SOUTHWEST SILICA FLUX COMPANY P O Box 36 Hanover, New Mexico 88041

August 15, 2018



Clinton M. Chisler Mining & Minerals Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Dear Mr. Chisler:

I hereby request Mining and Minerals Division's release of the Kb Mine reclamation bond under permit number GR012MN, currently held jointly by the State and the Forest Service, with the total amount going forward held solely by USDA Forest Service.

As we discussed during your site visit on 7/25/18, silica flux operations that are under jurisdiction of the Mining Act were suspended in cy 2000 when the last of our smelter customers closed, and those operations were confined to the North Pit and East Pit areas as shown in the attached aerial photo (outlined in red). The remaining area to the south (the Southeast Pit) remains open for production of silica leach rock aggregates and common variety, which are specifically excluded from jurisdiction under the Mining Act.

Since both the North and East Pit areas (totaling 24.86 acres) have been reclaimed since cy 2002 and continue in a stable condition well beyond the 12 year requirement of the Mining Act, I am proposing MMD's complete release of the bond.

Should you have questions, feel free to call me at 575-537-9594.

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for Southwest Silica Flux Company

xc: Diane Tafoya, file.

via certified mail no. 7016 0750 0001 1339 1437.

Clint:

Thanks for yesterday's email. As an addendum to my letter of 8/15/18 requesting release of the bond (copy attached), I am including in this email the items specified in the regs, as follows:

1. Permittee's name is Southwest Silica Flux Co., Inc., permit no. GR012MN approved on 10/25/97;

2. Location of the project property is Section 17, T17S, R12W, NMPM, Grant County, NM, an area of 24.86 acres;

3. Financial assurance held is in the form of two CD's totaling \$18,680.77 (as of 3/17/19) and I am requesting a complete release;

4. Reclamation conducted was in the form of slope reduction, topsoiling and seeding pursuant to permit conditions and was done during mining operations, completed in 2002;

5. Results achieved have been good and in line with permit requirements;

6. Any comments re. this application for release (as a permit modification) may be submitted to Fernando Martinez, Director, Mining and Minerals Division, 1220 S. St. Francis Drive, Santa Fe, NM, 87505.

A check (#6521) for fee in the amount of \$250.00 is enclosed in the mailing. If you have questions, please contact me.

