

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



April 2, 2018

Eric Best, Land Manager
Kennecott Exploration Company
4700 Daybreak Parkway
South Jordan, UT 84009

RE: Minimal Impact Exploration Permit Application Determined Administratively Complete
Permit Tracking No. HI019EM, Kennecott Exploration Company ("Kennecott"),
Lordsburg West Exploration Project in Hidalgo County, NM

Dear Mr. Best,

Pursuant to §19.10.3.302 I (5) NMAC, the New Mexico Mining and Minerals has calculated the amount below for Kennecott's Lordsburg West Minimal Impact Exploration Project permit tracking number HI019EM. This amount is based off of the proposed 12 holes at 1,640 ft each and 4.22 acres of surface disturbance. Per our conversation on this topic, Surety Bonds are an acceptable form of Financial Assurance for this project pursuant to §19.10.12.1203 A. (3). Please use the attached joint Surety Bond Financial Assurance form between MMD and the BLM for this matter. Please feel free to contact me with any questions or concerns.

Subsurface Plugging and Abandonment Financial Assurance			
\$ Cost/Ft.	Ft.	Number of Holes	Total
14	1,640	12	275,520
Surface Reclamation Financial Assurance			
Category	\$Cost/Acre	Number of Acres	Total
First acre or less	8,900	1	8,900
Additional acres	4,900	4	19,600
Total FA (\$)			304,020

Sincerely,



Clint Chisler, Permit Lead - Permit Tracking No. HI019EM
Mining Act Reclamation Program (MARF)/MMD

CC: Holland Shepherd, Program Manager, MARF/MMD
David Wallace, BLM – Las Cruces District Office
Jack Yates, State Land Office, Minerals Manager
Mine File: HI019EM

Attached: Joint MMD/BLM Surety Bond form