

**TRANSFER OF PERMIT NO. MK008ME
PUEBLO ALTO MINE
MINIMAL IMPACT EXISTING MINING OPERATION**

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



Permit Transfer approval of Permit No. MK008ME ("Permit") is issued by the Director of the Mining and Minerals Division ("MMD") of the New Mexico Energy, Minerals and Natural Resources Department to:

Mesa Verde Humates, LLC
P.O. Box 785
Bernalillo, NM 87004
("Transferee" or "Applicant")

From:

Reid Enterprises, LLC dba Mesa Verde Resources
P.O. Box 785
Bernalillo, NM 87004
("Transferor")

Section 1a. PERMIT APPLICATION PACKAGE

- A. The Permit Application Package ("PAP") for permit transfer is comprised of:
1. A written letter from the Applicant requesting permit transfer dated February 9, 2018 and received by MMD on February 14, 2018 containing:
 - a. The name and address of the Transferor;
 - b. The name and address of the Applicant;
 - c. Agents for Applicant;
 - d. Disclosure of ownership and controlling interests in the mining operation;
 - e. Statement of all mining operations within the U.S. owned, operated or directly controlled by the applicant, owner or operator and by persons or entities that directly control the applicant.
 - f. Names and addresses of regulatory agencies with jurisdiction over the environmental aspects of those operations that could provide a compliance history for those operations over the preceding ten years.

A handwritten signature in blue ink, appearing to be "JWD", located in the bottom right corner of the page.

- g. Replacement financial assurance instruments issued in the name of the Applicant.

Section 3. FINDINGS OF FACT

- A. Pursuant to §19.10.8.802.A(1) NMAC, the Applicant has obtained financial assurance coverage as required by §19.10.12 NMAC in the forms of:
 - 1. Certificate of Deposit (“CD”) number 603154428, in the amount of \$22,000.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 2. CD number 603154430, in the amount of \$2,677.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 3. CD number 603154436, in the amount of \$2,500.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 4. CD number 603154431, in the amount of \$21,051.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 5. CD number 603154434, in the amount of \$2,800.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 6. CD number 603154437, in the amount of \$27,825.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 7. CD number 1210348928, in the amount of \$2,160.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
 - 8. CD number 1220268127, in the amount of \$1,440.00, issued by First American Bank, Jefferson Branch, 4301 the 25 Way NE, Albuquerque, NM 87109.
- B. Pursuant to §19.10.8.802.A(2) NMAC, the Applicant has stated that Mesa Verde Humates is “subject to a lease by the land owner.”
- C. Pursuant to §19.10.8.802.A(3) NMAC, the Applicant has provided the information required, including names and addresses of the Transferor, Transferee, authorized agents, disclosure of mining operation ownership, and compliance history.
- D. Pursuant to §19.10.8.802.A(4) NMAC, the Applicant has paid the permit transfer fee.
- E. Pursuant to §19.10.8.802.B and C NMAC, there is no public notice requirement for minimal impact permit transfers.

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- F. Pursuant to §19.10.8.802.D(1) NMAC, the Applicant has submitted financial assurance for the mine.
- G. Pursuant to §19.10.8.802.D(2), the Applicant agrees to continue to conduct the operations involved, in full compliance with the New Mexico Mining Act (“Act”), the New Mexico Mining Act Rules (“Rules”), and the terms and conditions of the Permit No. MK008ME, as may be revised or modified from time to time.
- H. Pursuant to §19.10.8.802.D(3) NMAC, the Applicant would be eligible to receive a permit for new mines in accordance with Section 69-36-12.B(5) of the New Mexico Mining Act.
- I. Pursuant to §19.10.8.802.D(4), the Applicant has paid the permit transfer fee of \$250.00.
- J. Pursuant to §19.10.8.802.E NMAC, this permit transfer notifies the current Transferor, the Applicant and the owner of the mineral estate of the Director’s findings.
- K. Pursuant to §19.10.8.802.F NMAC, the Applicant has provided notice to the Director of the consummation of the transaction transferring the Pueblo Alto Mine from Transferor to Transferee.
- L. This Permit Transfer does not grant or create any property or water rights. Nor does MMD, by issuing this Permit Transfer or otherwise, make any comment on the surface, mineral or water rights that the Applicant may or may not have in the area covered by the Permit; only that the Applicant has provided a statement of the basis on which the Applicant has a right-to-enter the property to conduct mining, exploration and reclamation. Applicant is solely responsible to take whatever steps are necessary to ensure that Applicant has property and water rights sufficient to support the activities contemplated by the Permit.

Section 4. AGREEMENT OF RESPONSIBLE PARTIES

Agreement by Transferee – Mesa Verde Humates, LLC

The foregoing instrument is agreed upon as shown below by signatures of authorized representatives of the Transferor and Transferee. In addition, the Transferee agrees to conduct the operations involved in full compliance with, and otherwise to fully comply with, the Act, the Rules, and the terms and conditions of the Permit, including without limitation the abatement of and compliance with any and all Notices of Violation or other enforcement mechanisms that are outstanding as of the date of this approval of the transfer of the Permit.

Lyndon W. Smith, GM
Signature of Authorized Officer of Transferee

Lyndon W. Smith, General Manager
Printed Name and Title of Authorized Officer of Transferee

Acknowledgement of Authorized Officer of Transferee

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

This Transfer of Permit No. MK008ME was duly acknowledged before me on the 4th
_____ day of April, 2019, by Lyndon W. Smith, as _____
General Manager of Mesa Verde Humates, LLC.



MPOZ.
Notary Public

My commission expires:

May 25, 2021

[Handwritten initials]

Agreement by Transferor – Reid Enterprises, LLC dba Mesa Verde Resources

The foregoing instrument is agreed upon as shown below by signature of an authorized representative of the Transferor.

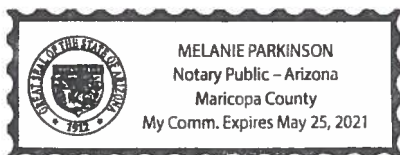
Lyndon W. Smith, GM
Signature of Authorized Officer of Transferor

Lyndon W. Smith, General Manager
Printed Name and Title of Authorized Officer of Transferor

Acknowledgement of Authorized Officer of Transferor

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

This Transfer of Permit No. MK008ME was duly acknowledged before me on the 4th day of April, 20 18, by Lyndon W. Smith, as General Manager of Reid Enterprises, LLC dba Mesa Verde Resources.



[Signature]
Notary Public

My commission expires:

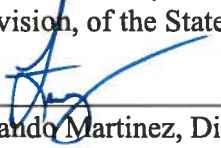
May 25, 2021

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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Permit Transfer of the Pueblo Alto Mine (Permit No. MK008ME), located in McKinley County, New Mexico, is approved. Mesa Verde Humates, LLC is approved as the Permittee and may engage in mining, exploration, and reclamation operations in accordance with the Permit.

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

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

Date: 4/18/2018

