

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Harrison H. Schmitt
Cabinet Secretary Designate

Charles Thomas, P.E.
Acting Division Director
Mining and Minerals Division



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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 26, 2011

Mr. Joe Griego, Operations Manager
CR Minerals Company, LLC
P.O. Box 708
Ohkay Owingeh, NM 87566

**RE: Transmittal of Document: Permit Modification 10-1 to Permit No. RA004RE;
Rocky Mountain Mine, CR Minerals Company**

Dear Mr. Griego:

The Director of the New Mexico Mining and Minerals Division (MMD) has signed *Permit Modification 10-1 to Permit RA004RE* for the Rocky Mountain Mine. A copy of the Permit Modification 10-1 document is attached for your records. MMD retains the signed original Permit Modification 10-1 document in its files.

Please contact me at 505-476-3437 or David Otori of my staff at 505-476-3432 or at david.ohori@state.nm.us, if you have any questions in this matter.

Sincerely,

Holland Shepherd, Program Manager
Mining Act Reclamation Program (MARP)
Mining and Minerals Division

Enclosure

cc: David R. Otori, Permit Lead, MARP
Charles Thomas, P.E., Acting Director, MMD
Mine File (RA004RE)



**PERMIT MODIFICATION 10-1 TO PERMIT NO. RA004RE
ROCKY MOUNTAIN MINE
EXISTING MINING OPERATION**

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

Permit Modification 10-1 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
Ohkay Owingeh, NM 87566

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

This permit modification incorporates a New Unit expansion of the mining area design limit at the Rocky Mountain Mine. The following sections of Permit No. RA004RE are added or modified to read as follows.

The following section is added to Permit No. RA004RE:

Section 2a. PERMIT MODIFICATION PACKAGE

- A. The Permit Modification Package (PMP) is comprised of the following documents:
- 1) *CR Minerals Company, Rocky Mountain Mine, Mining Permit Application and Close Out Plan*, dated June 1999.
 - 2) *Request for Permit Modification, Rocky Mountain Mine*, Permit No. RA004RE, dated June 3, 2010.
 - 3) *New Unit Modification Application – NW Resource, Rocky Mountain Mine*, Permit No. RA004RE, dated September 16, 2010.
 - 4) *Revised Letter of Credit Cost Estimate, New Unit Modification – NW Resource, Rocky Mountain Mine*, dated December 16, 2010.

Section 3. PERMIT AREA AND DESIGN LIMITS

The following subparagraphs are added to this section of Permit No. RA00RE:

- A. The approved design limits of the existing units are delineated in Figure MPA-01, Rocky Mountain Mine Existing Topography, of the *CR Minerals Company Rocky Mountain Mine Permit Application and Close Out Plan*, dated June 1999. The unit shown in Figure 1, Overview of mining stages of New Unit area, New Unit Modification Application – Northwest Resource Area, Rocky Mountain Mine, and identified as the “Northwest Resource Area,” will cover approximately 6.1 disturbed acres, is approved as a new unit and is subject to the reclamation standard of 19.10.5.507.A NMAC.

Existing Units

- 1) West Pit Area; and
- 2) Active Mining Area.

New Unit

- 1) Northwest Resource Area.

Section 4. **FINDINGS OF FACT**

The following subparagraphs are added to this section of Permit No. RA00RE:

- T. The Permittee has filed an application for modifying the Permit, including the Closeout Plan, as required by 19.10.5.505 NMAC.
- U. The Director has determined that the proposed Permit modification meets the requirements of 19.10.5 NMAC as required by 19.10.5.505.A NMAC.
- V. The Permittee has submitted the permit modification fee of \$1,000.00 as required by 19.10.2.201.H NMAC and 19.10.5.503.F(4) NMAC.
- W. Pursuant to 19.5.505.B (1), the Director has determined that the proposed modification will not have a significant environmental impact.
- X. The Director has consulted with the applicable state and federal agencies as required by 19.5.505.B.3 NMAC.
- Y. The Permittee has provided satisfactory financial assurance to complete the Closeout Plan, including the New Unit, in the amount of \$355,342.00, as required by 19.10.5.506.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.

- Z. The approved Post-Mining Land Use (PMLU) for the Permit expansion area is *livestock grazing*. The Closeout Plan, subject to conditions in this Permit Modification, demonstrates that the work to be done will reclaim disturbed areas within the Permit area to a condition that allows for the re-establishment of a self-sustaining ecosystem on the Permit area, following closure, appropriate for the life zone of the surrounding areas as required by 19.10.5.507.A NMAC.
- AA. Pursuant to 19.10.5.506.J(5) NMAC, the Secretary of the Environment provided a written determination on November 2, 2010, stating that the Permit applicant has demonstrated that the activities to be permitted or authorized will be expected to achieve compliance with all applicable air, water quality, and other environmental standards if carried out as described in the New Unit Modification Application.

Section 7. **PERMIT COVERAGE**

The following subparagraph is added to this section of Permit No. RA00RE:

Permit No. RA004RE, as modified and/or revised, shall be binding on any person or persons conducting mining and reclamation operations under this Permit.

Section 9. **GENERAL OBLIGATIONS AND CONDITIONS**

The conditions outlined in this section are required for the Permittee to meet the requirements of the New Mexico Mining Act ("Act") Rules ("Rules").

The following subparagraphs are added to this section of Permit No. RA00RE:

This Permit is subject to the following conditions:

G. NORTHWEST RESOURCE AREA

The following conditions apply to the Northwest (NW) Resource Area identified in Figure 1, Overview of mining stages of New Unit area, New Unit Modification Application – Northwest Resource Area, Rocky Mountain Mine, dated September 16, 2010. The conditions for the NW Resource Area are required to mitigate the disturbances within the New Unit area and provide for stabilization of the New Unit area that will minimize future impact to the environment and protect air and water resources in accordance with 19.10.7.R(1) NMAC. The conditions are required to operate the New Unit area in compliance with the standards and requirements for New Units as required by 19.10.5.508 NMAC. The conditions are also required to reclaim the New Unit area to a condition that

allows for re-establishment of a self-sustaining ecosystem as required by 19.10.5.507.A NMAC.

1. The NW Resource Area shall be reclaimed by: a) grading and contouring of the surface to be reclaimed; b) placement of growth media; c) seed bed preparation; and d) seeding and mulching. Grading and contouring shall provide slopes no steeper than 3 Horizontal: 1 Vertical (3H:1V) and a smooth, undulating surface consistent with the post mining contours shown on Map No. MPA-2, Rocky Mountain Mine Post Mining Topography of the *CR Minerals Company Rocky Mountain Mine Permit Application and Close Out Plan*, dated June 1999. Highwalls greater than 10 feet in height shall be reduced in slope and contoured. Overburden averaging one-foot in depth shall be placed on the floors of the mined-out pit that are not backfilled and on surfaces that have pumice as their predominant surface material. Seed beds shall be ripped to a depth of one to two feet. Slopes of 4H:1V and steeper shall be contoured plowed. Seeding shall be accomplished by drill seeding. After seeding, straw or native grass, weed free mulch shall be applied at a rate of two tons per acre and stabilized by crimping. The seed mix found in Table 6 of "Vegetation, Wildlife, and Revegetation Components for Rocky Mountain Pumice Mine Permit Application" of the of the *CR Minerals Company Rocky Mountain Mine Permit Application and Close Out Plan*, shall be applied.
 2. The success of the revegetation of the NW Resource Area shall be in accordance with the final revegetation success standard established in Section 5.2.6 of *CR Minerals Company, Rocky Mountain Mine, Mining Permit Application and Close Out Plan*, dated June 1999.
 3. Clearing of vegetation, such as trees from the NW Resource Area, shall be completed prior to March, 1, 2011, or after August 31, 2011, in order to avoid disturbing the general migratory bird breeding season.
- H. The Permittee shall submit to MMD for approval, within 30 days of approval of Permit Modification 10-1, an updated Map No. MPA-01, showing the existing mine topography redrawn to show the Active Mining Area, the West Pit Area, and the NW Resource Area as being within the Mining Area Limits.
- I. The Permittee shall submit to MMD for approval within 30 days of approval of Permit Modification 10-1, an updated Map No. MPA-02, showing the post mining topography redrawn to show the Active Mining Area, the West Pit Area, and the NW Resource Area as being within the Mining Area Limits.

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

CERTIFICATION

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

Joe L. Green
Authorized Representative of the Permittee

OPERATIONS MANAGER
Title

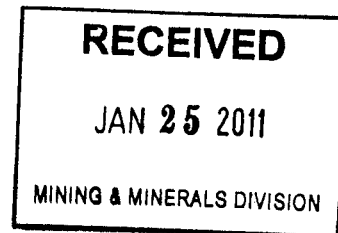
CR MINERALS COMPANY, LLC
Company

Subscribed and sworn to before me this 24 day of January, 2011

Julius Pofoga
Notary Public

My Commission Expires

10 4, 2012



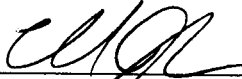
ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Modification 10-1 of Permit RA004RE, incorporating a New Unit expansion of the mining area design limit at 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:



Charles Thomas, P.E., Acting Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

DATED: JANUARY 24, 2011