

Department of Geology and Mineral Industries

Mineral Land Regulation and Reclamation 229 Broadalbin Street SW Albany, OR 97321-2246 (541) 967-2039

> Fax: (541) 967-2075 www.oregongeology.org

Report of Onsite Inspection Conducted July 3, 2013

Halanlahalalllandall

Oregon Resources Corp. PO Box 1350

Coos Bay OR 97420

MLRR ID: 06-0073 ORC Mine Sites

DEO Permit: 119430

DOGAMI scheduled the inspection to review reclamation work conducted to date at West Section 10 and South Seven Devils extraction cells. DOGAMI was accompanied on the inspection by Nate Peterson, Mine Geologist, Oregon Resources Corporation; and Anita Andazola, Compliance Project Manager, Army Corps of Engineers. No extraction activities were occurring at the sites; continued reclamation grading, invasive plant management and vegetation establishment activities are occurring or planned to occur soon.

West Section 10 Reclamation

West Section 10 has been completely backfilled, graded, seeded and materials from slash piles spread over the site at the landowner's request. The site is almost uniformly flat and appeared stable with good grass coverage and minimal gorse recruitment. ORC stated more gorse management was intended for the site. With the exception of continued gorse management and planting of trees West Section 10 is largely reclaimed.

South Seven Devils Reclamation

A majority of the reclamation grading has been completed at the South Seven Devils (SSD) cell. Areas south of the access road appear to meet final grading requirements and are well vegetated with grass with flatter portions spread with slash material. The northern ½ of the SSD cell appears at or near final grade with sparse grass establishment. Areas previously hydroseeded, specifically the reestablished drainage in the northern portion had vigorous vegetation, mostly grasses, with several rush and sedge species present as well. Around a dozen snags and logs have been "planted" throughout the northern portions of the site to create vertical structure and is a valuable addition to the reclamation efforts.

Grading and shaping is incomplete in southern portion of the cell north of the access road. Nate Peterson stated ORC suspended work on the grading due to wet weather and intends to complete reclamation grading in the next several months during the "dry" period. It did not appear that much grading and shaping was left to complete at the site with the majority reclamation left to be vegetation establishment and invasive species management.

Inspected by:

Isaac Sanders Reclamationist

C:

Mineral Land Regulation & Reclamation

Coos County Planning Department Weyerhaeuser Company Federal Way Weyerhaeuser NR Company Coos Bay Anita Andazola ACOE

Chris Clair -- ODFW

Jack and Julie Jones - Bandon Woodlands Community Ass'n

Cameron LaFollette - ORCA

ID No. 06-0073 Oregon Resources Corp. Inspection Date July 3, 2013 Page 2 of 2

Storm Water

ORC recently purchased a new 2 pump water management system to replace the previously rented equipment. The new system appears to be functioning correctly, but with the warm dry weather the system did not run during the inspection. The northern end of the SSD cell, the eventual location for site drainage and site of the fall 2012 breach of the storm water system, was well maintained and displayed no evidence of storm water release since the 2012 event. Overall the storm water management at the site appeared to be functioning as intended. No evidence of track-out onto Beaver Creek Road was observed and the access road was in excellent repair and vegetation was continuing to colonize the portions of the road shoulder disturbed during the widening undertaken in 2011.

Reclamation Security

DOGAMI holds a Letter of Credit in the amount of \$125,000 to cover reclamation liabilities incurred under this permit. The current amount is more than sufficient to cover the remaining reclamation liabilities of the site. DOGAMI understands that ORC wishes to maintain the current reclamation security value to accommodate for resumption of mining activities in the currently permitted extraction areas.

Overall the reclamation of West Section 10 and South Seven Devils cells is progressing well with a majority of the land shaping and grading completed. The majority of the reclamation remaining at the site involves establishing vegetation and controlling erosion until vegetation is established sufficiently to anchor the reclaimed surfaces. DOGAMI is satisfied the pace of reclamation and will recommend the site for consideration by the Mined Lands Reclamation Award Program.