

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



May 18, 2018

1077615 US LLC
Attn: Scott Burkett, Vice President – Titan Mining Corporation
408 Sylvia Lake Rd
Gouverneur, NY 13642

**RE: Review and Comments on Minimal Impact Exploration - Apache Hills Project,
Permit No. HI020EM – Hidalgo County, New Mexico**

Mr. Burkett:

On April 18, 2018, the New Mexico Mining and Minerals Division (“MMD”) received a permit application for a minimal impact exploration - Apache Hills project (“Application”) from 1077615 US LLC (“Applicant”), MMD Permit No. HI020EM, located in Hidalgo County, New Mexico. On April 19, 2018, pursuant to Subsection G of 19.10.3.302 NMAC, MMD deemed the Application administratively complete and sent the Application to several state and federal agencies (“Agencies”) as well as requesting comment from tribal nations. MMD conducted a site visit of the proposed exploration project on April 25, 2018. The Applicant amended page 7 (“replacement page”) of the Application on May 3, 2018. On May 14, 2018, MMD provided the Agencies with the replacement page. MMD reviewed the Application under Subpart 3 of the New Mexico Mining Act Rules (“Rules”). The MMD review found this Application to be *technically incomplete* pending receipt of acceptable supplemental information identified in this comment letter. MMD provides the Applicant with the following comments:

MMD Comments

1. On page 21 of the Application, the Applicant specified the U.S. Department of Interior - Bureau of Land Management (“BLM”) seed mix for revegetation as part of the reclamation plan. The Applicant should provide a copy of the BLM seed mix.
2. On page 23 of the Application, the Applicant proposed an estimated amount of financial assurance of \$90,566. The BLM’s determination (NMNM 138006) set a financial guarantee requirement of \$7,500. Using the MMD Guidance for Estimating Reclamation Costs (Revised 2013), MMD determined that the entire project requires financial assurance in the amount of \$130,722. This amount adjusted the total number of proposed drilling locations to seventeen by removing PRC-16 and adjusted the road length by adding ninety feet to the tally of modifications to existing roads. However, during and after the pre-permitting inspection, the Applicant expressed interest in a phased approach to the

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exploration project that prioritizes about half of the proposed drilling locations. For this phased approach, the financial assurance encompasses reclamation of the surface disturbance and plugging of ten boreholes. Thus, the Applicant should provide a joint BLM/MMD financial assurance in the amount of \$81,722.

3. The site visit revealed that the coordinates listed in the Application for several proposed drilling locations appeared to be shifted from the map possibly due to an incorrect geographic coordinate system. Subsequently, the Applicant generated a new set of coordinates based on the Figures attached to the Application. MMD has verified these coordinates match the map locations and compared them to the field measured GPS locations. The field locations shift west by several hundred feet from the mapped locations for PRC-14 and PRC-15. The location for PRC-17 during the site visit was about 250 feet from the revised coordinates. The other locations appear to be within about 5 to 90 feet of the site visited location, and this does not account for the limitation of accuracy of the GPS unit. The amended page 7 of the Application corrects the issues with the coordinates. No response is required for this comment.
4. During the site visit, the group did not find an existing road shown on a map for the proposed drilling location of PRC-16. Rather than account for the additional disturbance a new road would require, the Applicant's amended Page 7 withdrew PRC-16 by omitting it from the list. No response is required for this comment.

Agency Comments

MMD has received comments on the Application from the New Mexico Environment Department ("NMED"), the New Mexico Department of Game and Fish ("NMDG&F"), the New Mexico Department of Cultural Affairs - Historic Preservation Division ("NMDCA/HPD"), the NM Office of the State Engineer ("NMOSE") and the New Mexico State Forestry Division ("NMSFD"). The Agencies' responses may include site-specific comments for this Application and general comments for exploration projects. Because this exploration project is proposed to take place on BLM lands, the Applicant is required to follow BLM's requirements (NMNM 138006 Decision and Determination dated March 13, 2018) in conjunction with MMD's Minimal Impact Exploration Permit No. HI020EM. In addition to State and Federal agencies, The Hopi Tribe has commented on the Application for Permit No. HI020EM. Please take the tribal comments into consideration during this process. Please review and respond to the comments provided by these agencies (attached).

Please respond to the MMD and agency comments within 30-days of receipt of this letter.

Contact me at 505-476-3438 or at kevin.myers@state.nm.us if you have any questions.

Sincerely,



Kevin C. Myers – Permit Lead, HI020EM
Mining Act Reclamation Program ("MARF")
New Mexico Mining and Minerals Division

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Enclosures:

April 20, 2018, Email to MMD from SFD
April 24, 2018 Letter to MMD from NMDCA/HPD
May 4, 2018, Email and attachments to MMD from NMED
May 9, 2018 Email and attachments to MMD from NMOSE
May 14, 2018, Letter to MMD from NMDGF
May 1, 2018 Letter to MMD from The Hopi Tribe

CC via email w/o enclosures:

Fernando Martinez, Director, MMD
Holland Shepherd, Program Manager, MARP/MMD
Leighandra Keeven, Geologist, BLM Las Cruces District Office
Jeff Lewellin, Mining Act Team Leader, NMED
Matthew Wunder, Ph.D., Chief, Conservation Services Division, NMDG&F
Ghassan R. Musharrafieh, Chief, Hydrology Bureau, NMOSE
Bob Estes, Ph.D., Archaeologist, NMDCA/HPD
Daniella Roth, Botanist, NMSFD
Mine File (HI020EM)