

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
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Mining and Minerals Division



August 21, 2019

Mr. Jeff Smith
New Mexico Copper Corporation
P.O. Box 4209
Truth or Consequences, NM 87901

RE: No Additional Technical Comment on Financial Assurance Cost Estimate, Submit SRCE R2 for Copper Flat Mine, Sierra County, Permit Tracking No. SI027RN

Dear Mr. Smith,

The Mining and Minerals Division ("MMD") has received and reviewed technical responses from New Mexico Copper Corporation ("NMCC") dated July 16, 2019, related to the financial assurance proposal for the Copper Flat Mine located in Sierra County, New Mexico. NMCC's letter is in response to comments submitted by MMD and cooperating agencies dated December 11, 2018.

At this time, MMD and the New Mexico Environment Department ("NMED") find NMCC's response to technical comments satisfactory and therefore have no additional technical comments. A NMED memo to this effect is attached. Please submit the Standard Reclamation Cost Estimator ("SRCE") Revision 2 in accordance with the commitments made by NMCC in the July 16, 2019 written response. If NMCC intends on using a Net Present Value calculation to address the cost estimate, please submit the supporting calculations and documentation for agency review. Additionally, please submit to the agencies the proposed form of financial assurance that will be pursued by NMCC for the Copper Flat mine project.

If you have any questions, please contact me at (505) 476-3434 or by email at david.ennis@state.nm.us.

Sincerely,

David J. ("DJ") Ennis, P.G.
Reclamation Specialist/Permit Lead

Enc. NMED Memo dated August 9, 2019

cc: Holland Shepherd, Mining Act Program Manager
Brad Reid, NMED Permit Lead
Leighandra Keeven, BLM Permit Lead



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**NEW MEXICO
ENVIRONMENT DEPARTMENT**

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James C. Kenney
Cabinet Secretary

Jennifer J. Pruett
Deputy Secretary

MEMORANDUM

Date: August 9, 2019

To: Holland Shepherd, Program Manager, Mining Act Reclamation Program

Through: Jeff Lewellin, Mining Act Team Leader, Mining Environmental Compliance Section

From: Brad Reid and Anne Maurer, Mining Environmental Compliance Section

Subject: **NMED Comments, Response to Financial Assurance Proposal Comments
Provided by New Mexico Copper Corporation, Copper Flat Mine, Sierra
County, New Mexico, New Mexico Mining Act Permit No. SI027RN**

The New Mexico Environment Department ("NMED") received correspondence from the Mining and Minerals Division ("MMD") on July 18, 2019 requesting NMED review and provide comments on the above-referenced MMD permitting action. NMED previously received another request from MMD to review and provide comments on the same permitting action on December 12, 2018. In accordance with 19.10.6.605.C NMAC, MMD requested comments within 30 days. NMED has the following comments.

Background

The New Mexico Copper Corporation ("NMCC") provided a financial assurance proposal for the Copper Flat Mine to MMD on August 10, 2018 and an updated proposal dated December 11, 2018. The Copper Flat Mine proposes to re-establish a poly-metallic mine and processing facility located approximately 22 miles southwest of Truth or Consequences and five miles northeast of Hillsboro. The Copper Flat Mine as proposed will consist of an open pit; waste rock stockpiles; stormwater impoundments and associated collection and conveyance systems; a Process Facility Area consisting of a Concentrator and associated mineral processing units; a synthetically lined Tailing Storage Facility ("TSF"); and associated mine infrastructure.

Mining Environmental Compliance Section (MECS)

NMED and MMD provided comments related to the initial proposed financial assurance to NMCC in a letter from MMD on January 15, 2019. In response to the NMED and MMD comments related to the proposed financial assurance for the Copper Flat Mine, NMCC responded with information referenced in the July 18, 2019 request for comments letter from MMD. NMED has reviewed the responses provided by NMCC. The responses adequately address the comments by NMED on the financial assurance proposal, and NMED has no additional comments at this time related to the proposed financial assurance for the Copper Flat Mine.

NMED Summary Comment

NMED will continue to coordinate with MMD and NMCC to resolve any outstanding matters associated with approval of the proposed financial assurance cost estimate.

If you have any questions, please contact Jeff Lewellin at (505) 827-1049.

cc: Rebecca Roose, Director, Water Protection Division
Shelly Lemon, Bureau Chief, Surface Water Quality Bureau
Liz Bisbey-Kuehn, Bureau Chief, Air Quality Bureau
Fernando Martinez, Division Director, Energy Minerals Natural Resources Department -
MMD
Kurt Vollbrecht, Program Manager, MECS
DJ Ennis, Permit Lead, MMD