Lordsburg Mining Company
PO Box 129
Lordsburg, NM 88045
Main Office 505 255 4852 Mill 575 542 3524

September 29, 2014

Mr. James Hollen
Mining Act Reclamation Program
Mining and Minerals Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

Re: Summit Mine GR011ME; Transmittal of Modification Request

Mr Hollen,

Please find enclosed an original and 5 copies of a permit modification request to provide for surface exploration core drilling for the above referenced mining act permit GR011ME. Also find enclosed the permit fee in the form of check in the amount of $250.00. Please let me know if you have any questions or need additional information. I can be reached on my cell phone at 505 363 9463 or by email at johnwhite6225@gmail.com. Thank you.

Sincerely,

John L. White

MODIFICATION APPLICATION FOR PERMIT GR011ME

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Director
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400
Webpage: www.emnrd.state.nm.us/MMD/index.htm

CHECK OFF LIST TO DETERMINE YOUR PROJECT'S STATUS AS A MINIMAL IMPACT EXPLORATION OPERATION:

☐ Yes	X No	My project **will exceed 1000 cubic yards of excavation**, per permit (drill pads, mud pits, and roads will not be counted in excavated materials).
☐ Yes	X No	Surface disturbances for constructed roads, drill pads and mud pits **will exceed 5 acres** total for my project.
☐ Yes	X No	My project is located in or is expected to have a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers reservoirs or riparian areas.
☐ Yes	X No	My project is located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in an adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, section 75-6-1 NMSA 1978.
☐ Yes	X No	My project is located in an area designated as Federal Wilderness Area, Wilderness Study Area, Area of Critical Environmental Concern, or an area within the National Wild and Scenic River System.
☐ Yes	X No	My project is located in a known cemetery or other burial ground.

☐ Yes X No My project is located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties.

☐ Yes X No My project will or is expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10,000 mg/L, except exploratory drilling intersecting ground water may be performed as a minimal impact operation.

☐ Yes X No My project is expected to use or using cyanide, mercury amalgam, heap leaching or dump leaching in its operations.

☐ Yes X No My project is expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area.

☐ Yes X No My project requires a variance from any part of the Mining Act Rules as part of the permit application.

If you answer yes to any of the above questions, your project does not qualify as a minimal impact exploration operation.

Confidential Information

☐ Yes X No Is any of the information submitted in this application considered by the applicant to be confidential in nature? If yes, please provide this information separately and marked as "confidential."

SECTION 1 – OPERATOR INFORMATION

Project Name: Summit Mine

Nearest Town To Project: Duncan, AZ

Applicant Name and Contact Information (entity obligated under the Mining Act):

Name: The Lordsburg Mining Company

Address: PO Box 129

Lordsburg, NM 88045

Office Phone: 505 255 4852 Cell Phone: 505 363 9463

Fax Number: Email: johnwhite6225@gmail.com

Name of On-Site Contact, Representative, or Consultant:

Name: John White

Address: Above

Office Phone: 575 542 3524 Cell Phone: 505 363 9463

Fax Number: Email: jwhite@santafegoldcorp.com

SECTION 2 – RIGHT TO ENTER INFORMATION

A. Describe or attach copies of documents that give the applicant the right to enter the property to conduct the exploration and reclamation, include: lease agreements, access agreements, right of way agreements, surface owner agreements, and claim numbers, if applicable.

See Attached documents. Drill Pads will be along county road Summit Peak Road located on the Irish Jew Claim

Attachment _____

B. List the names and addresses of surface and mineral ownership within the proposed permit area. If the mineral is federal mineral, indicate as federal mineral, but provide the name of the claim holder or lease holder.

Surface Estate Owner(s):

Name	Address	Phone #
☐ U.S. BLM	_____	_____
	_____	
☐ U.S. Forest Service	_____	_____
	_____	
☐ State of NM	_____	_____
	_____	
X Private/Corporate	PO Box 129	575 542 3524
Name: Lordsburg Mining Co	Lordsburg, NM 88045	
☐ Other	_____	_____
Name: _____	_____	

Lease Holder(s) of Surface Estate (if applicable): N/A

Name	Address	Phone #

Mineral Estate Owner(s):

Name	Address	Phone #
☐ Bureau of Land Management		
☐ US Forest Service		
☐ State of NM		
X Claim/Lease Holder	Same as above	

Name: Same as above

Claim Numbers: Irish Jew Lode; Min Survey No. 1010-G

☐ Claim/Lease Holder		

Name:

Claim Numbers:

☐ Other		

Name:

C. Has a Cultural Resource Survey been performed on the site?

☐ Yes X No If yes, please provide the author, title, date and report number, and include a copy of the survey with this application, if possible:

_____

_____

Attachment _____

D. Has a wildlife survey or vegetation survey been performed for the permit area?

☐ Yes X No If yes, please provide the author, title, date and report number, and include a copy of the survey with this application, if possible:

_____

_____

_____

Attachment _____

SECTION 3 – MAPS AND PROJECT LOCATION

A. Project Location:

Township 16S Range 21W Section 36

Township _____ Range _____ Section _____

Township _____ Range _____ Section _____

List the drill hole/exploration name and the GPS coordinates for each site.

I.D. Number	Northing / Latitude	Easting / Longitude
1	32.8758	108.9710
2	32.8758	108.9710
3	32.8758	108.9710
4	32.8758	108.9710
5	32.8760	108.9719
6	32.8760	108.9719
7	32.8764	108.9725
8	32.8764	108.9725
9	32.8764	108.9725
10	32.8768	108.9726
11	32.8768	108.9726
12	32.8758	108.9710
13	32.8758	108.9710
14	32.8758	108.9710
15	32.8758	108.9710

I.D. Number	Northing / Latitude	Easting / Longitude

Coordinate system used to collect GPS data points:

- ☐ NAD83 Geographic
- ☐ NAD83 UTM Zone 13 (or 12)
- X WGS 1984
- ☐ NAD27 Geographic
- ☐ NAD27 UTM Zone 13 (or 12)
- ☐ Other: _____

Attachment _____ (for listing additional boreholes)

B. Maps (see application form instructions for examples of maps to be included):

Are topographic maps included with the application that show the following items:

X Yes – The boundary of the proposed exploration project Permit Area

X Yes – The proposed exploration locations (i.e., borehole locations)

X Yes – Existing roads, new roads and overland travel routes

☐ Yes X N/A – Areas of proposed road improvement

Attachments _____

Are maps or figures included with the application showing the approximate dimensions and locations of drill pads and other disturbances:

X Yes – Drill pad dimensions and constructed drill pad locations

Attachments _____

C. Provide detailed driving directions to access the site: _____

Take Carlisle Road North from Hwy 75 in Duncan, AZ. Follow county road for about 16 miles to drill site.

SECTION 4 – EXPLORATION DESCRIPTION

A. Anticipated exploration: Start Date: Nov. 1, 2014 End Date: Feb. 1, 2014

B. List the mineral(s)/element(s) to be explored for: Gold and Silver

C. Proposed method(s) of exploration:

☐ **Air drilling (air rotary, coring, etc.):**

_____# of holes _____Depth (ft.) _____Diameter (in.)

_____# of drill pads _____Length (ft.)_____Width (ft.)

Will drill pads be graded/bladed or overland: ☐ Graded/bladed ☐ Overland

Will drill pads need some mechanical leveling (grading/blading): ☐ Yes ☐ No

Approx. Weight of Drill Rig (lbs.)_____ Number of Axles: _____

Total length of drill stem that can be carried on the rig:_____

Is a support pipe truck anticipated? ☐ Yes ☐ No _____Weight (lbs.)

Weight of support compressor (lbs.):_____Trailer mounted?_____

Anticipated Drilling Contractor:_____ License No._____

X **Mud/fluid drilling:**

15 # of holes 900' to 1300' Depth (ft.) <5" Diameter (in.)

4 # of drill pads 70 Length (ft.) 40 Width (ft.)

Will drill pads be graded/bladed or overland: X Graded/bladed ☐ Overland

Will drill pads need some mechanical leveling (grading/blading): ☐ Yes X No

Will a closed loop system be used or will mud/fluid pits be used? Both

If mud/fluid pits are proposed:

2 # of pits 16 Length (ft.) 10 Width (ft.) 8 Depth (ft.)

Anticipated excavating equipment: Front End Loader

How will excavating equipment be transported to the site (i.e., driven, low-boy, etc.):

Driven

Will mud pits be lined?: ☐ Yes X No

If yes, proposed material to line the mud pits: _____

Approx. Weight of Drill Rig (lbs.) <80,000 Number of Axles: 3

Anticipated Drilling Contractor: TBD License No. _____

☐ **Test pits / exploratory trenches:**

_____# of pits _____Length (ft.) _____Width (ft.) _____Depth (ft.)

Anticipated excavating equipment: _____

How will excavating equipment be transported to the site (i.e., driven, low-boy, etc.): _____

_____

_____

☐ **Other methods of exploration** (i.e., cuts, shafts, tunnels, adits, declines, blasting, etc.). Indicate method and details: _____

_____

_____

TOTAL ACREAGE TO BE DISTURBED DUE TO DRILL PADS = 0 acres
(to convert to acres, multiply total square footage of drill pads by 0.0000229)

D. Disposal of drill cuttings

If this exploration project is for uranium or other radioactive elements/minerals, applicant agrees to perform a gamma radiation survey at each drill site prior to, and after, exploration activities. Applicant/Owner/Operator agrees to restore gamma radiation levels at each drill site to pre-exploration levels. ☐ Yes ☐ No X N/A

Will excess drill cuttings be buried at each drill site location or within a single disposal pit?
At each drill pad location X Within a single disposal pit

If a single disposal pit is proposed, please provide the following:

Description or GPS coordinates of the proposed cuttings disposal pit location:
Inspiration portal site

Dimensions of the single proposed cuttings disposal pit (length, width, and depth):

_____Length (ft.) _____Width (ft.) _____Depth (ft.)

TOTAL ACREAGE TO BE DISTURBED DUE TO DISPOSAL PIT = 0.01 acres
(to convert to acres, multiply total square footage of disposal pit by 0.0000229)

E. Other Supporting Equipment (check all that apply):

☐	4x4 Trucks/Vehicles	Quantity:	2
☐	Water Truck	Weight (lbs.):	1 @ 40,000 lb
☐	Geophysical Truck	Weight (lbs.):	
☐	Pipe Truck (rig support)	Weight (lbs.):	1 @ 10,000 lb
☐	Bulldozer	Type:	
☐	Backhoe	Type:	
☐	Trackhoe	Type:	
☐	Scaper/Grader	Type:	
☐	Trailers	Quantity/Type:	
☐	Portable Toilet	Quantity:	Facility At Mine
X	Other	List:	Front End Loader

F. Roads and Overland Travel:

List of <u>new</u> roads to be constructed for this exploration project:

Description of *NEW* Roads	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
N/A (All access is along County Road: Summit Pk Rd)			
TOTAL ACRES DISTURBED BY NEW ROAD CONSTRUCTION :			0

Describe how new roads will be constructed: _____

List for <u>extension or widening of existing</u> roads:

Description of Modification to *EXISTING* Roads	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
N/A			
TOTAL ACRES DISTURBED BY ROAD IMPROVEMENTS :			**0**

Describe how existing roads will be extended or widened: _____

List for routes of overland travel:

Description of *OVERLAND TRAVEL* Routes	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
N/A			
TOTAL ACRES DISTURBED BY OVERLAND TRAVEL :			0

G. Support Facilities

Describe (location and size) any support facility disturbances (equipment staging, equipment and material storage and/or lay down areas, vehicle parking, temporary housing and/or trailers) to be created or situated on the site during exploration operations.

N/A (No new sites or facilities needed. Staging is at main Summit portal site)

H. **TOTAL ACREAGE TO BE DISTURBED BY PROJECT = 0.01 acres**
(include all disturbed acreage from drill pads, cuttings disposal pit, new roads, improved roads and overland travel routes)

SECTION 5 – CHEMICAL USE

A. Check any and all chemicals that will be used for this project.

☐ Drilling Mud (i.e., EZ Mud)	Type/Quantity:	Est 30 @ 50# sacks Ex mud
☐ Diesel Fuel	Quantity:	1 55 gal drum per day
☐ Down-hole Lubricants	Type/Quantity:	5 pails @ 5 gal/pail polymer
☐ Lost Circulation Materials	Type/Quantity:	
☐ Oils/Grease	Quantity:	55 gallons oil, 35 gallons grease
☐ Gasoline	Quantity:	55 gallons
☐ Hydraulic Fluid	Quantity:	15 gallons
☐ Ethylene Glycol	Quantity:	
☐ Cement	Type/Quantity:	30 bags @ 50 lbs ea
☐ Water	Source:	Public water Duncan
☐ Bentonite	Quantity:	20 @ 50 # bags
☐ Fertilizer	Type/Quantity:	
☐ Other	Type/Quantity:	

B. Describe, in detail, a plan for the containment, use and disposal of all chemicals listed above:

All chemicals used are benign and are commonly used in exploration drilling activities. All drilling fluids, mud and cuttings will be placed in the mud pit. No chemicals will be permitted to leave the drill site. Care will be taken to avoid soil contamination from fuels, oils or grease used in the drilling equipment during the operations. Any soil contaminated with fuels, oils etc will be promptly removed and properly disposed of in accordance with Federal and NM state laws. All debris and trash will be kept in appropriate containers and also be promptly removed from the site and disposed of properly.

C. Describe where equipment fueling/refueling will occur:

Refueling will be done at the drill sites with appropriate absorbent materials or drip pans to contain any spilled fuels or other machine fluids. No sites are located within 100' of any drainage. Any drained fluids will be contained and properly disposed of.

D. Describe how hazardous material spills/leaks will be handled:

All work will be stopped immediately. Proper PPE for materials present on site will be maintained on site. The material will be contained, isolated, and covered to protect from exposure to the environment. Proper containers will be brought in and materials contained and then transported to an appropriate permitted facility for disposal. All reportable spills will be reported as required by regulations.

E. Identify spill cleanup materials that will be kept on-site (check all that apply):

- X Bentonite clay or cat litter
- X Adsorbent pads, rolls, mats, socks, pillows, dikes, etc.
- X Drum or barrel for containing contaminated soil/adsorbent materials
- ☐ Other/list: _____
- ☐ Other/list: _____
- ☐ Other/list: _____

F. Applicant/owner/representative agrees to immediately notify the State of New Mexico immediately of any spills of hazardous materials (see page 1 of this application for phone numbers to notify): X Yes No

SECTION 6 – GROUNDWATER/SURFACE WATER INFORMATION

A. Provide an estimate of depth to ground water and the total dissolved solids (TDS) concentration.

Depth to groundwater (ft.): 450' TDS concentration (mg/L): 670

Describe the source of this information: Summit Mine direct observation and water samples collected from mine in 2013

B. Will dewatering activities be conducted: ☐ Yes x No

If yes, please describe:

C. Is groundwater anticipated to be encountered during exploration:
x Yes ☐ No

If YES:

Have you completed Form WR-07 (Application for permit to drill a well with no consumptive use of water) and mailed it to the District Office of the State Engineer? ☐ Yes
Will be completed Prior to final MMD permit modification approval.
Have you completed Form WD-08 (Well plugging plan of operations) and mailed it to the District Office of the State Engineer? ☐ Yes
Will be completed and submitted by well driller after completion of holes.
Attachment _____ (copies of the completed WR-07 and WD-08 forms)

D. Exploration Borehole Abandonment

Dry Boreholes

☐ Dry hole abandonment (option 1): 100% bentonite pellets/chips (i.e. HOLEPLUG® manufactured by Baroid Industrial Products), dropped from surface then hydrated in place according to the manufacturer's recommendations, emplaced from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement,

followed by 2 feet of topsoil/topdressing.

☐ Dry hole abandonment (option 2): Neat cement slurry, mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.

☐ Dry hole abandonment (option 3): Cement + 6% bentonite slurry, mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.

X Dry hole abandonment (option 4): High-density bentonite clay (≥ 20% active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

☐ Dry hole abandonment (option 5): Other materials / describe and justify use:

_____

_____

Wet Boreholes

☐ Wet hole abandonment (option 1): Neat cement slurry, mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.

X Wet hole abandonment (option 2): High-density bentonite clay (≥ 20% active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

☐ Wet hole abandonment (option 3): Other sealing material approved by the Office of the State Engineer. Describe and include well plugging plan approval by the State Engineer:

_____

_____

_____

_____

_____

D. Applicant agrees to contain any water produced from the exploration borehole at the drill site and acknowledges that discharge of this water to a watercourse

may be a violation of the Federal Clean Water Act: x Yes ☐ No

E. Is any drilling proposed to occur within the channel of any perennial, intermittent, or ephemeral streams? ☐ Yes x No

F. Is any drilling anticipated to occur within 100 feet of any perennial, intermittent, or ephemeral streams? ☐ Yes x No

SECTION 7 – RECLAMATION & OPERATION PLAN

A. Salvage/Preservation of Topsoil

Before any grading/blading or similar activities occur in relation to this project, operator agrees to salvage and preserve all topsoil and topdressing for use in future reclamation of this project x Yes ☐ No

Describe how topsoil will be salvaged prior to initiation of exploration activities (check all that apply):

x N/A – no construction work will occur, therefore no soil salvage is needed.

☐ Excavated from drill pads and stored at each drill pad

☐ Excavated from road improvements/construction and stored adjacent to road

☐ Excavated from mud/fluid pits and storage at each pit

☐ Other, describe: _____

_____

B. Erosion Control

Describe the best management practices that will be implemented to control erosion:

X	Silt fencing	Location:	As needed
☐	Straw waddles	Location:	
☐	Straw bales	Location:	
☐	Ditches/swales	Location:	
x	Berms/dikes/dams	Location:	Along margin of road and around mud pits
☐	Sediment basins	Location:	
☐	Other or N/A	Type/Location:	

C. Wildlife Protection / Noxious Weed Prevention

Will the perimeter of drill pits be fenced to prevent wildlife entrapment? x Yes ☐ No

Proposed pit perimeter fence material: Safety fencing and/or wood/metal stakes with netting.

Describe how the pit perimeter fencing will be installed and secured (i.e., T-posts, wooden stakes, etc.):

T-posts or wooden stakes

Will at least one side of the interior of the drill pits be sloped at 3:1 as a ramp for wildlife escape? X Yes ☐ No

If No, will another type of constructed escape ramp be installed? Describe:

Applicant/Owner/Operator commits to pressure-washing or steam-clean all equipment prior to entering the permit area: X Yes ☐ No

D. Reclamation Details

Describe in general how re-contouring or re-establishment of the surface topography will be restored:

N/A No change in surface topography will be made to perform this drilling. All drilling will be done from existing road turnouts along existing road.

Describe how the reclamation of portals, adits, drilling fluid/mud and/or waste pits, shafts, ponds, roads and other disturbances will be performed:

Pits will be filled in and covered with a minimum of 24" of road bed material

Is seeding of the reclaimed areas proposed: ☐ Yes X No

If no, provide a justification as to why no revegetation is needed:

The the drill pads are on existing unvegetated roadways that are to remain in their existing condition

Plant mix to be used in the re-establishment of vegetation: N/A

☐ US Forest Service specified mix applied through broadcast at their recommended rate
☐ BLM specified mix applied through broadcast at their recommended rate
☐ Other:

Plant Name	Seeding Rate (lbs./acre)

Broadcast applied or drill-seeded: ☐ Broadcast ☐ Drill-seeded

Scarification Methods (check all that apply):
☐ Primary tillage to greater than 6-inches depth of all constructed drill pads and roads
☐ Secondary tillage of all constructed drill pads and roads, and/or overland travel routes
☐ Chain drag or tire drag over seeds in areas used for overland travel
☐ Light raking of soil over seeds in areas used for overland travel
☐ None
☐ Other/describe:_____

_____

Mulch Use:
☐ Certified weed-free straw mulch will be placed over areas that have been tilled/disced or ripped at a rate of 2 tons per acre, and will be crimped in place
☐ No mulch is proposed

E. Reclamation Timeline

Applicant/Owner/Operator commits to reclamation of the disturbed area as soon as possible following the completion or abandonment of the exploration operation, unless the disturbed area is included within a complete permit application for a new mining permit:
x Yes ☐ No

Anticipated Start of Reclamation:

X 0-30 days after completion of drilling
☐ 31-60 days after completion of drilling
☐ Other/specify: _____

SECTION 8 – PERMIT FEES AND FINANCIAL ASSURANCE

A. Financial assurance must be posted with Mining and Minerals Division prior to approval of this application. The acceptable forms of financial assurance are surety bonds, letters of credit, and certificates of deposit. Provide an estimate of, and an instrument for, the proposed financial assurance required by Subpart 3.

☐ Surety Bond
☐ Letter of Credit
☐ Cash Account / Certificate of Deposit

Financial assurance instrument to be determined and submitted at the time of final approval of application

X Estimated amount of financial assurance: $70,000

5 drill holes per phase (max feet per phase 5,000): 5,000' x $14/Ft = $70,000.00
Acres disturbed to be reclaimed (cuttings pit): 0.01 ac x $8,900 = $ 89.00
Total $70,089.00

Or

☐ Applicant will provide the amount of financial assurance calculated by MMD.

B. Attach the permit fees as determined pursuant to Subpart 2. The application fee for a minimal impact exploration permit is $500.00.

This is being submitted as a modification request of the Summit Mine Minimal Impact Existing Mine Permit. A permit fee of $250.00 is enclosed.

☐ Money Order/Cashier's Check
X Check

Check Number : _____

Financial Institution: Wells Fargo Bank

SECTION 9 – CERTIFICATION REQUIREMENT (§302.I.3 & 4)

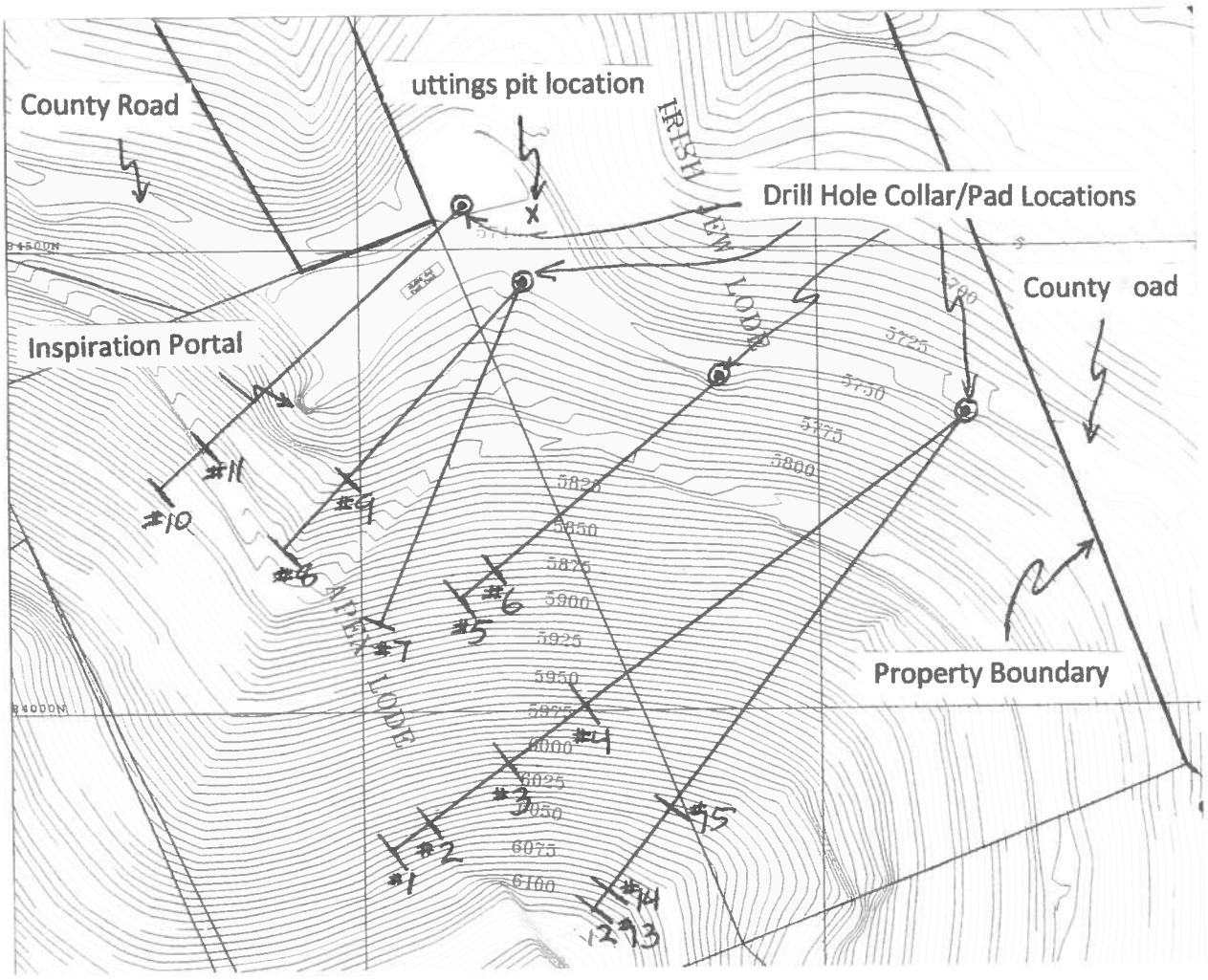
I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individuals responsible for obtaining the information; I believe the submitted information is true, accurate, and complete. I agree to comply with the reclamation requirements set forth in this permit application and related correspondence, the New Mexico Mining Act and the Rules. Further, I certify that I am not in violation of any other obligation under the New Mexico Mining Act or the Rules adopted pursuant to that Act and I allow the Director to enter the permit area, without delay, for the purposes of conducting inspections during exploration and reclamation.

Signature of Permittee or Authorized Agent: _____

Name (type or print): John L. White

Title/Position: Vice President

Date: 9/26/14



Summit Mine Project
Proposed Surface Core Hole Locations

JLW Sept. 2014

Photos of Planned Drill Sites

Drill holes 1-4, 12-15

Drill holes 5, 6 Drill holes 7, 8, 9 Drill holes 10, 11 Inspiration portal