**From:** gms@midplains.coop
**To:** Ohori, David, EMNRD
**Cc:** Jeronimo Weber
**Subject:** [EXT] Palm Park exploration application
**Date:** Friday, November 1, 2019 8:35:52 AM
**Attachments:** detail map 1 10 31 19.pdf
detail map 2 10 31 19.pdf
detail map 3 10 31 19.pdf

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David,

Our responses to your questions are shown below. We are also attaching three more detailed maps. Please let us know if you need additional information.

Gerald

Hi Mr. Smith;

I have reviewed the application for the Palm Park minimal impact exploration permit and need some additional information in order to continue processing the application:

1. Page 4 of the application indicates that the U.S. BLM is the owner of the surface estate and that Nancy Castle is a lease holder of the surface estate. MMD requests written access agreements that these parties have granted access to Diamond Bar Minerals for this project.
   We believe BLM's acceptance of the mining claims which were filed for this project permits access to this area. BLM depends upon the State to approve exploration permit applications. Federal land is managed for multi-use which for this area includes both mineral extraction and grazing. For this reason, permission from the grazing allotment permittee is not required to access the property.
2. During our meeting at the MMD offices on June 4, 2019 a mill and mill site were discussed as part of this exploration project. The application does not provide information regarding a mill or mill site. The NM Environment Dept. (NMED) representative at the meeting stated that if a mill and mill site is planned that a Notice of Intent (NOI) is required to be submitted to NMED. The application does not provide any information regarding a NOI being submitted to MMD for a mill. Please clarify.
   Diamond Bar Minerals does have a mill site claim with a water well; however, they will wait until the drilling programs confirms there is enough ore to warrant mining and processing before submitting a mining application. At that time they will provide details about the use of the mill site.
3. Page 9, Mud/fluid drilling section, of the application indicates that the drill pad dimensions will be 30 feet long by 15 feet wide. From MMD's experience in permitting exploration drill projects the proposed drill pad dimensions appear undersized. Typically, drill pads are a minimum of 30 feet by 50 feet in size to accommodate the drill rig and support equipment including laydown areas for pipe and the mud pits or the drilling fluid recycling tanks. Please revise the proposed drill pad dimensions upward or explain how the drill pads will be kept to a

30 x 15 feet size, for MMD review.

The larger 30'x50' drill pads will be included in the calculation of financial assurance

4. Page 9, Mud/fluid drilling section, of the application indicates that the drill pads will be accessed by overland travel instead of grading/bladed travel routes and that the drill pads will not need any mechanical leveling (grading/blading). Page 11, Section E. Other Supporting Equipment indicates that a Bulldozer (Deere 644 or Cat 980) will be used. Please specify what the proposed bulldozer will be used for.

   Some modification of drill pads will be required to be able to level the drilling rig.

5. Page 9, Mud/fluid drilling section, of the application indicates that a closed loop system will be used instead of mud/fluid pits. Please provide details on the closed loop system including specifications.

   Driller will not use a closed loop system or any mud fluid. A fine spray of water will be used to plaster the wall of bore holes to prevent them from falling in. No water will run from the bore holes onto the surface.

6. Page 11, Section D. Disposal of drill cuttings, does not specify how excess drill cuttings, if any, will be disposed of. In the case that are excess drill cuttings, how will they be disposed of?

   All cuttings will be disposed back into the bore hole. There will be no excess cuttings.

7. Page 13, Section F. Roads and Overland Travel, indicates that there will be 500 feet of overland travel routes, 12 feet wide causing approximately 0.14 acres of disturbance. The proposed overland travel routes are difficult to identify and see clearly on the large scale maps provided in the application. Please provide additional smaller scale maps that clearly show the proposed overland travel routes.

   Please review the three attached maps which show the existing roads and bore hole locations. All bore hole locations, except for JD-3, are less than 50' from an existing access road. JD-3 is approximately 80' from an existing road but is less than 50' from JD-4. The 30'x50' drill pads will allow the drilling rig to enter directly from existing access roads onto the drill pads.

8. Page 14, Section 5-Chemical Use proposes that diesel fuel, water, and water soluble oil will be used. In addition, Section 6.D Exploration Borehole Abandonment states that bentonite pellets/chips will be used to plug and abandon the drill holes. MMD requests that the Material Data Safety Sheets (MSDS sheets) be provided for all chemicals to be used, except water.

   Because of the decision to put all cuttings back into the bore holes, bentonite pellets/chips will not be used. The only diesel on site will be to refuel the equipment if needed. No other chemicals will be used.

9. Page 16-Groundwater/Surface Water Information indicates that the estimated depth to ground water is over 100 feet. Section 4-Exploration Description states that the exploration drill holes may be up to 160 feet deep. Section 6.D Exploration Borehole Abandonment indicates that the borehole abandonment will only be for Dry Boreholes. In the event that ground water is encountered during exploration drilling drill hole abandonment procedures for Wet Boreholes is needed. Please indicate that if ground water is encountered, what borehole abandonment option will be performed (Page 17 of the application).

   The well on the mill site claim where the depth to ground water was over 100' is

approximately 225' lower in elevation that where the 160' bore hole will be drilled. Second and third party information from ranchers indicate it is very difficult to locate stock water in the area.

We think it is very unlikely we will encounter ground water in any of the bore holes; however, if ground water is encountered, drilling will stop for that bore hole and the State Engineer will be contacted for instructions as to how to plug the hole.

10. Page 18 of the application indicates that drilling will not occur within 100 feet of any perennial, intermittent or ephemeral stream. Please provide maps that show the existing perennial, intermittent or ephemeral streams located within the proposed permit area with the proposed drill sites and travel routes on the same maps.

    Examination of Google Earth images indicates there are no streams of any kind within or close to the project area.

11. Page 19, Section 7-Reclamation and Operation Plan indicates that no construction work (i.e., surface disturbance) will be created during the drilling project that would require topsoil savaging, or erosion control Best Management Practices (BMP's). In addition, page 20-21, Section D. Reclamation Details indicates that surface topography will not be altered, and reclamation of roads and other disturbances and seeding will not be required. Justification for why revegetation is not needed has not been provided in the application. The application proposes 500 feet of Overland Travel Routes utilizing a 50,000 pound 3 axle drill rig, a 22,000 pound pipe truck and a bulldozer for the exploration project. Please explain how the use of this equipment will not create a surface disturbance that would require reclamation.

    Equipment will travel only on existing access roads or on the drill pads. The primary disturbance to the soil will be tire tracks.

12. Page 23 Section 8-Permit Fees and financial Assurance indicates that the estimate amount of financial assurance is $24,230. However, a cost estimate for the amount of financial assurance has not been provided in the application. Please provide a detailed reclamation cost estimate for the estimated amount of financial assurance.

    Financial Assurance is calculated by multiplying the total number of feet to be drilled by $14 per foot (1,095 x $14 = $15,330) plus $8,900 for disturbing one acre for a total of $24,230 of financial assurance. Twenty 30'x50' drilling pads are only 0.69 acres which would allow over 1,000' of overland travel on a 12' wide path and still stay below one acre of disturbance. Again, we do not anticipate any overland travel.

Please respond to the above comments within 30-days of receipt. Contact me with any questions.

Thanks.

*David R. Ohori*
*Supervisor/Senior Reclamation Specialist*
*Mining and Minerals Division*
*New Mexico Energy, Minerals, & Natural Resources Dept.*
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JD-7 (SD-67)
107°7'43.993"W, 32

JD-10 (SD-27)
107°7'45.2"W, 32

JD-8 (SD-69)
107°7'42.05"W,

107°7'41.07"W, 32°45'1.47"N
CNR SEC 10, 11, 14 and 15
No Monument found 3/13/17

Palm Park

Palm Par

10

Margery June

11

18S 3W

15

14

Park No. 3

Park No. 4

## Legend

- Borehole Locations
- Existing Access Roads
- Project/Permit Area
- Palm Park Claims
- Margery June Claim

# Diamond Bar Minerals LLC.

PALM PARK CLAIM GROUP
Drill Hole and Access Road Display
Dona Ana County, New Mexico

0 100 200 300
Feet

N

*GPS Coordinates Shown*
*NAD83, UTM Zone 13N*
*Projection State Plane*
*NM Central*

10/31/19

Palm Park

Palm Park

JD-15 (37)
107°7'53.076"W, 32°45'

10 18S 3W

JD-14 (109B)
107°7'49"W, 32°45'12.4"N

(109)
49.895"W, 32°45'10.968"N

JD-13 (109A)
107°7'48.2"W, 32°45'9.8"N

JD-11 (SB-32)
107°7'47.6"W, 32°45'8.193"N

Palm Park No. 7

Palm Park No. 6

JD-9 (SD-24)
107°7'44.629"W

**Legend**

- Borehole Locations
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- Margery June Claim

Diamond Bar Minerals LLC.

PALM PARK CLAIM GROUP
Drill Hole and Access Road Display
Dona Ana County, New Mexico

0 100 200 300
Feet

N

*GPS Coordinates Shown*
*NAD83, UTM Zone 13N*
*Projection State Plane*
*NM Central*

10/31/19

Palm Park No. 16

JD-16 (RD-47)
107°7'54.23"W,

C-47

10

Palm Park No. 12

DM-107

DM

18S 3W

## Legend

- Borehole Locations
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- Palm Park Claims
- Margery June Claim

# Diamond Bar Minerals LLC.

PALM PARK CLAIM GROUP
Drill Hole and Access Road Display
Dona Ana County, New Mexico

0 100 200 300

Feet

N

*GPS Coordinates Shown*
*NAD83, UTM Zone 13N*
*Projection State Plane*
*NM Central*

10/31/19