

**PERMIT MODIFICATION 08-1 TO PERMIT NO. RA004RE  
ROCKY MOUNTAIN MINE  
EXISTING MINING OPERATION**

**MINING AND MINERALS DIVISION  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Permit Modification 08-1 to Permit No. RA004RE is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

whose correct address is: CR Minerals Company, LLC  
P.O. Box 708  
San Juan Pueblo, NM 87566

(Permittee) for Rocky Mountain Mine, located in Rio Arriba County, New Mexico.

This permit modification incorporates changes to the reclamation requirements for the Naturally Revegetated Areas at the Rocky Mountain Mine. In addition, this permit modification increases the amount of financial assurance to \$355,342.00, in the form an Irrevocable Standby Letter of Credit. This permit modification changes the requirements of Condition 9.I, changing the frequency of evaluating the adequacy of the financial assurance approved as a part of the Permit to every five years, beginning April 30, 2013. Finally, this permit modification approves the location of the vegetation reference area for the reclamation of the Rocky Mountain Mine. The following sections of Permit No. RA004RE are added or modified to read as follows:

**Section 2.                    PERMIT APPLICATION PACKAGE**

- A.     The Permit Modification Package (PMP) is comprised of the following documents:
- 1)     Letter titled, "*Reclamation Cost Estimate, Rocky Mountain Mine, Permit No. RA004RE*", dated July 14, 2008, submitted by Souder, Miller & Associates on behalf of CR Minerals Company, LLC
  - 2)     Letter titled, "*Request for Permit Modification, Rocky Mountain Mine Permit No. RA004RE*", dated July 16, 2008, submitted by Souder, Miller & Associates on behalf of CR Minerals Company, LLC.
  - 3)     Letter titled, "*Workplan for Vegetation Monitoring, Naturally Revegetated Areas, Rocky Mountain Mine, Permit No. RA004RE*", dated July 16, 2008, submitted by Souder, Miller & Associates on behalf of CR Minerals Company, LLC.
  - 4)     Letter titled, "*AMENDED Request for Permit Modification, Rocky Mountain Mine, Permit No. RA004RE*", dated September 12, 2008, submitted by Souder, Miller & Associates on behalf of CR Minerals Company, LLC.

- 5) Letter titled, "*Financial Assurance for the Rocky Mountain Mine, Permit No. RA004RE*", dated November 11, 2008.
- 6) Irrevocable Standby Letter of Credit No. NTS650105, dated November 6, 2009.
- 7) Letter titled, "*Financial Assurance Assessment Modification*", dated April 8, 2010.
- 8) Electronic mail correspondence dated August 6, 2010, with Map titled, "*Survey Plat Showing Disturbed Area of 2009 Pumice Mine – CR Minerals Co., Section 33, T. 21, R. 7 E., N.M.P.M. Rio Arriba County,*" showing the location of the vegetation reference area for the approved closeout plan.

**Section 4.**                    **FINDINGS OF FACT**

- H.     The Naturally Reclaimed Areas noted on Map MPA-02, *Rocky Mountain Mine Post Mining Topography*, will be reclaimed in a manner consistent with the West Pit Area.
- I.     The West Pit Area listed in Section 3.B, *including* the Naturally Revegetated Areas, will be reclaimed by: 1) grading and contouring of the surface to be reclaimed; 2) placement of growth media; 3) seed bed preparation; and 4) seeding. Grading and contouring will provide a smooth, undulating surface consistent with the post mining contours, as shown on Map No. MPA-02, "*Rocky Mountain Mine Post Mining Topography.*" Highwalls greater than 10 feet in height will be reduced in slope and recontoured. Overburden averaging one-foot depth will be placed on the floors of mined-out pits that are not backfilled and on surfaces that have pumice as their predominant surface material. Seed beds will be ripped to a depth of 1 to 2 feet. Slopes of 4h:1v, and steeper, will be contour- plowed. Seeding will be accomplished appropriately by any combination of the following techniques: drilling, broadcasting, and hydroseeding. The seed mix found in Table 6 of "*Vegetation, Wildlife, and Revegetation Components for Rocky Mountain Pumice Mine Permit Application*" (Exhibit 6 of Permit Application), will be applied.
- L.     Post-reclamation contours, as shown on Map No. MPA-02, "*Rocky Mountain Mine Post Mining Topography,*" are conceptual in design and will vary depending on material quantity, quality, depth, and demand for the product. Slopes shown are approximately 3h:1v, *including* the Naturally Revegetated Areas. Upon completion of reclamation the property will contain several small service roads to allow access through and around the property.
- P.     The \$500.00 modification application fee, pursuant to Subsection H of 19.10.2.201 NMAC, was paid on June 11, 2008.
- Q.     Pursuant to Section 19.5.505.B (1), the Director has determined that the proposed modification will not have a significant environmental impact.

- R. Pursuant to Section 19.5.505.B (3) NMAC, the Director has consulted with the appropriate agencies in approving this modification.
- S. The Permittee has provided satisfactory financial assurance to complete the Closeout Plan in the amount of \$355,342.00, pursuant to Section 506.J.2 NMAC. The financial assurance instrument is an Irrevocable Standby Letter of Credit, No. NO-NTS650105, dated November 6, 2009, in a form acceptable to the Director.

**Section 9.**                    **GENERAL OBLIGATIONS AND CONDITIONS**

- F. The Naturally Revegetated Areas shall be reclaimed by: 1) grading and contouring of the surface to be reclaimed; 2) placement of growth media; 3) seed bed preparation; and 4) seeding. Grading and contouring shall provide a smooth, undulating surface consistent with the post mining contours, as shown on Map No. MPA-02, "*Rocky Mountain Mine Post Mining Topography.*" Highwalls greater than 10 feet in height shall be reduced in slope and recontoured. Overburden averaging one-foot depth shall be placed on the floors of mined-out pits that are not backfilled and on surfaces that have pumice as their predominant surface material. Seed beds shall be ripped to a depth of 1 to 2 feet. Slopes of 4h:1v and steeper shall be contour-plowed. Seeding shall be accomplished appropriately by any combination of the following techniques: drilling, broadcasting, and hydroseeding. The seed mix found in Table 6 of "*Vegetation, Wildlife, and Revegetation Components for Rocky Mountain Pumice Mine Permit Application*" (Exhibit 6 of Permit Application), shall be applied.
- I. The Permittee shall evaluate the adequacy of the financial assurance approved as a part of the permit every five years, beginning April 30, 2013. This evaluation to MMD shall be provided with the annual report due on April 30, every five years, beginning in 2013.

All other provisions, modifications, and revisions for mining and reclamation contained in the Rocky Mountain Mine Permit No. RA004RE, remain unchanged.

**Section 10.**                    **CONCLUSIONS OF LAW**

- A. The Director has jurisdiction over the Permittee and the subject matter of this proceeding.
- B. The PMP is complete, accurate, and complies with the requirements of the Act and § 19.10.5.502 and § 19.10.5.503 of Rules and with the conditions described in this Permit Modification document.
- C. The PMP is complete, accurate, and complies with the requirements for Closeout Plans in the Act and § 19.10.5.505, § 19.10.5.506, and § 19.10.5.507.A NMAC. The Permittee,

CR Minerals Company, LLC, is permitted, pursuant to the New Mexico Mining Act, to conduct mining and reclamation operations at the Rocky Mountain Mine in Rio Arriba County, New Mexico, upon the condition that the Permittee complies with the requirements of the Order, the Act, the Permit Conditions and requirements imposed by this Decision.

**CERTIFICATION**

**I certify that I have read, understand and will comply with the requirements of this Permit Modification.**

*[Signature]*  
Authorized Representative of the Permittee

PRESIDENT  
Title

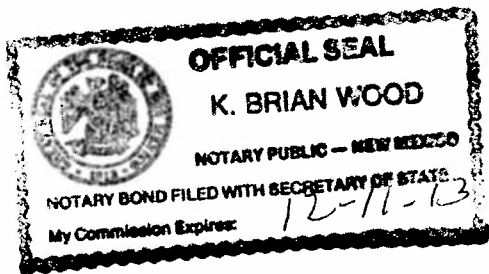
CR Higdon Co, LLC  
Company

Subscribed and sworn to before me this 17<sup>th</sup> day of August, 2010

*[Signature]*  
Notary Public

My Commission Expires

Dec. 11, 20 13

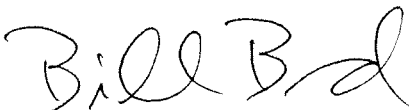


**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Modification 08-1 of Permit RA004RE, incorporating changes to Conditions 9.F, Condition 9.I, changes to the financial assurance amount, and approving the location of the vegetation reference area for the Rocky Mountain Mine in Rio Arriba County, New Mexico, is approved. The Permit may not be transferred without approval by the Director. The Permit is subject to all conditions set out in the Director's Findings of Fact, General Obligations and Conditions, Conclusions of Law, and Order.

By Order of the Director, Mining and Minerals Division, Energy, Minerals and Natural Resources Department, of the State of New Mexico.

Mining and Minerals Division

By:   
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Bill Brancard, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

DATED: August 18, 2010