

State of New Mexico
Energy, Minerals and Natural Resources Department

Michele Lujan Grisham
Governor

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Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



June 26, 2019

Eric Best, Land Manager
Kennecott Exploration Company
2640 West 1700 South
Salt Lake City, UT 84104

RE: Minimal Impact Exploration Permit Application Determined Technically Complete
Permit Tracking No. GR082EM, Kennecott Exploration Company ("Kennecott"),
Kennecott Steeplerock Exploration Project in Grant County, NM

Dear Mr. Best,

Pursuant to §19.10.3.302 I (5) NMAC, the New Mexico Mining and Minerals has calculated the amount below for the Kennecott Steeplerock Minimal Impact Exploration Project permit tracking number GR082EM. This amount is based off of the proposed 11 holes at 6,000 ft each and 3.63 acres of surface disturbance. Per our conversation on this topic, Surety Bonds are an acceptable form of Financial Assurance for this project pursuant to §19.10.12.1203 A. (3). Please use the attached joint Surety Bond Financial Assurance form between MMD and the BLM for this matter. Please feel free to contact me with any questions or concerns.

Subsurface Plugging and Abandonment Financial Assurance				4-hole Floating FA Option
\$ Cost/Ft.	Ft.	Number of Holes	Total	
14	6,000	11	924,000	336,000
Surface Reclamation Financial Assurance				
Category	\$Cost/Acre	Number of Acres	Total	
First acre or less	8,900	1	8,900	8,900
Additional acres	4,900	3	14,700	14,700
Total FA (\$)			947600	359,600

Sincerely,



Clint Chisler, Permit Lead - Permit Tracking No. GR082EM
Mining Act Reclamation Program (MARP)/MMD

CC: Holland Shepherd, Program Manager, MARP/MMD
David Wallace, BLM – Las Cruces District Office
Mine File: GR082EM

Attached: Joint MMD/BLM Surety Bond form