

Since 11 acres is reclaimed and seeded X 4572.12 = 50,293.32 and
20% is needed to assure seed revegetation \$50,293.32 X .2 = \$10,058.67

REMAINING BOND required For RECLAMATION OF 17 ACRES = \$37,491.39

Total Assurance Bond minus Remaining Reclamation Bond = \$69,393.73

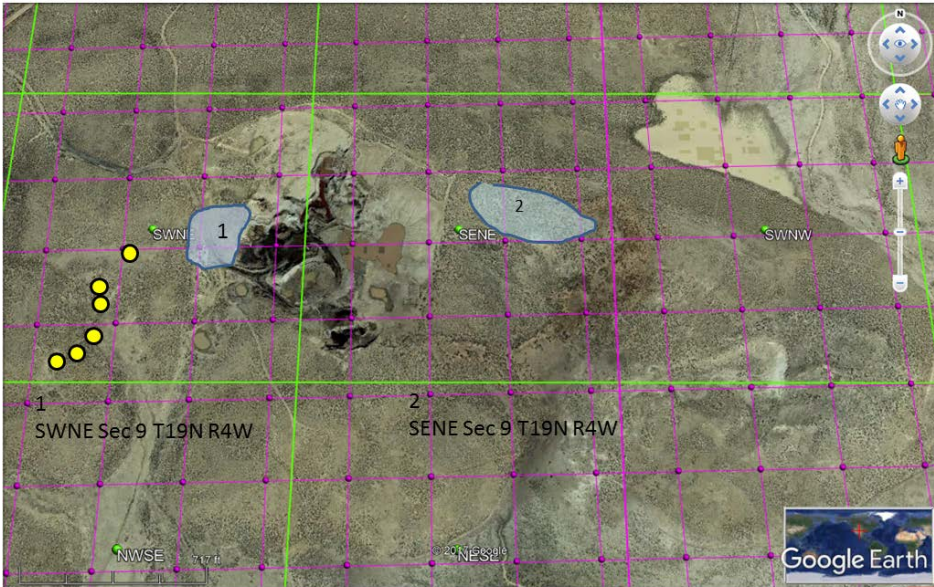
Additional Acres that can be covered by current Assurance Bond is 15.2 acres.

Out of the 17 total acres disturbed 11 acres have completed earthwork, topsoil replacement, and seeding, leaving only 6 acres yet disturbed, we propose a portion of the assurance bond be transferred to the 5 acres of permit with 10 additional acres to be named in the future.

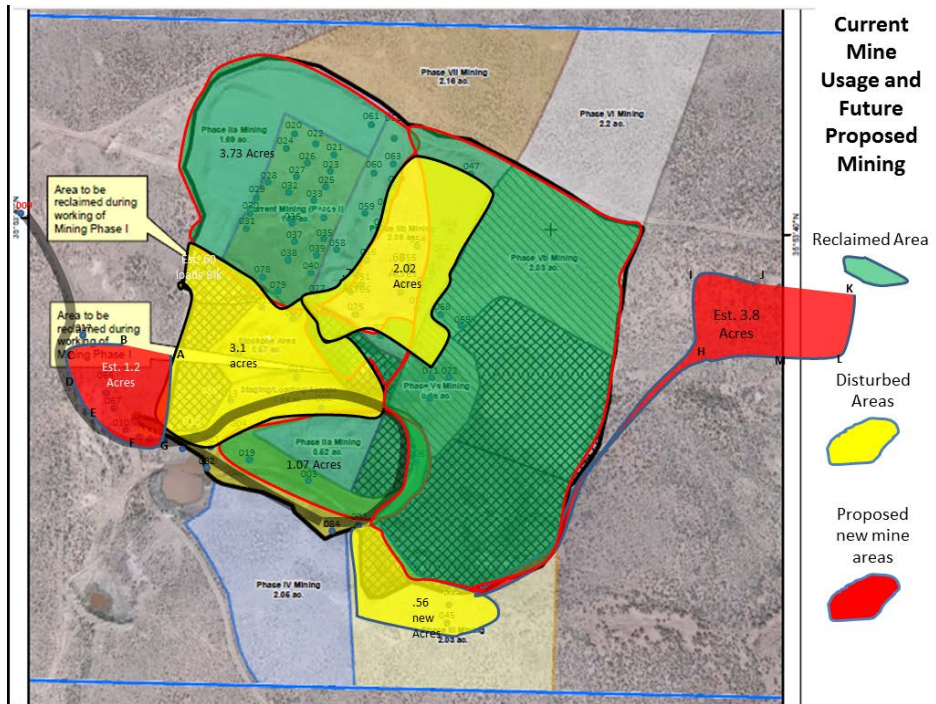
D.2 Location:

RE: Proposed Areas of Expansion for Eagle Mesa Mine MMD (Permit SA009MN). Area 1 approximately 1.2 acre extends current permit area west of mine. Area 2 is approximately 3.8 acres extends mine east in an isolated area of 5 acres with connecting road.

(Fig. 1A)



Current mine with approximately 11 reclaimed acres indicated in green, 6 currently disturbed acres in yellow and modifications of 5 acres in red.



(Fig. 1B)

D.3 List of Environmental Permits:

The BLM administers the surface and mineral estate across the entire Clearance Area (approximately 495 acres). The current Contract Area is located entirely on BLM lands typically administered by the Rio Puerco Field Office (RPFO).

State of New Mexico permit number SA009MN, and BLM purchase contract NM 128614.

D.4 Material Mined:

RAMMSCO Operations, Inc. mines two materials, black humate and brown organic clay. Humate is a Cretaceous or Jurassic age organic peat moss buried and compacted to present day. Humate is rich in humic and fulvic acids. These organic rich materials are used in soil enhancement. A brown clay adjacent to the humate is also mined in the mining operations. The clay also contains fulvic acids and used for agriculture soil enhancement.

D.5 Ground Water:

Ground water is located several hundred feet below lowest point in mining pit, according to BLM geologist.

D.6 Minimal Impact Mine:

The Eagle Mesa Mine is a minimal impact operation that complies with all Minimal Impact Regulations found in 19.10 NMAC and impacts less than 1000 cubic yards.

Additional Acres that can be covered by current Assurance Bond is 15.2 acres.

Of the 17 total acres, 11 acres has had earthwork, topsoil replacement, and seeding have been accomplished only 6 acres are fully disturbed, we propose a portion of the assurance bond be transferred to the 5 acres of permit with 10 additional acres to be named in the future.

Below is Ecosphere's estimates of reclamation costs.

Ecosphere's Estimates of Reclamation costs.

RAMMSCO - EAGLE MESA HUMATE MINE

Estimate for Reclamation Activities for Financial Assurance Bond

Item	Rate Required Per Acre	Units	Amt. Needed for 1 acre	Unit	Unit Cost	Total
Direct Costs						
Front End Loader Rental	0.50	Days/acre	0.50	Day ³	\$560.00	\$280.00
Proprietary Seed Mix	21	lbs/acre	21.00	lbs	\$4.85	\$101.85
3-stand Barbed Wire Fence	-	Unit Cost	493.00	LF	\$4.11	\$2,026.23
SUBTOTAL DIRECT COSTS						\$2,408.98
Labor Costs						
Reclamation Labor Cost	1	\$15.00	2	\$15.00/hr	\$120.00	\$240.00
Vegetation Monitoring/Reports	-	/acre/year	2	Acre/year	\$360.00	\$720.00
SUBTOTAL LABOR COSTS						\$960.00
Third Party Indirect Costs						
Project Management						\$144.48
Contractor Profit and Overhead						\$722.42
Contingencies						\$48.16
Engineering Re-design						\$48.16
MMD Procurement Costs						\$240.81
THIRD-PARTY INDIRECT COSTS SUBTOTAL						\$1,204.04
TOTAL						\$4,572.12
TOTAL PER ACRE						\$4,572.12
5 ACRES						\$22860.60

There are two proposed areas of expansion that we are requesting a reallocation of the security bond funds. Since significant completion of earth works, restoration of topsoil and completed seeding preparation as well as seeding has been done. These areas are indicated on the attached map.

The two areas of the mine expansion are indicated in red on the attached map.

Western Addition Approximately 1.2 Acres

Coordinates: UTM WGS84

- A. 295955 3974530
- B. 295919 3974534
- C. 295901 3974518
- D. 295899 3974488
- E. 295907 3974470

Eastern Addition Approximately 3.8 Acres

Coordinates: UTM WGS84

H. 296291 3974517

I. 296273 3974547

J. 296301 3974555

K. 296357 3974551

L. 296364 3974519

M. 296339 3974506

F. A check for \$250.00 accompanies this application.

G. The permit acreage is a continuation of BLM lands.

Sincerely,

David Williams
Eagle Mesa Mine Manager

This report is compiled by Rod Blackford, company Geologist.