

MINE PERMIT APPLICATION

**MIDNIGHT MINE PROPERTY
SIERRA COUNTY, NEW MEXICO**

COBRE MINING COMPANY

Prepared by:

**Camp Dresser & McKee Inc.
2400 Louisiana Blvd. NE Suite 740
Albuquerque, NM 87110
505-881-3077**

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1.0 INTRODUCTION

Camp Dresser & McKee Inc. (CDM) has prepared this Mine Permit Application on behalf of Cobre Mining Company (Cobre) pursuant to the requirements of the New Mexico Mining Act Rules (Rules), adopted pursuant to New Mexico Statutes Annotated (NMSA) Section 69-36-8. Cobre Mining Company is the name of the applicant to whom the permit will be issued. This document is submitted to the Director of the Mining and Minerals Division (MMD) (Director) of the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD) for the Midnight Mine Property in Sierra County, New Mexico. The Midnight Mine Property Permit Area is classified as an existing mining operation pursuant to NMSA Section 69-36-3. The Midnight Mine Property Permit Area has produced marketable minerals for a total of at least two years between January 1, 1970 and the effective date of the New Mexico Mining Act (Act).

2.0 OWNERS OF SURFACE AND MINERAL ESTATES

The proposed Midnight Mine Property Permit Area is shown in Figure 1. The Permit Area is the area defined by the four patented and seven unpatented mining claims. The surface and/or mineral estates of all properties within the proposed permit area of the Midnight Mine Property are either mineral estates held by Cobre by right of location, surface and mineral estates owned by Cobre in fee, or surface and mineral estates owned by the U.S. Government (Department of Agriculture, Forest Service).

3.0 RIGHT OF ENTRY

Cobre owns four patented claims within the Permit Area, and holds a number of unpatented claims within the Permit Area through the right of location under the Mining Law of 1872. (See Figure 1). These claims cover approximately 160 acres in Section 1, T12S, R9W.

As the unpatented claims are located on USFS land, a Plan of Operation and a Road Use Permit may need to be submitted. Expansion of the existing Midnight Mine may require access to the unpatented claims located within the Permit Area. Prior to conducting mining and reclamation on these claims, Cobre will, if necessary, submit and obtain an approved Plan of Operations from the U.S. Forest Service.

4.0 SITE ASSESSMENT UPDATES AND ADDITIONS

A Site Assessment dated December 30, 1994, submitted pursuant to Section 69-36-5 of the Act, is included as Appendix A. There are no updates or additions to the Site Assessment at this time.

5.0 DISCUSSION OF MAPS

Figure 1 outlines the proposed Permit Area. Also shown on Figure 1 are the locations of existing pits, shafts and adits, as specified by Rule 5.2.D.5. Design limits for a proposed waste rock dump and plant site will be less than two (2) acres each and are not shown on Figure 1.

6.0 VEGETATION SURVEY

Vegetation on the Midnight Mine property is classified by Dick-Peddie (1993) as Coniferous and Mixed Woodland consisting of piñon-juniper vegetation. Dominant species are Colorado piñon (*Pinus edulis*) and alligator juniper (*Juniperus deppeana*). Understory vegetation is dominated by grasses such as grama grasses (*Bouteloua* spp.) and junegrass (*Koeleria pyramidata*). South facing slopes are open with scattered trees almost forming a savanna-like habitat. North facing shaded slopes have a higher density of tree cover that includes ponderosa pine (*Pinus ponderosa*). Trees at the site provide nesting and cover habitat.

Cottonwoods (*Populus* spp.) and other deciduous trees are limited in occurrence. Riparian areas in the vicinity of the site tend to be rocky or barren with limited vegetation cover. Water is limited, and the intermittent drainages are unable to support dense stands of riparian vegetation.

7.0 EXISTING PERMITS AND REGULATORY REQUIREMENTS

The regulatory framework under which the Midnight Mine could operate is included in Section 2 of Attachment A (Site Assessment).

In compliance with Bureau of Land Management regulations under requirements of 43 CFR Part 3833.1-5, Cobre has submitted rental fee payments for the seven (7) unpatented mining claims (Midnight No. 1 through Midnight No. 7) for the year 1995.

8.0 IDENTIFICATION OF AGENT

Cobre designates Mr. Tommy Williams, General Manager for the Continental Mine Operations, as agent for this Permit Application. Mr. Williams' address is as follows:

Cobre Mining Company
303 Fierro Road
P.O. Box 424
Hanover, New Mexico 88041
(505) 537-3391 (phone)
(505) 537-3144 (facsimile)

9.0 PROPOSED FORM OF NOTICE

Public notification and participation requirements, as indicated by Rules 5.2.D.9. and 5.3.F.5, and described in Rule 9, will take the form of the letter attached as Appendix ~~C~~^B. This letter, or a bulletin containing the same information, will be distributed as described in Rule 9.3. Following notification that the permit application is complete, the Director will be provided with copies and documentation of the publications described in Rule 9.3.

10.0 PERMIT FEE

Included with this Mine Permit Application is a permit fee of \$1000.00, pursuant to Section 2.1.A and 2.3.B of the New Mexico Mining Act Rules and the MMD's Guidelines for Existing Mine Permit Application Fees. This fee is based upon design limits for waste dumps of less than two acres (\$500.00 fee) and a plant site of less than two acres will (\$500.00). These fees are consistent with the MMD's Permit Fee Guidelines.

The Permit Area encompasses a total of 160 acres. A maximum of four acres of reclaimed waste rock dumps exists. MMD personnel visited this site during the fall of 1994 and inspected the result of reclamation activities performed on the dump. No additional reclamation activities appeared necessary at that time, with the exception of the need to bury a portal, should mining activities cease.

Pursuant to Section 2.3 of the Rules, Cobre will submit the appropriate permit fee to the MMD once the fee assessment is performed by the Director.

11.0 ADDITIONAL INFORMATION REQUIRED BY THE DIRECTOR

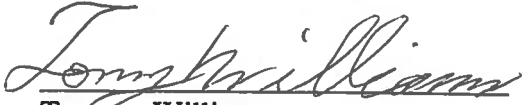
Cobre will provide additional information as required by the Director. Depending upon the specific request, Cobre may elect to declare any/all additional information supplied to the Director as confidential pursuant to Section 5.2 of the Rules.

12.0 CLOSEOUT PLAN

A closeout plan for the Midnight Mine Property shall be submitted by December 31, 1995 pursuant the NMSA Section 69-36-11. This closeout plan will be prepared pursuant to Section 5.6 of the Rules and will include all information listed in Section 5.6.B of the Rules.

13.0 CERTIFICATION

I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individual responsible for obtaining the information, I believe the submitted information is true, accurate, and complete.



Tommy Williams
General Manager, Continental Mine
Authorized Agent, Cobre Mining Company

14.0 REFERENCES

Dick-Peddie, W.A., 1993: *New Mexico Vegetation, Past, Present and Future*. University of New Mexico Press, Albuquerque, New Mexico.

**APPENDIX A
MIDNIGHT MINE PROPERTY SITE ASSESSMENT**

**MINING OPERATION SITE ASSESSMENT
MIDNIGHT MINE PROPERTY
SIERRA COUNTY, NEW MEXICO**

COBRE MINING COMPANY

Prepared Pursuant to NMSA, SECTION 69-36-5 (1994 Repl.Pamp.)

Prepared By:

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1.0 BACKGROUND

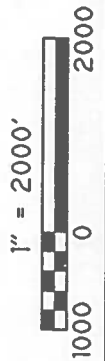
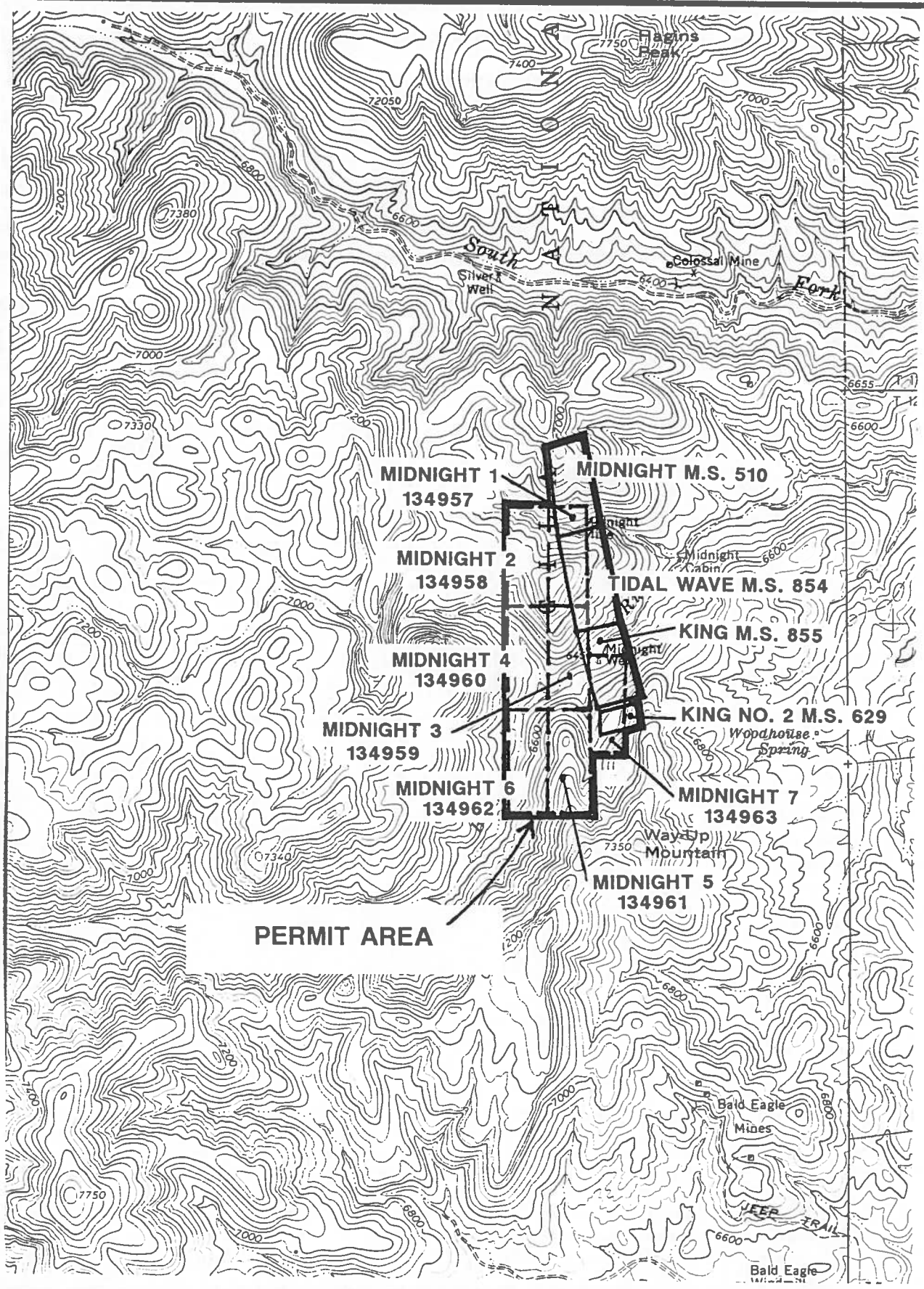
1.1 GENERAL OVERVIEW/PROPERTY HISTORY

Camp Dresser & McKee Inc. (CDM) has prepared this Site Assessment Report on behalf of Cobre Mining Company (Cobre) pursuant to New Mexico Statutes Annotated (NMSA) Section 69-36-5 for the Midnight Mine Property. This document is submitted to the Director of the Mining and Minerals Division (MMD) (Director) of the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD). The Midnight Mine Property Permit Area is classified as an existing mining operation pursuant to NMSA Section 69-36-3. The Midnight Mine Permit Area has produced marketable minerals for a total of at least two years between January 1, 1970 and the effective date of the New Mexico Mining Act (Act).

This document has been prepared utilizing information compiled from Cobre, St. Cloud Mining (Goldfield), the New Mexico Bureau of Mines and Natural Resources (NMBMMR), the United States Geological Survey (USGS) and the United States Forest Service (USFS). Also included is information gathered during a site visit on December 8, 1994.

The Midnight Mine Permit Area, delineated in Figure 1-1, is located in the Apache Mining District in Sierra County, New Mexico, approximately 25 miles northwest of Truth or Consequences. The Midnight Mine Permit Area is located completely within the Gila National Forest. The area was first prospected in the early 1880's and developed until about 1900. The Midnight Mine was reopened and rehabilitated in 1917 and production continued until the mid-1920's. The property was leased to Goldfield Consolidated Mines Company (Goldfield) in 1986 when the adit level was reopened. Between 1986 and 1991, Goldfield performed exploration (sampling and diamond drilling) and mined a stope above the adit level.

Source: United States Geological Survey, Camp U



REFERENCE: USGS 7.5 MINUTE SERIES (TOPOGRAPHIC)
WINSTON, NEW MEXICO QUADRANGLE (1965)



CORBE MINING COMPANY - MIDNIGHT MINE PROPERTY

CDM
environmental engineers, scientists,
planners, & management consultants

PATENTED AND UNPATENTED
MINING CLAIMS

Figure No. 1

1.2 PRESENT MINING ACTIVITIES

There are currently no active mining operations at the Midnight Mine.

1.3 REINITIATION OF MINING ACTIVITIES

Cobre is currently evaluating the reinitiation of mining activities at the Midnight Mine. Cobre will contact the Director with specific information regarding the reinitiation of mining activity at the Midnight Mine when this evaluation is completed.

2.0 EXISTING PERMITS AND REGULATORY REQUIREMENTS

Various regulatory and permitting agencies could exercise jurisdictional control over the activities of the Midnight Mine Permit Area. Among those identified are the United States Environmental Protection Agency (USEPA), the New Mexico Environment Department (NMED), New Mexico State Engineers Office (NMSEO), the Mining and Minerals Division of the (NMEMNRD), the Mine Safety and Health Administration (MSHA), the NMBMMR, the (USFS), the United States Bureau of Land Management, (BLM) and the United State Bureau of Alcohol, Tobacco and Firearms (USBATF).

Of these agencies, the following table (Table 2-1) summarizes the regulatory framework under which the Midnight Mine could operate.

Table 2-1 Regulatory Framework		
Permit Name	Regulatory Agency	Purpose of Permit
Stormwater/NPDES	USEPA	Protect Surface Water
SPCC	USEPA	Above Ground Fuel Storage Plan
Groundwater Discharge Plan	NMED	Compliance with NMWQCC Regulations
Mine Registration	MSHA	Mine Safety
Explosives Transport	USBATF	Explosives Control
Mine Registration	NM Bureau of Mines, Office of Mine Inspector	Compliance with Mine Safety Regulations
Air Quality Permit	NMED	Compliance with Federal & State Air Quality Regulations
Mine Registration, Reporting and Safeguarding	NMEMNRD MMD	Annual Registration Annual Reporting
Permit for Tailings Dam	NMSEO	Safety Standards for Impoundments

**Table 2-1
Regulatory Framework**

Permit Name	Regulatory Agency	Purpose of Permit
Groundwater Appropriation	NMSEO	Water Rights
Solid Waste	NMED	Landfill Permits
Mining Activities	BLM/USFS	Plan of Operation, Road Use Permit, Environmental Assessment/Environmental Impact Statement
Radiation Sources	NMED	Registration
Mine Permit Application	MMD	Compliance with New Mexico Mining Act

In compliance with Bureau of Land Management regulations under requirements of 43 CFR Part 3833.1-5, Cobre has submitted rental fee payments for the seven (7) unpatented mining claims (Midnight No. 1 through Midnight No. 7).

3.0 IDENTIFICATION OF PERMIT AREA

The proposed permit area for the Midnight Mine Property includes four patented and seven unpatented claims located within lands under jurisdiction of the USFS. The permit area is shown in Figure 1-1, (Midnight Mine Property Permit Area) and is located in Section 1, T12S, R9W in the Apache Mining District in Sierra County.

The Midnight Mine Property Permit Area encompasses approximately 160 acres.

4.0 SURFACE AND GROUNDWATER

4.1 GROUNDWATER

Groundwater elevation in the vicinity of the Midnight Mine Property is unknown. However, groundwater has been impacted as the result of pumping at the adit level (35 foot level) during the late 1980's. There is a groundwater well (Midnight Well) located near the center of the King patented mining claim. No record of this well has been found in files at the New Mexico State Engineers Office. Neither the depth to or quality of groundwater is known.

4.2 SURFACE WATER

The area outside of the Midnight Mine portal slopes to the east into a gully which drains into Byers Run. A corrugated metal drainage culvert pipe (probably located on the Tidal Wave claim) drains a gully south of the Midnight Mine into Byers Run. This culvert is installed under a relatively new gravel road. Byers Run drains into the South Fork which drains into Chloride Creek. No surface water quality data is currently available.

5.0 GEOLOGIC REGIME

The Midnight Mine Property is located in the Apache (Chloride) Mining District of New Mexico in west central Sierra County. The main structural feature of the area is a quartz fissure vein (the Pye Lode) which strikes northerly and dips steeply to the west. The host rock in both the hanging wall and foot wall consists of andesite with blocks of limestone. The fissure vein consists of quartz with azurite, malachite, bornite, chalcocite and minor galena and sphalerite. Ore zones occur where the fissure intersects limestone.

6.0 WASTE ROCK, TAILINGS AND OTHER MATERIALS

The portal of the Midnight Mine has been backfilled with waste rock. Immediately outside of the portal, waste rock has been piled about 20 feet high and graded to contour with the hillside. There are two relatively new roads which come up from Byers Run (at the Midnight Cabin and the Midnight Well) to the Midnight Mine. Along the road from the Midnight Well some prospecting has been done on a vein which may be the south end of the Pye Lode. There is a small waste rock pile at this location. These materials constitute the only apparently disturbed areas on the property and impact less than four acres.

The only potential impact to hydrogeologic balance and drainages is rainwater percolating through the waste rock in front of the portal. There are no apparent impacts to air quality at the Midnight Mine Property.

7.0 IMPACTS ON LOCAL COMMUNITIES

A reinitiation of mining activities at the Midnight Mine would positively impact Sierra County. The county has a population of about 9,800 with a total employment of 3,535 jobs (Bureau of Economic Analysis 1994). As of October 1994, the unemployment rate was 4.6% in Sierra County (personal communication, December 15, 1994, with Teresa Tafoya, New Mexico Department of Labor, Economic Research and Analysis, Albuquerque).

No mining operations are currently taking place at the Midnight Mine site. Roads to the site are primitive, making access difficult. No residences are present on the site or on adjoining lands.

8.0 WILDLIFE AND WILDLIFE HABITAT

8.1 WILDLIFE

Wildlife at the site includes those species typically associated with piñon-juniper vegetation, although the drainages will attract riparian species. Mammals include species such as coyote (*Canis latrans*), desert cottontail (*Sylvilagus audubonii*), mule deer (*Odocoileus hemionus*), and a variety of squirrels, mice, and other rodent species (Findley et al. 1975). Common birds include species such as red-tailed hawk (*Buteo jamaicensis*), Gambel's quail (*Callipepla gambelii*), mourning dove (*Zenaida macroura*), northern flicker (*Colaptes auratus*), scrub jay (*Aphelocoma coerulescens*), and mountain bluebird (*Sialia carrucoides*) (U.S. Forest Service 1992).

8.2 THREATENED AND ENDANGERED SPECIES

Five listed threatened or endangered wildlife species potentially occur on the Midnight mine site based on lists maintained by the New Mexico Department of Game and Fish (1993) and the U.S. Fish and Wildlife Service (1994) (Table 8-1). Gray vireo habitat occurs in areas containing piñon-juniper vegetation. Cliffs and rocky areas along Byers Run could potentially provide habitat for peregrine falcon, and open areas with low tree density may provide habitat for desert bighorn sheep. Because of limited water and vegetation, any riparian habitats would probably be classified as poor, and would not provide suitable habitat for riparian species.

8.3 POTENTIAL IMPACTS

Less than four acres of piñon-juniper habitat has been disturbed by previous mining operations. No historic impacts to wildlife from mining operations at the Midnight Mine have been noted.

<p align="center">Table 8-1 Threatened and Endangered Species Potentially Occurring in the Vicinity of the Midnight Mine Site</p>		
Species	Status	Habitat
Peregrine falcon <i>Falco peregrinus</i>	Federal and state endangered	Cliffs in wooded/forested habitats
Gray vireo <i>Vireo vicinior</i>	State threatened	Woodlands/shrublands of evergreen trees and shrubs usually dominated by junipers
Bighorn sheep (desert) <i>Ovis canadensis mexicana</i>	State endangered	Arid rocky mountains, mainly in open habitats

Sources: New Mexico Department of Game and Fish 1993, 1994, n.d.; Sublette et al. 1990; Tibbitts 1994; U.S. Fish and Wildlife Service 1994.

9.0 DESIGN LIMITS

Future disturbed acreage at the Midnight Mine Property will include less than four acres in the vicinity of the portal. Cobre anticipates design limits for waste dumps of less than two acres and a plant site of less than two acres. No detailed site plan (scale of 1 inch equals 500 feet or less) currently exists for this property.

10.0 REFERENCES

- Bureau of Economic Analysis. 1994. *Regional Economic Information System, Tables CA5 and CA25*. Bureau of Economic Analysis, Washington, D.C.
- Dick-Peddie, W. A. 1993. *New Mexico Vegetation, Past, Present, and Future*. University of New Mexico Press, Albuquerque, New Mexico.
- Findley, J. S., A. H. Harris, D. E. Wilson, C. Jones. 1975. *Mammals of New Mexico*. University of New Mexico Press, Albuquerque, New Mexico.
- New Mexico Department of Game and Fish. 1993. *Status List of T&E, Proposed and Candidate Species in Sierra County*. New Mexico Department of Game and Fish, Santa Fe, New Mexico.
- _____. 1994. Unpublished data on Endangered Species. New Mexico Department of Game and Fish, Santa Fe, New Mexico.
- _____. n.d. *Handbook of Species Endangered in New Mexico*. New Mexico Department of Game and Fish, Santa Fe, New Mexico.
- Sublette, J. E., M. D. Hatch, and M. Sublette. 1990. *The Fishes of New Mexico*. University of New Mexico Press, Albuquerque, New Mexico.
- Tibbitts, T. J. 1994. *A Survey Protocol for the Southwestern Willow Flycatcher (Technical Report NPS/NAUCPRS/NRTR-94/04)*. National Park Service, Colorado Plateau Research Station at Northern Arizona University, Flagstaff, Arizona.
- U.S. Fish and Wildlife Service. 1994. *Federally Listed and Candidate Plant and Animals Species -- County List for New Mexico*. U.S. Fish and Wildlife Service, New Mexico State Office, Albuquerque, New Mexico.
- U.S. Forest Service. 1992. *Birds of the Gila National Forest: a Checklist*. U.S. Government Printing Office, Washington, D.C.

**APPENDIX B
FORM OF PUBLIC NOTICE**

December 30, 1994

John Q. Public
P.O. Box 3000
Bayard, New Mexico 88042

RE: Notification of Mine Permit Application for the Midnight Mine Property, Sierra County,
New Mexico

Dear Sir/Madam:

Pursuant to the requirements of the New Mexico Mining Act Rules Section 9, notification is hereby provided of the submittal of an Application for Permit for the Midnight Mine Property, Sierra County, New Mexico. This Permit Application has been filed by Cobre Mining Company, 303 Fierro Road, P.O. Box 424, Hanover, New Mexico, zip code 88041. The proposed Permit area boundary is illustrated on the attached map (Attachment A). The Midnight Mine Property Permit Area is classified as an existing mining operation as defined by New Mexico Statutes Annotated (NMSA), Section 69-36-3.

The Permit Application has been filed with the Director of the Mining and Minerals Division (MMD) (Director) of the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD), subject to the requirements of New Mexico Mining Act Rule 5, Section 5.2 of the New Mexico Mining Act Rules. The Midnight Mine Property is currently inactive.

A complete copy of the Permit Application is available for public review and comment at the following address:

Office of the Director
Mining and Minerals Division
State of New Mexico
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

Written comments on the Permit Application will be accepted by the Director for a period of 60 days following your receipt of this letter [date of this publication]. As stated in the New Mexico Mining Act Rules Section 9.4, any interested person may request that the Director conduct a public hearing on the application. Such request must be made [in writing to the above address] within 30 days of your receipt of this letter [date of this publication].