# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Fernando Martinez, Director Mining and Minerals Division



Matthias Sayer Deputy Cabinet Secretary

7012 0470 0000 0881 8002

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 31, 2017

Mr. Ed Dvorak, Vice President CR Minerals Company, LLC P.O. Box 708 Ohkay Owingeh, New Mexico 87566

RE: Transmittal of Documents: Modification 17-1 to Permit No. RA004RE; Rocky Mountain Mine

Dear Mr. Dvorak:

The New Mexico Mining and Minerals Division ("MMD") has approved Modification 17-1 to Permit No. RA004RE: updating the financial assurance for the Rocky Mountain Mine Permit No. RA004RE in the form of two Irrevocable Standby Letters of Credit issued by the JP Morgan Chase Bank, N.A.. A copy of the modification document is enclosed with this letter. MMD will retain the original of this document on file.

If you have any questions in this matter, please feel free to contact me at 505-476-3432 or David.Ohori@state.nm.us.

Sincerely,

David R. Ohori, Permit Lead

Mining Act Reclamation Program ("MARP")

Mining and Minerals Division

Enclosure

cc: Holland Shepherd, Program Manager, MARP

Mine File (RA004RE)

# PERMIT MODIFICATION 17-1 TO PERMIT NO. RA004RE ROCKY MOUNTAIN MINE EXISTING MINING OPERATION

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

Permit Modification 17-1 ("Modification 17-1") to Permit No. RA004RE ("Permit") 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 ("CR Minerals")
P.O. Box 708
U.S. Highway 84/285

Ohkay Owingeh, NM 87566

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

This Modification 17-1 approves the update to the financial assurance ("FA") for the Rocky Mountain Mine. The total amount of FA is updated to \$505,366.00. The FA is in the form of two Irrevocable Standby Letter of Credits ("ILOC") issued by JP Morgan Chase Bank, N.A.

In order to accomplish the approval contemplated by this Modification 17-1, the following subparagraphs are added to Permit No. RA004RE:

#### Section 1 (17-1). STATUTES AND REGULATIONS

whose correct address is:

- A. This Permit modification is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2016) ("Act") and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code ("NMAC" or "Rules" or "Regulations").
- B. This Permit modification is subject to the Act, the Rules and any other regulations which are now or hereafter in force under the Act; and all such regulations are made a part of this Permit by this reference.

#### Section 2 (17-1). PERMIT APPLICATION PACKAGE

- A. The Modification 17-1 Permit Modification Package ("17-1 PMP") is comprised of the following documents:
  - 1) Electronic mail dated March 3, 2017 from CR Minerals requesting to replace the existing FA that is in the form of two ILOC's issued by the Wells Fargo Bank, N.A. with two ILOC's issued by the JP Morgan Chase Bank, N.A. In addition, CR Minerals proposed to update the FA amounts in accordance with MMD's November 2016 Guidance for Calculating Capital Indirect Costs for Mine Reclamation and Closure Cost Estimates.

# Permit Modification 17-1 To Permit RA004RE Rocky Mountain Mine Page 2 of 5

- 2) ILOC No. CTCS-916240, dated May 9, 2017, in the amount of \$365,279.00, issued by the JP Morgan Chase Bank, N.A. with MMD as the beneficiary.
- 3) ILOC No. CTCS-916533, dated May 10, 2017, in the amount of \$140,087.00, issued by the JP Morgan Chase Bank, N.A. with MMD and the BLM as beneficiaries.

#### Section 4 (17-1). FINDINGS OF FACT

- A. The Permittee has paid the permit modification fee of \$1,000.00 as required by §19.10.2.201 NMAC.
- B. Pursuant to §19.10.5.505.B NMAC, the proposed change does not require public notice nor the opportunity for public hearing.
- C. Pursuant to §19.10.5.505.B(1) NMAC, the proposed changes would not have a significant environmental impact.
- D. Pursuant to §19.10.5.505.B(2) NMAC, the application was accompanied by sufficient information for the Director to determine whether any of the factors listed in §19.10.5.505.B(1) NMAC are present.
- E. Pursuant to §19.10.5.505.B(3) NMAC, the Director consulted with the U.S. Bureau of Land Management ("BLM"). One of the two ILOC's is jointly held by MMD and BLM for reclamation of mine related disturbances on land administered by the BLM.
- F. Pursuant to §19.10.5.505.C NMAC, 17-1 PMP was in a format acceptable to the Director. The application for permit modification has been reviewed in accordance with §19.10.5.505 NMAC. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.5.505 NMAC.

# Section 9 (17-1). GENERAL OBLIGATIONS AND CONDITIONS

#### A. FINANCIAL ASSURANCE

1. The Permittee has provided financial assurance in the amount of \$365,279.00, in the form of ILOC No. CTCS-916240, issued by the JP Morgan Chase Bank, N.A. with MMD as the beneficiary; and in the amount of \$140,087.00, in the form of ILOC No. CTCS-916533, issued by the JP Morgan Chase Bank, N.A. with MMD and the BLM as beneficiaries. The total amount of FA from the two ILOC's is \$505,366.00.

#### Section 10 (17-1). CONCLUSIONS OF LAW

A. The Director has jurisdiction over the Permittee and the subject matter of this proceeding.

# Permit Modification 17-1 To Permit RA004RE Rocky Mountain Mine Page 3 of 5

B. 17-1 PMP is complete, accurate, and complies with the requirements of the Act and §19.10.5.505 of the Rules and with conditions described in this Permit Modification 17-1 document.

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

### Permit Modification 17-1 To Permit RA004RE Rocky Mountain Mine Page 4 of 5

### **CERTIFICATION**

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

I certify that I have read, understand and will comply with the requirements of this Permit Modification. I also agree to comply with the performance and reclamation standards and requirements of the Permit, and Modifications and Revisions, the Rules, and the Act, and allow the Director to enter the permit area without delay for the purpose of conducting inspections.

Authorized Representative of the Permittee

VP-Operations
Title

CR Minerals CO, LLC Company

Subscribed and sworn to before me this  $19^{4}$  day of  $\sim$ 

My Commission Expires

03/03,2019

SHREERAJ ADHIKARI **NOTARY PUBLIC** STATE OF COLORADO NOTARY ID 20154008770 MY COMMISSION EXPIRES 03/03/2019

# Permit Modification 17-1 To Permit RA004RE Rocky Mountain Mine Page 5 of 5

#### **ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Modification 17-1 to Permit No. RA004RE, updating the FA amount and replacing two ILOC's with two new ILOC's, 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, and Order.

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

By:

Fernando Martinez, Director Mining and Minerals Division

Energy, Minerals & Natural Resources Department

Date: \_\_\_\_\_\_