

WRITTEN STATEMENT OF KATHY MCKINNEY

On Behalf of the Pitchfork Ranch

Before the Mining and Minerals Division of the

New Mexico Energy, Minerals & Natural Resources Department

on the Application of New Mexico Copper Corporation for a

Permit to Operate the Copper Flat Mine in Sierra County, New Mexico

October 23-24, 2018

On July 18, 2012, New Mexico Copper Corporation (NMCC), a wholly-owned subsidiary of THEMAC Resources Group, LTD., submitted to the Mining and Minerals Division of the New Mexico Energy Minerals and Natural Resources Department an application for a permit to operate the Copper Flat Mine in Sierra County, New Mexico, under the New Mexico Mining Act. I respectfully submit this written statement, under section 19.10.9.905.E NMAC, on behalf of Hillsboro Pitchfork located adjacent to the Copper Flat Mine. My written statement discusses my qualifications and presents the concerns of the Pitchfork Ranch over several pertinent issues relevant to the issuance of the mining permits. I will summarize my written statement with oral testimony during the hearing to be held on October 23 and 24, 2018 in Truth or Consequences, New Mexico. The slides that I will present with my testimony are Ranches Exhibit # 6.

QUALIFICATIONS

KATHY McKINNEY

I am Kathy McKinney and along with my brother Bob Cunningham, we are the owners/operators of the Hillsboro Pitchfork Ranch. Being a fourth generation rancher on the Pitchfork Ranch, our education started at a young age. From the very beginning we were raised with a strong work ethic and to be good stewards of the land and in doing so providing care for the ecological system of that land. The ranch has never been a job, it is a way of life.

As I remember, my first introduction to ranching was at about the age of 4 and two things are vivid. Back during that time frame, we rode horseback everywhere and I can remember riding the old blue mare and following Dad for hours as we rode and when I would get sleepy I would wrap my hands around the saddle horn and go sound to sleep and she would just walk along behind Dad's horse. She was my baby sitter.

Horses were the only method of transportation and I figured out early that I would rather ride than walk, I have spent many hours in the saddle checking waters, building fence and working cattle. During those times of moving cattle I was always entertained by the behavior of certainly horse but by cattle and wildlife as well.

This fascination with the animals was enhanced by the fact that Dad started letting me go hunting with him when I was old enough to carry his binoculars. Beginning to carry the binoculars at four years old was my apprenticeship to the days when I would be allowed to carry a gun and guide hunters.

I have spent a life time working to improve the land that is our family heritage. I've built fence, worked on windmill, help install solar systems and continue to complete brush control. I have been involved with the State of New Mexico in respect to the Conservations Stewardship Program for the last nine years. Personally hunted deer and quail on the ranch for 20 to 25 years, conducted wildlife surveys and guided mule deer and elk hunters. We are currently one of the only ranches in southern New Mexico to acquire a level three incentive hunt due to our land stewardship and dedication to enhancing the quality and quantity of mule deer population.

Having begun my formal education in the two room school in Hillsboro, I am a graduate of Texas Tech University with a degree in Business Administration. I am a Licensed Real Estate Broker, State of Texas, #0373773 and a Certified General Real Estate Appraiser #1321159G as certified by the Texas Appraiser Licensing and Certification Board with over 37 years of real estate appraisal experience.

Over the last 32 years, I have completed work on highway and pipeline right-of-way condemnation projects with comprehensive analysis valuing the economic effects of landfills on surrounding property values. I led three years of research on the effects of an explosion at an LP storage facility on surrounding land values. Projects completed by myself include evaluating the effects of a gas pipeline explosion in Grand Prairie, Texas and a refinery explosion in Texas City, Texas. Work including numerous projects on contamination of properties by adjacent properties. My clients have enjoyed recent success in the State Court of Appeals with findings of property contamination in respect to disclosure of contaminants into perpetuity.

I have been qualified as an expert witness on real estate appraisal in county and state courts in Texas.

Having spent a life time directly involved in the day to day activities of ranching and wildlife and as such am quite aware of the ecology system of the Pitchfork Ranch. I have also spent 32 years researching economic impact to land and land values.

My Resume is current and up to date and filed as Ranch Exhibit # 7.

The purpose of my presence here today is to preserve our family legacy as we groom and move forward to our fifth generation of heirs.

I will be speaking not only as a co-owner operator of the Pitchfork Ranch but also as a member of the public in general as to the potential impact of the permitting of the proposed Copper Flat Mine.

I will be discussing the economic impact of hunting and fishing in the State of New Mexico as well as Sierra County. Having expanded on the financial significance to both the state and county, I will discuss the potential impact to private and public lands based upon my experience specific to the Pitchfork Ranch, the Grayback Drainage and the adjacent public land currently being leased by the Pitchfork Ranch.

In 2013, New Mexico's Department of Game and Fish (NMDGF) commissioned a study of fishing, hunting and trapping to estimate statewide and county-level activity and to determine the contribution that fishing, hunting, and trapping activities make to the state's economy and present results for selected species, to estimate their individual share of the total economic contribution of hunting.¹

Understanding the study was completed in 2013, I have made no adjustments for increase.

The goal of the study was to communicate the magnitude of spending by sportsmen and their associated contributions to the state's economy. And, to inform discussions among legislators, agency personnel, and other stakeholders to assist with strategic decision making associated with wildlife resources.

The economic contributions associated with recreational fishing, hunting, and trapping can be a powerful economic engine for communities across New Mexico, generating additional spending, supporting and creating jobs, and building future investments in open spaces and wildlife areas.

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Southwick Associates, *"The Economic Contribution of Fishing, Hunting and Trapping in New Mexico 2013"*
Published July 31, 2014, ii,7

According to the study, the state was host to more than 160,000 anglers, with these anglers spending \$268 million in fishing related activities. While in 2013 there were over 86,000 hunters in the State of New Mexico spending \$342 million on hunting related activities for a combined spending of \$610,085,000.

The goal of this analysis is to help provide insight about jobs, tax revenues and other economic contributions that result from recreational fishing and hunting in New Mexico.

(Insert Slide 7-A, state economics)

It is to be noted at this point that according to Alexandra Sandoval, Director of the New Mexico Game and Fish Department there are currently 87,000 hunters and 160,000 anglers spending approximately \$613 million. Their fees pay for ongoing projects such as the desert bighorn sheep restoration program, they have paid for restoration of 132 miles of streams, 10 lakes and one reservoir for our state fish, the Rio Grande cutthroat trout.

The New Mexico Game and Fish Department as part of the study, has also commissioned a study of fishing and hunting on a county-level to determine the contribution made to each of the 33 counties in the state. This also quantifies the total economic contribution to each county and presents results for selected species to estimate their individual share of the total economic contribution derived by hunting.

(Insert slide 7-B elk photograph) It should be noted that hunters in New Mexico are able to pursue a variety of different species of big game and small game. Ninety Two (92%) percent of all hunters hunt big game, with deer and elk being the most common species pursued. **(Insert Slide 7-C, county economics)** As a result, I have reflected a break down in spending for the large game animals with the addition of the category for small game, being birds. Sierra County reflects the largest category for spending being the hunters of mule deer and elk with a total for the two categories' being \$2,507,649 with a combined total of large game being \$3,451,630.

Having lightly discussed the economic benefit of hunting to not only the State of New Mexico, but Sierra County as well, I would now like to shed light as to the activities and potential impacts the permitting of the Copper Flat mine could inflict on the Pitchfork Ranch as well as hunting opportunities in Area 21B. **(Insert Slide 7-D big deer)** Area 21B is the specific hunting area as designated by the New Mexico Game and Fish Department in which the Pitchfork Ranch and the adjacent BLM land, on which the public hunts, is located. Game animals are public property in New Mexico, and as public property should be considered in any permitting decisions related to the Copper Flat Mine.

I will describe in greater detail the personal and economic activities of our family ranch. Cattle ranching is a primary activity of the ranch. The ranch is a cow and calf operation running about 210 head of cows. We utilize a pasture rotation system and supply supplemental feeds as necessary to maintain good cattle condition. We manage and

improve grazing lands to insure good range conditions for today and improved ranch conditions for future years.

Previously, in my brother statement, he described the geographical location of Grayback Canyon, on the Pitchfork Ranch, in reference to the proposed Copper Flat mine. Regarding Grayback Canyon in terms of its water resources, its plant, animal life, and its ecosystem, I make the following observations. The intermittent springs, seeps, and streams in Grayback Canyon support a varied natural ecosystem, habitat for wildlife, and a forage area for livestock. The canyon has particularly good grasses, including side oats and black gramma. Livestock feed on these grasses. It also has an abundance of forbes and gamble oak with thick concentrations of mountain mahogany. Wildlife feed on these forbes, with mountain mahogany being the preferred forbe for mule deer (Insert 7-E, game trails). Both livestock and wildlife utilize the area year-round due to good forage, thermal cover, and access to plentiful water dispersed from the Grayback and Rodger's wells and available from naturally occurring water sources. (Insert 7-F, Fawns @ water trough) Because the deep canyons make the area very secluded, and because the canyon has good feed and good water, the area has become premium mule deer habitat. Representatives of the New Mexico Department of Game and Fish refer to this section of the ranch as a "nursery," as a substantial number of mule deer doe live and fawn there. I have personally seen herd sizes in excess of 20 head on any given day in this area. (Insert 7-G, herd of doe)

For the previous 9 years, we have partnered with the National Resource Conservation Service to implement improvements to ranch lands for livestock and wildlife use and habitat. The practices include but are not limited to such programs as comprehensive monitoring of key grazing areas, implementation of safety features for wild life to include riparian area as well as solar facilities such as those utilized in the Grayback system.

Hunting is another primary activity of the ranch. Hunting species include mule deer, elk, dove, and two varieties of quail, Gambel's and Mearn's. I have personally guided hunting trips in Grayback Canyon for the previous 29 years, providing big game hunting experiences to over 100 individuals. And, Bob and I are greatly honored to say that beginning this year, we will host our first Wounded Warrior hunt, where we donate a big game hunt to a service member who has suffered injury while defending our county.

In our plight to improve the mule deer quality and quantity to achieve our required financial goals, we have worked with New Mexico Game and Fish Department for over the previous 10 years. In doing so, we have finally been able to achieve a Level Three Incentive Hunting Opportunity through the New Mexico Game and Fish Department, being one of the only ranches in southern New Mexico to achieve this level. The purpose of the program is in recognition of the value to the State of New Mexico's wildlife populations in contributing to the improvements of deer habitat, the land owner agrees to the improvement of deer habitat. Habitat management includes maintaining wildlife friendly fencing around riparian areas, maintaining and continuing treatment of mesquite (to which 937 acres have been hand treated as of May 2018). The property

owner is to maintain and continue hand trimming of mountain mahogany to which 120 acres of mountain mahogany have been hand trimmed with a chain saw.

With the majority of the habitat management taking place in the Grayback-Rogers windmill areas. The fourth criteria is to continue the existing hunt strategy to provide a relatively conservative harvest level of legal bucks.

Mule deer populations have experienced a steady decline over most of the species' traditional range. Declines in New Mexico populations having been halved in less than thirty years.² The report goes on to describe that mule deer habitat is subject to an extensive and expanding range of external pressures resulting in the loss of approximately 2,500 acres of suitable mule deer habitat every day. The core components of deer habitat are water, food, and cover. In general, mule deer habitat requirements include forage, vegetation and land forms that provide hiding and thermal cover and access to sources of water. In the southwest, most mule deer herds are non-migratory, though they may move in response to changes in vegetation and moisture conditions. Field studies have shown that mule deer home range patterns are closely associated with water availability between 1 and 1.5 miles with the mule deer requiring approximately 1.5 gallons of water per day for an average animal. Human activities have caused the lowering of the water table in many areas, which has resulted in the disappearance of springs, cienegas, artesian wells and even entire rivers. Although mule deer may not be completely dependent on free water every day, they do shift their area of activity within their home range, or even move out of their home range when water sources dry up.³ In a study conducted on Fort Stanton in southern New Mexico, it appeared through the study that deer densities fluctuated in conjunction with the availability of water.

According to a discussion with Orrin Duvuvuei the Deer and Pronghorn Biologist for the New Mexico Department of Game and Fish on October 18, 2018. Without a viable source of water, mule deer will move out of the area.

The Grayback Canyon upstream of the existing mine pit is a primary mule deer hunting area for both the ranch and the public who hunt on adjacent Bureau of Land Management (BLM) lands. (Insert 7-H, hunters on Hill)

It has previously been alluded to the fact the permanent water sources in Grayback Canyon will be depleted into perpetuity. Without a plentiful supply of water, the ecology of Grayback Canyon will be harmed. Vegetation will change. Less water will be

² Services, N. R. (May 2005). *Mule Deer (Odocoileus hemionus)*. Wildlife Habitate Management Institute.

³ Agencies, M. D.-W. (2006). *Habitat Guidelnes for Mule Deer: Southwest Deserts, Ecoregion*.

available for game and livestock for forage and drinking purposes. We will be forced to reduce our cattle numbers. Wildlife including game species will become less abundant.

The loss of water and loss of habitat will result in decreased numbers of game animals, resulting loss of income to the Pitchfork Ranch, but will also decrease the hunting opportunities for the general hunting public in game area 21B on public and state lands. Decreases in number of cattle will result in loss of income to the Pitchfork Ranch making less money available to maintain and improve the ranch and its lands. This will result in less revenue to local, state, and federal governments in tax revenue, loss to local businesses in gross revenue receipts, and a loss of income to those employees and contractors we utilize for ranch operations.

Director Martinez and the Mining and Minerals Division of the New Mexico Energy, Mineral and Natural Resource Department,

I would ask that you consider the short term economic gain of the proposed copper mine as to the substantial economic loss that will be suffered into perpetuity by not only Sierra County but the State of New Mexico as well.

Thank you.

I declare under penalty of perjury that the foregoing is true and correct.



Kathy McKinney
Hillsboro Pitchfork Ranch