

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



7012 0470 0000 0880 7464

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 11, 2015

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

RE: Transmittal of Documents: Permit Modification 14-1 to Permit No. RA004RE, and Amended Financial Assurance; Rocky Mountain Mine, CR Minerals Company, LLC

Dear Mr. Griego:

The Director of the New Mexico Mining and Minerals Division ("MMD") has signed Permit Modification 14-1 to Permit No. RA004RE for the Rocky Mountain Mine. In addition, MMD has approved Amendment No. 3 to Irrevocable Standby Letter of Credit No. NTS650105 ("ILOC") as part of the financial assurance for the Rocky Mountain Mine. A copy of the modification document and the amended ILOC is attached for your records. MMD will retain the signed originals of these documents in our 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 ("MARF")
Mining and Minerals Division

Enclosures

cc: David R. Otori, Permit Lead, MARF
Fernando Martinez, Director, MMD
Robyn Tierney, Permits West
Mine File (RA004RE)

**PERMIT MODIFICATION 14-1 TO PERMIT NO. RA004RE
ROCKY MOUNTAIN MINE
EXISTING MINING OPERATION**

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

Permit Modification 14-1 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:

CR Minerals Company, LLC
P.O. Box 708
Ohkay Owingeh, NM 87566

whose correct address is:

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

This permit modification releases a partial amount of the financial assurance required for the reclamation of the Rocky Mountain Mine pursuant to the approved closeout plan. The amount of the financial assurance released is \$23,764.00. This amount represents the cost of earthwork consisting of re-grading 10.76 acres of overburden stockpiles and for revegetation seeding of 28.19 acres located in the western portion of the permit area at the Rocky Mountain Mine.

The following sections of Permit No. RA004RE are added to read as follows:

Section 2 (14-1). **PERMIT APPLICATION PACKAGE**

- A. The Permit Modification Package (“PMP”) is comprised of the following documents:
- 1) *Rocky Mountain Mine FA Reduction Request for Modification of Permit No. RA004RE, dated August 4, 2014.*
 - 2) *Rocky Mountain Mine, Permit No. RA004RE, CR Minerals Response to Nov. 5, 2014 MMD Comments on the Application for Permit Modification 14-1, dated December 2, 2014.*
 - 3) *Amendment to Irrevocable Standby Letter of Credit, No. NTS650105, dated January 20, 2015.*

Section 4 (14-1). **FINDINGS OF FACT**

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

- A. The Permittee has filed an application for release of financial assurance, pursuant to 19.10.12.1210.A NMAC.
- B. The Permittee submitted the permit modification fee of \$1,000.00 on August 4, 2014 as required by 19.10.2.201.H NMAC.
- C. The Permittee has requested a reduction of the amount of financial assurance for the state of New Mexico or its contractor to reclaim or complete the closeout plan, pursuant to 19.10.12.1206.C NMAC.
- D. The Permittee has described the reclamation and closeout measures completed, and the modification application contains an estimate of the cost of reclamation that has not been completed, pursuant to 19.10.12.1210.A.2 NMAC.
- E. The Director has provided notice of the application to other government agencies, pursuant to 19.10.12.1210.A.4 NMAC.
- F. The Permittee has provided proof that the public notice of application has been provided in accordance with 19.10.9.902 and 19.10.9.903 NMAC.
- G. The Director conducted inspections of the site on October 9, 2014 and October 14, 2014, in accordance with 19.10.12.1210 NMAC.
- H. Pursuant to 19.5.505.B.1 NMAC, the Director has determined that the proposed modification will not have a significant environmental impact.
- I. The Director has consulted with the applicable state and federal agencies as required by 19.5.505.B.3 NMAC.
- J. The Permittee has adequate financial assurance in place for the remainder of the reclamation work to be completed, pursuant to 19.10.5.506.J.2 NMAC. The amount of the financial assurance being released is \$23,764.00, for the cost of earthwork consisting of re-grading 10.76 acres of overburden stockpiles and revegetation seeding of 28.19 reclaimed acres located in the western portion of the permit area at the Rocky Mountain Mine. The total amount of financial assurance for the closeout plan was \$274,694.00 prior to approval of this permit modification. The total amount of financial assurance for the closeout plan at the Rocky Mountain Mine after approval of this permit modification is \$250,930.00. The financial assurance instrument is an Irrevocable Standby Letter of Credit, No. NTS650105, as amended on January 20, 2015, and is in a form acceptable to the Director.

Section 9 (14-1).

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:

A. FINANCIAL ASSURANCE

- 1) The Permittee has provided financial assurance in the amount of \$250,930.00, in the form of an Irrevocable Standby Letter of Credit, No. NTS650105, as amended, dated January 20, 2015.

B. REVEGETATION MONITORING AND MAINTENANCE

- 1) The Permittee shall inspect reclaimed mine lands between May and August to assess the progress of the revegetation. The Permittee shall report the results of the revegetation inspections to MMD by December 31st of each year. The Permittee shall mitigate reclaimed areas where vegetation is absent or sparse by inter-seeding or reseeded these areas, or by other corrective actions approved by MMD.

C. EROSION MONITORING

- 1) The Permittee shall visibly inspect reclaimed lands and mine areas that have been regraded and covered, but not yet seeded, for signs of excessive erosion and shall mitigate erosion features to prevent further degradation of the site.

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 Griego
Authorized Representative of the Permittee

OPS. MANAGER
Title

CR MINERALS CO LLC
Company

Subscribed and sworn to before me this 9th day of February, 2015

Francisco A. Ortega
Notary Public

My Commission Expires

August 30, 2018



OFFICIAL SEAL
Francisco A. Ortega
NOTARY PUBLIC - STATE OF NEW MEXICO

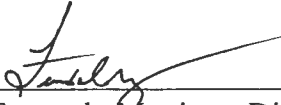
My Commission Expires: 08/30/2018

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Modification 14-1 of Permit RA004RE, releasing a partial amount of the financial assurance 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: 

Fernando Martinez, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

DATED: 2/10/2015



RECEIVED
 JAN 22 2015
 MINING & MINERALS DIVISION

Wells Fargo Bank, N.A.
 U.S. Trade Services
 Standby Letters of Credit
 794 Davis Street, 2nd Floor
 MAC A0283-023,
 San Leandro, CA 94577-6922
 Phone: 1(800) 798-2815 Option 1
 E-Mail: sfttrade@wellsfargo.com

**Amendment To
 Irrevocable Standby Letter Of Credit**

Number : NTS650105
Amendment Number : 003
Amend Date : January 20, 2015

BENEFICIARY

DIRECTOR MINING AND MINERALS DIV.
 NEW MEXICO ENERGY, MINERALS AND
 NATURAL RESOURCES DEPT.
 1220 SOUTH SAINT FRANCIS DRIVE
 SANTA FE, NEW MEXICO 87505

APPLICANT

CR MINERALS COMPANY, LLC
 US 84/US 285 NEW MEXICO, LLC
 P.O. BOX 708,
 SAN JUAN PUEBLO, NEW MEXICO 87566

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF THE ABOVE REFERENCED APPLICANT, WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT (THE "WELLS CREDIT") IN YOUR FAVOR AS FOLLOWS:

THE CURRENT AVAILABLE AMOUNT IS DECREASED BY USD 23,764.00 TO USD 250,930.00.

THE WELLS FARGO BANK, N.A. SAN FRANCISCO STANDBY LETTER OF CREDIT DEPARTMENT HAS MOVED TO SAN LEANDRO, CALIFORNIA. ON AND AFTER SEPTEMBER 16TH, 2013, ALL DRAFTS, DEMANDS, OR DOCUMENTS PRESENTED UNDER THIS L/C AND ALL NOTICES AND COMMUNICATIONS MADE WITH RESPECT TO THIS L/C THAT PREVIOUSLY WOULD HAVE BEEN DIRECTED TO SAN FRANCISCO, SHOULD NOW BE PRESENTED OR DELIVERED TO WELLS FARGO BANK, N.A., STANDBY LETTER OF CREDIT PROCESSING, 794 DAVIS STREET, 2ND FLOOR, SAN LEANDRO, CALIFORNIA 94577-6922.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT IS TO BE ATTACHED TO THE ORIGINAL WELLS CREDIT AND IS AN INTEGRAL PART THEREOF.

Very Truly Yours,

WELLS FARGO BANK, N.A.

By:



Authorized Signature

**MICHELE LEE
 ASSISTANT VICE PRESIDENT**

The original of the Letter of Credit contains an embossed seal over the Authorized Signature.



Please direct any written correspondence or inquiries regarding this Letter of Credit, always quoting our reference number, to **Wells Fargo Bank, National Association**, Attn: U.S. Standby Trade Services

at either 794 Davis Street, 2nd Floor
MAC A0283-023,
San Leandro, CA 94577-6922

or 401 Linden Street, 1st Floor
MAC D4004-017,
Winston-Salem, NC 27101

Phone inquiries regarding this credit should be directed to our Standby Customer Connection Professionals

1-800-798-2815 Option 1
(Hours of Operation: 8:00 a.m. PT to 5:00 p.m. PT)

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. EST to 5:30 p.m. EST)

Consent to Amendment **003** on Standby Letter of Credit No. **NTS650105** is required to become effective. **Please date and sign below and return a copy via e-mail to standbylc@wellsfargo.com or return an original signed copy to our office located at either:**

794 Davis Street, 2nd Floor
MAC A0283-023,
San Leandro, CA 94577-6922
or Fax to 415-296-8905.

or 401 Linden Street, 1st Floor
MAC D4004-017,
Winston-Salem, NC. 27101
or Fax to 336-735-0950.

Amendment accepted in its entirety

Amendment rejected in its entirety

02 / 10 / 2015
Date


Authorized Signature - DIRECTOR MINING AND MINERALS DIV.

(505) 476.3435
Telephone Number

Fernando Martinez
Printed Name of Authorized Signer

