




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: Mid-Continent LST	MINE/PROSPECTING ID#: M-1982-121	MINERAL: Limestone (general)	COUNTY: Garfield
INSPECTION TYPE: Monitoring	INSPECTOR(S): Stephanie J. Reigh	INSP. DATE: February 7, 2013	INSP. TIME: 10:15
OPERATOR: CalX Minerals, L.L.C.	OPERATOR REPRESENTATIVE: Peter Babin & Justin Olin	TYPE OF OPERATION: 112c - Construction Regular Operation	

REASON FOR INSPECTION: Other Agency Request	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$123,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: U.S.BLM
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 4, 2013

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>Y</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>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</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>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	(ST) STIPULATIONS----- <u>N</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 was a joint inspection of the Mid Continent LST; DRMS file No. M-1982-121, operated by Cal X Minerals. This site is located approximately 1.2 miles north of Glenwood Springs, Colorado in Garfield County. I, Stephanie Reigh of the Colorado Division of Reclamation, Mining and Safety conducted the inspection. Peter Babi, Justin Olin and Pauline Adams of the BLM accompanied me on the inspection.

This is a 32.78 acre 112c mining operation. The Division currently holds a Financial Warranty in the amount of \$123,000 for this site.

Adequate mine identification signage was noted at the entrance to the site in accordance with Rule 3.1.12(1). However, the Division would like to see the permit identification number added to the signage. Please add the permit identification number M-1982-121 to the signage and submit photo by email or mail to the Division by March 22, 2013.

Mining is progressing to the north. Three production benches were noted above the process bench, which is located just north and uphill from the mill bench. The topsoil stock pile appeared to be stable. Rilling is starting to become apparent on the south side of the mill bench. Please address the rilling by maintaining the berm that is present on the mill bench.

This inspection was primarily for the BLM to address some concerns regarding an updated Plan of Operations required by the BLM. BLM concerns were primarily regarding the road that is shared by multiple users. Because the road (Transfer Trail) is not within the permit boundary, it is not within DRMS jurisdiction. However, if the Operator is not in compliance with the BLM and a cessation is issued, then the Operator will have failed to maintain legal right of entry to the mine site. DRMS encourages the Operator to maintain an up to date Plan of Operations with the BLM.

Responses to this inspection report should be directed to Stephanie Reigh at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd Street, Suite 301, Grand Junction, Colorado 81501, phone number 970.242.5025.

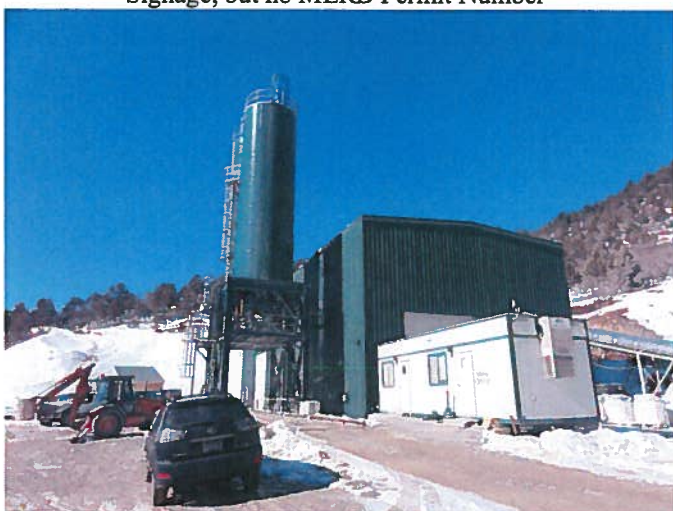
PHOTOGRAPHS



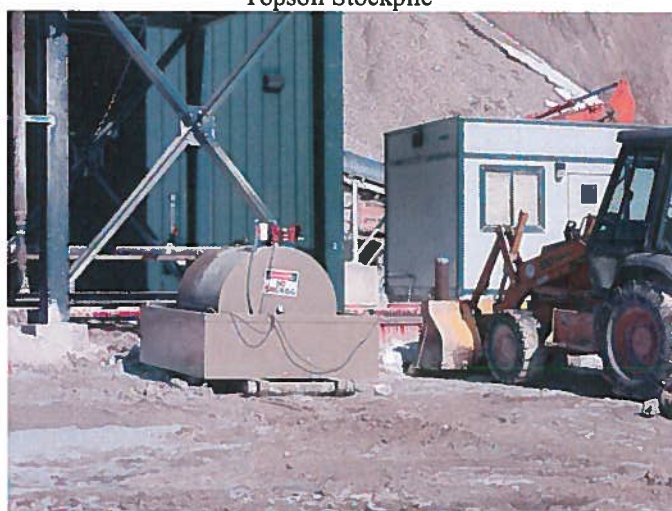
Signage, but no MLRB Permit Number



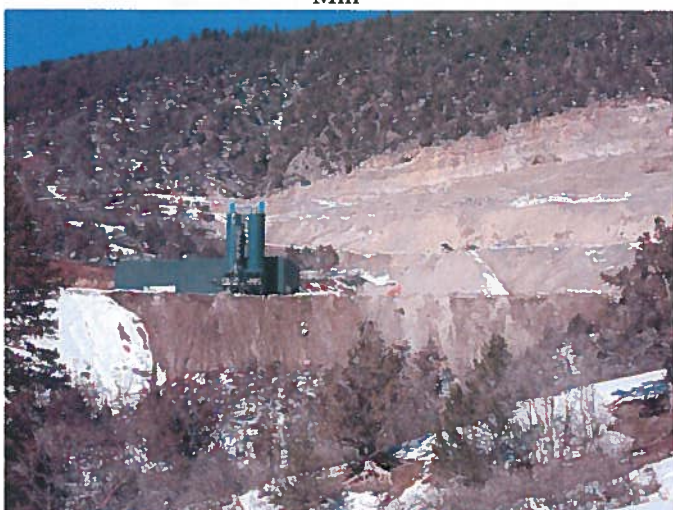
Topsoil Stockpile



Mill



Fuel Storage with adequate containment system



Overall site, note rilling on south side of mill bench

Inspection Contact Address

Peter Babin & Justin Olin
CalX Minerals, L.L.C.
P.O. Box 1001
Glenwood Springs, CO 81602

CC: Pauline Adams, BLM