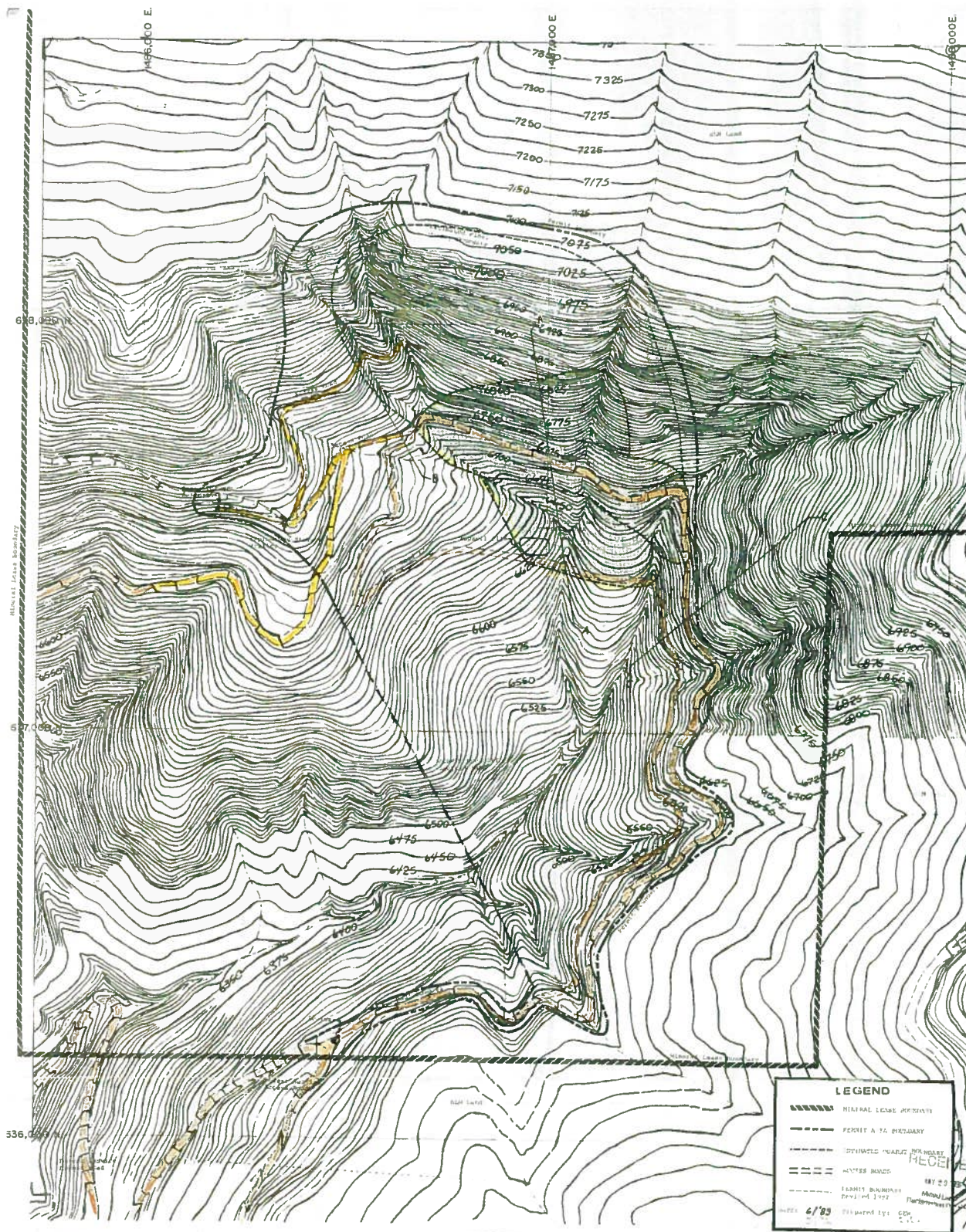
Sincerely,



**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

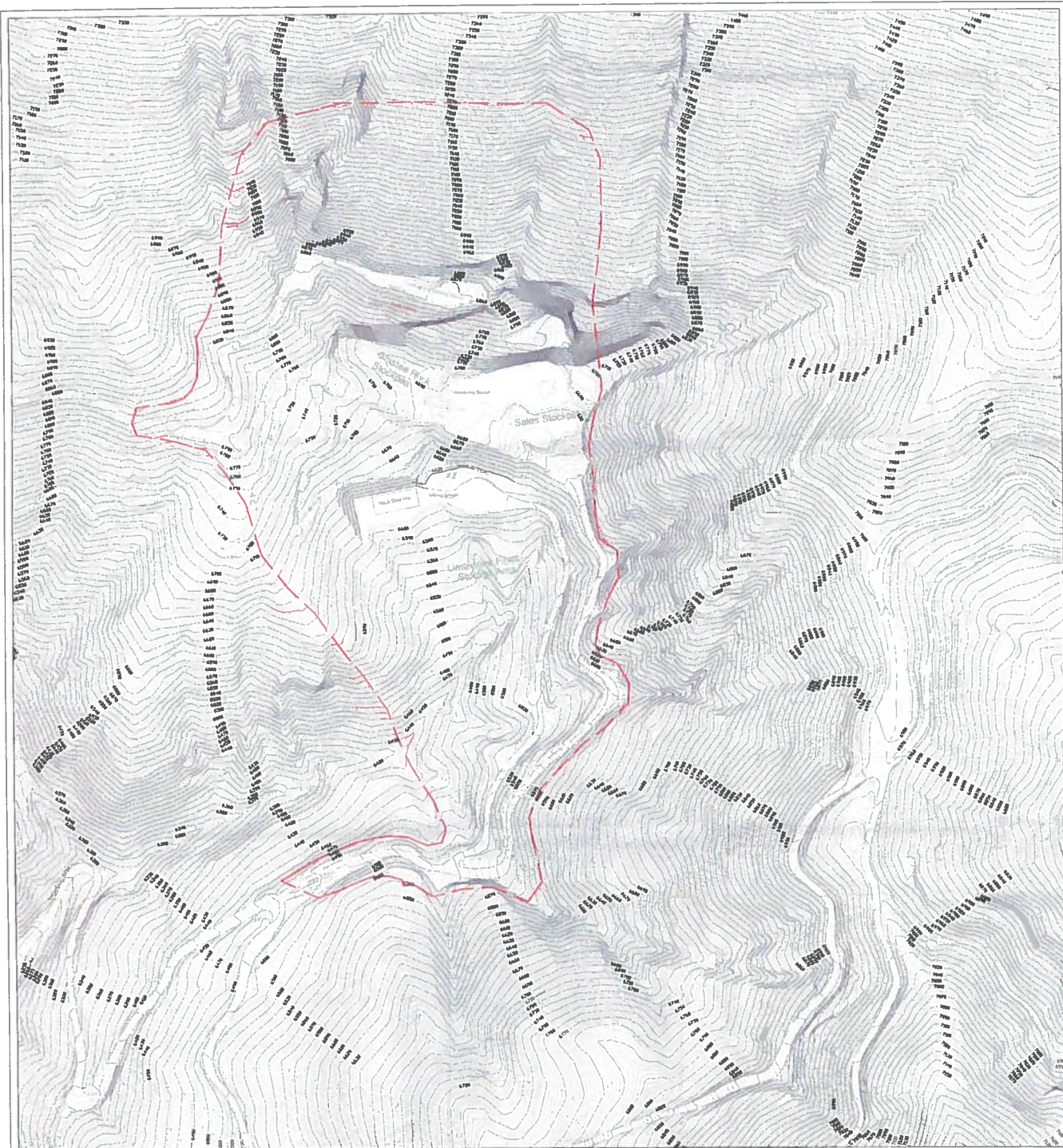




Mining Plan

Exhibit C-1





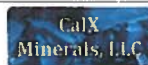
# Map Legend

DRILL Boundary

91-1462-131  
 C.R. - Cady Minerals, LLC  
 Annual Report Map  
 RECEIVED  
 APR 24 2009  
 Division of Geology  
 Mining and Energy



Mid-Continent Quarry  
 2009 Annual Report

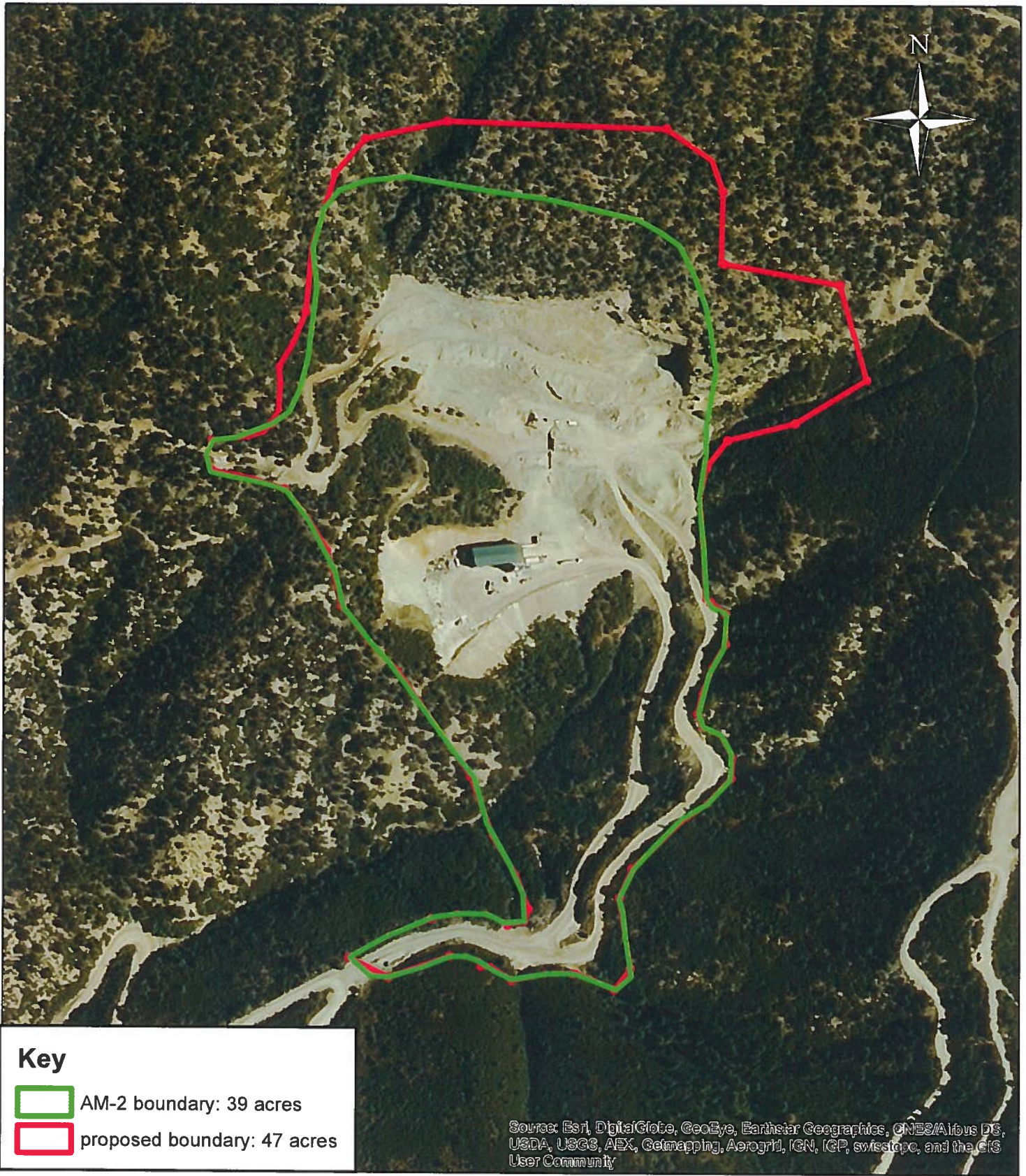


Notes:

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

Cady Minerals, LLC 7701 683.5747 (Phone) 800 N. Hamilton St.  
 www.cadymn.com (262)763-4779 (Fax) Burlington, CO 80510





### Key

- AM-2 boundary: 39 acres
- proposed boundary: 47 acres

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomapping, Aerogrid, IGN, IGP, swisstopo, and the CFS User Community



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

0 0.0425 0.085 0.17  
Miles

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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.



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Robert Wagner  
Rocky Mountain Resources  
4601 57th Blvd, Suite 120  
Denver, CO 80237

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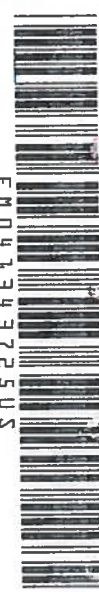
PHONE: 780 354-7511

CO DRMS  
ATTN: Amy Yeldell  
1313 Sherman St., Room 215  
Denver, CO 80203

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