

Diamond Bar Minerals LLC
5070 Mark IV Pkwy
Fort Worth, TX 76106

January 28, 2020

TO: Carmen Rose, Permit Lead
Mining Act Reclamation Program ("MARP")
New Mexico Mining and Minerals Division

RE: Response to Agency Review Comments and Request for Additional Information, Palm Park Dona Ana 2019 Minimal Impact Exploration Project, Permit No. DA004EM - Dona Ana County, New Mexico

Carmen:

1. In response to your first item addressing issues with the location of certain boreholes and access to them, please consider the following changes.
 - A. Borehole JD-6 (relabeled JD-6 ALT) will be relocated to $32^{\circ}45'0.705''\text{N}$ & $107^{\circ}7'40.17''\text{W}$. Access to this location is provided by Road Repair 4 discussed below. Figure 4 below shows the location of JD-6 ALT and the access to it.
 - B. Borehole JD-7 (relabeled JD-7 ALT) will be relocated to $32^{\circ}45'8.52''\text{N}$ & $107^{\circ}7'44.95''\text{W}$. This alternate location is directly on the existing road with no acreage outside of existing roads to be disturbed to gain access. See Figure 1.

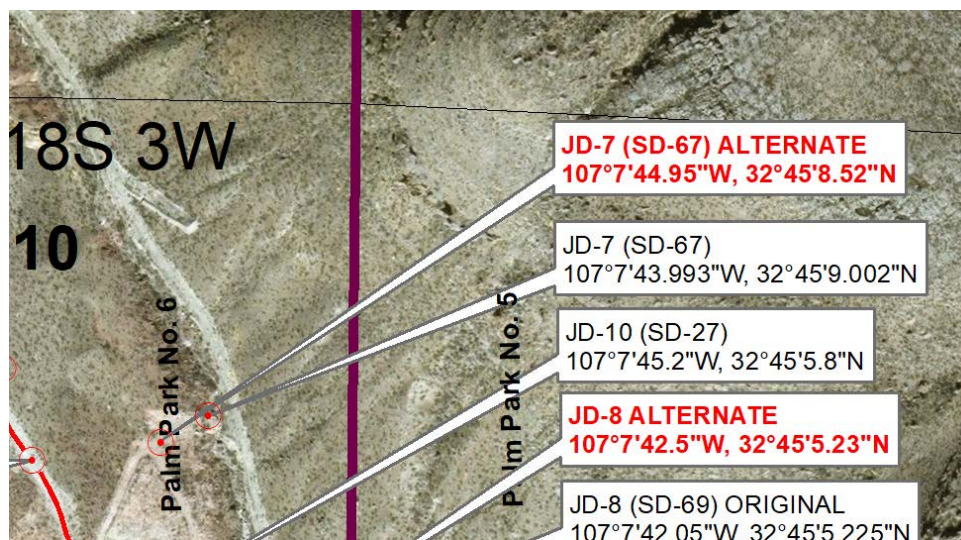


Figure 1. Showing borehole JD-7 ALTERNATE.

- C. Borehole JD-8 (relabeled JD-8 ALT) will be relocated to $32^{\circ} 45' 5.23''\text{N}$ & $107^{\circ} 7' 42.5''\text{W}$. To access this location it will be necessary to traverse 285 feet exiting the existing road due south of the location. Maximum area to be disturbed will be 285 ft. long x 10 ft. wide (or 2,850 sq. ft.). See Figure 2.

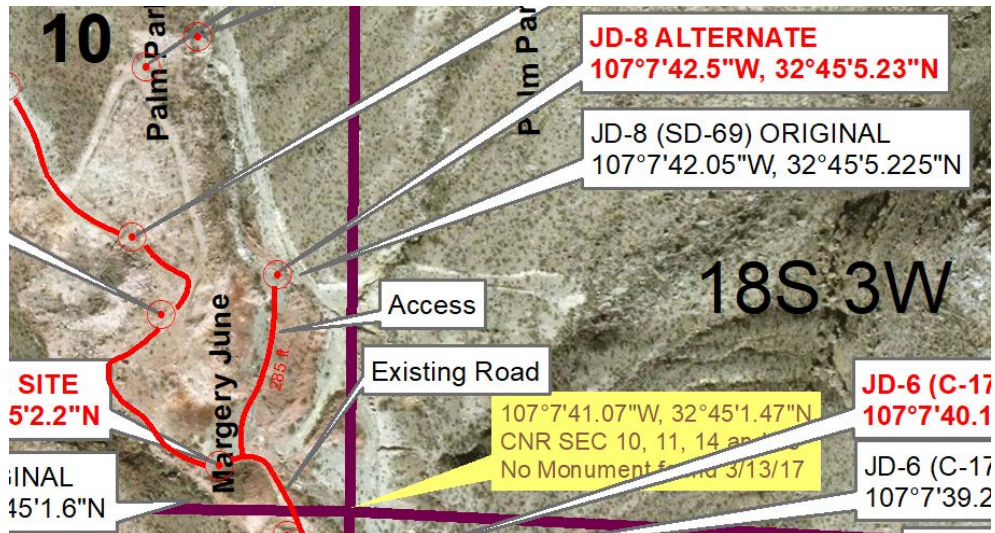


Figure 2. Showing borehole JD-8 ALTERNATE and access.

- D. Borehole JD-15 (relabeled JD-15 ALT) will be relocated to $32^{\circ} 45' 18.64''\text{N}$ & $107^{\circ} 7' 52.43''\text{W}$. This alternate location is directly on the existing road with no acreage outside of existing roads to be disturbed to gain access. See Figure 3

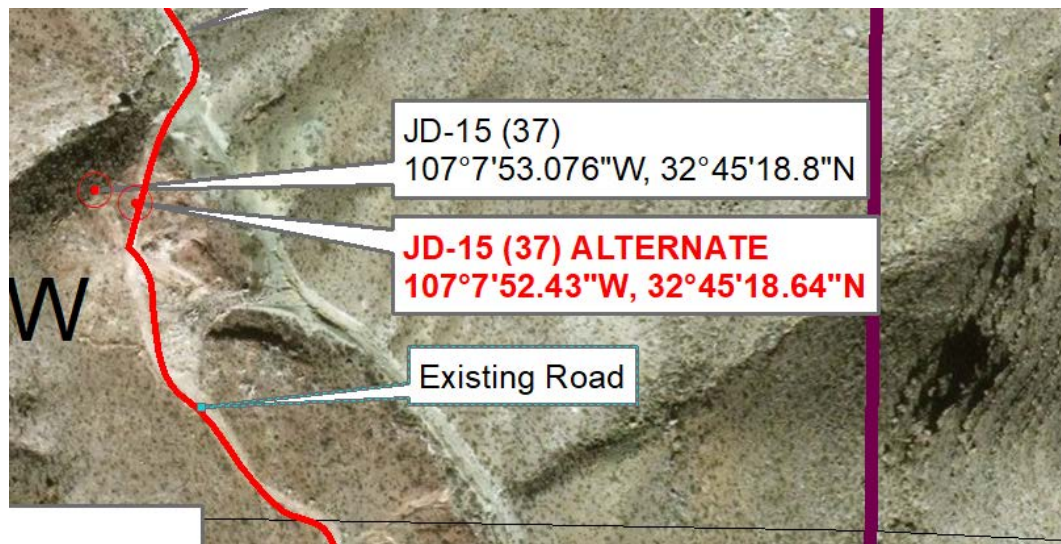


Figure 3. Showing borehole JD-15 ALTERNATE

- E. Borehole 19 (relabeled JD-19 ALT) will be relocated to 107°7'43.6"W & 32°45'2.2"N. This alternate location is directly on the existing road with no acreage outside of existing roads to be disturbed to gain access.
- F. The group of boreholes including JD-6 Alternate, JD-17 and JD-18 will be accessed by the route shown in Figure 4 and includes 3 different segments ("SEG #") constituting the overall access route, which totals 733 ft. The maximum area to be disturbed to access this group of boreholes will be 733 ft. long by 10 ft. wide (or 7,333 sq. ft.). Details of access to these locations are as follows:
- Segment 1 (SEG 1): Exit existing road going straight in a northwesterly direction from Lat/Long 32° 44' 54.583" N & 107° 7' 36.246" W clearing to a maximum width of 10 feet, a distance of 183 feet to borehole JD18. Maximum area to be disturbed will be 183 ft. long x 10 ft. wide (or 1,830 sq. ft.).
 - Segment 2 (SEG 2): Starting at borehole JD18 continue clearing in a northwesterly direction a maximum width of 10 feet, a distance of 350 feet to borehole JD-17. Maximum area to be disturbed will be 350 ft. long x 10 ft. wide (or 3,500 sq. ft.).
 - Segment 3 (SEG 3): Starting at borehole JD-17 continue clearing in a northwesterly direction a maximum width of 10 feet, a distance of 200 feet to borehole JD-6 Alternate. Maximum area to be disturbed will be 200 ft. long x 10 ft. wide (or 2,000 sq. ft.).

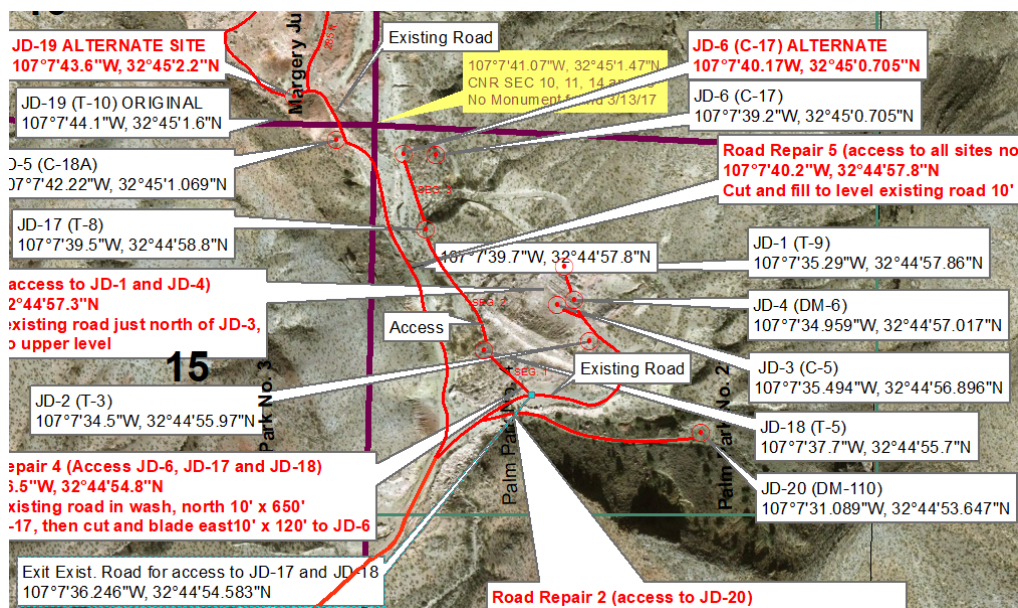


Figure 4. Showing borehole JD-6 Alternate and access to JD-6, JD-17 and JD-18.

- G. The map submitted with the original application mistakenly showed both a Borehole JD-20 (which has been removed from the current map) and a Borehole JD-20 ALT which has been relabeled as Borehole JD-20. Borehole JD-20 can be accessed via an existing (but unmaintained) road, provided a cut is made at intersection of existing main road (Lat/Long 32° 44' 54.1" N & 107° 7' 36.8" W) to re-establish connection to the unmaintained road, as shown on Figure 5. We plan to clear the existing road to a maximum width of 10 feet x 488 ft. (or 4,880 sq. ft.) to borehole JD-20. See Figure 5.

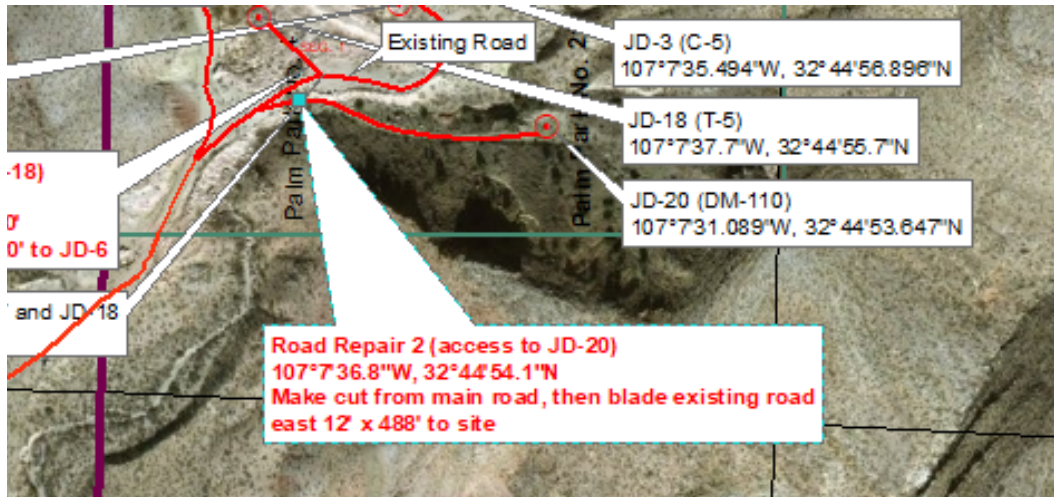


Figure 5. Showing access to borehole JD-20.

- H. The following list summarizes the required road repairs which are shown on the attached aerial map.
1. Main road washout, 6'x15' (90 sq. ft.).
 2. Access to JD-20, 10'x488' (4,880).
 3. Access to JD-1 & JD-4, 10'x25' (250 sq. ft.).
 4. Access to JD-6 ALT, JD-17 & JD-18, 10'x733' (7,330 sq. ft.).
 5. Access to all sites north, 10'x25' (250 sq. ft.).
 6. Access to JD-8 ALT, 10'x285' (2,850 sq. ft.).
 7. Access to JD-16, 10'x70' (700 sq. ft.).

These road repairs total 16,350 sq. ft. or approximately 0.38 acres. Combined with twenty 30'x50' drill pads (15,000 sq. ft.), the total area to be disturbed is approximately 0.72 acres. No grubbing of vegetation is planned. The original financial assurance estimate of \$8,900 for disturbing one acre or less is still appropriate.

2. The typo for borehole JD-2 has been corrected. A revised Section 3, Page 7 of the application is attached with the revised GPS coordinates of each site.

3. The drilling method will be the conventional, standard Reverse Circulation. As for fluids there will be none used. The driller will need to apply or use a fine mist of water to slightly dampen a coating of cuttings at the initial stage of the drill bore to inhibit collapse of loose soil long enough to finish the hole. There will be no water flow out of the bore hole.

4. Regarding the disposal of tailings not returned to the original bore hole, they will be removed and disposed of by a local contractor: David Hernandez, with Ready Mix, Inc. Hatch, New México Office: 575-382-8105, cellular 575-649-2885, e-mail dereadymixinc01@gmail.com

Regarding ground water, in the extremely unlikely case water is encountered, we will obtain a permit for an exploratory well. The abandonment procedure will be in accordance with NMOSE plugging requirements and protocols. We will use bentonite with two feet of cement from two to four feet from the surface as required by NMMMD.

5. Boreholes JD-17 & JD-18 have not been relocated even though they are within an ephemeral stream. The location of these boreholes is essential to the project and mirrors boreholes drilled in the 1970's. They are located in the middle of the road and every precaution will be taken not to leave any tailings or other material which could contaminate surface water.

6. There are no plans to excavate any topsoil within the drill sites. Any reclamation required will performed by

High Desert Native Plants LLC

Mike Gaglio, Biologist/Managing Member

915-490-8601 cell/text | mike@highdesertnativeplants.com

Nursery address 4200 Doniphan Dr. El Paso, TX 79922

The seed mixture used will be similar to the following:

Southwest Desert Wildflower Mix	Pounds Pure Live Seed Per Acre	Seeds per foot
Desert marigold	0.22	18
Blanket flower	1.31	9
Desert globemallow	0.75	9
Brittlebush	0.36	9
Parry penstemon	0.22	5
Mexican gold poppy	1.11	5
Eaton's penstemon (firecracker)	0.22	5
Desert sand verbena	0.54	5
Total	8.65	65

Upland Grass Mix	Pounds Pure Live Seed Per Acre	Seeds per foot
Sideoats grama (<i>Bouteloua curtipendula</i>)	2.00	3
Blue grama (<i>Bouteloua gracilis</i>)	2.00	13
Cane beardgrass (<i>Bothriochloa barbinodis</i>)	1.00	6
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.10	3
Green sprangletop (<i>Leptochloa dubia</i>)	1.00	4
Arizona cottontop (<i>Digitaria californica</i>)	0.90	7
Total	7.72	35

7. We will comply with new permit conditions such as covering the ground under and around the drilling rig with plastic. No fuel, oil, hydraulic fluid, lubricants or other petrochemicals will be stored on site negating the need for secondary containment system. Bentonite clay or cat litter will be available on-site at all times during the operation of any equipment to address any potential spills.

If you have questions or need additional information, please contact me at 806-292-0197 or gms@midplains.coop.

Sincerely,



Gerald Smith
Permitting Consultant for
Diamond Bar Minerals LLC

SECTION 3 – MAPS AND PROJECT LOCATION (§302.D.2)

A. Project Location:

Township _____ Range _____ Section _____

Township _____ Range _____ Section _____

Township _____ Range _____ Section _____

List the drill hole/exploration name and the GPS coordinates for each site.

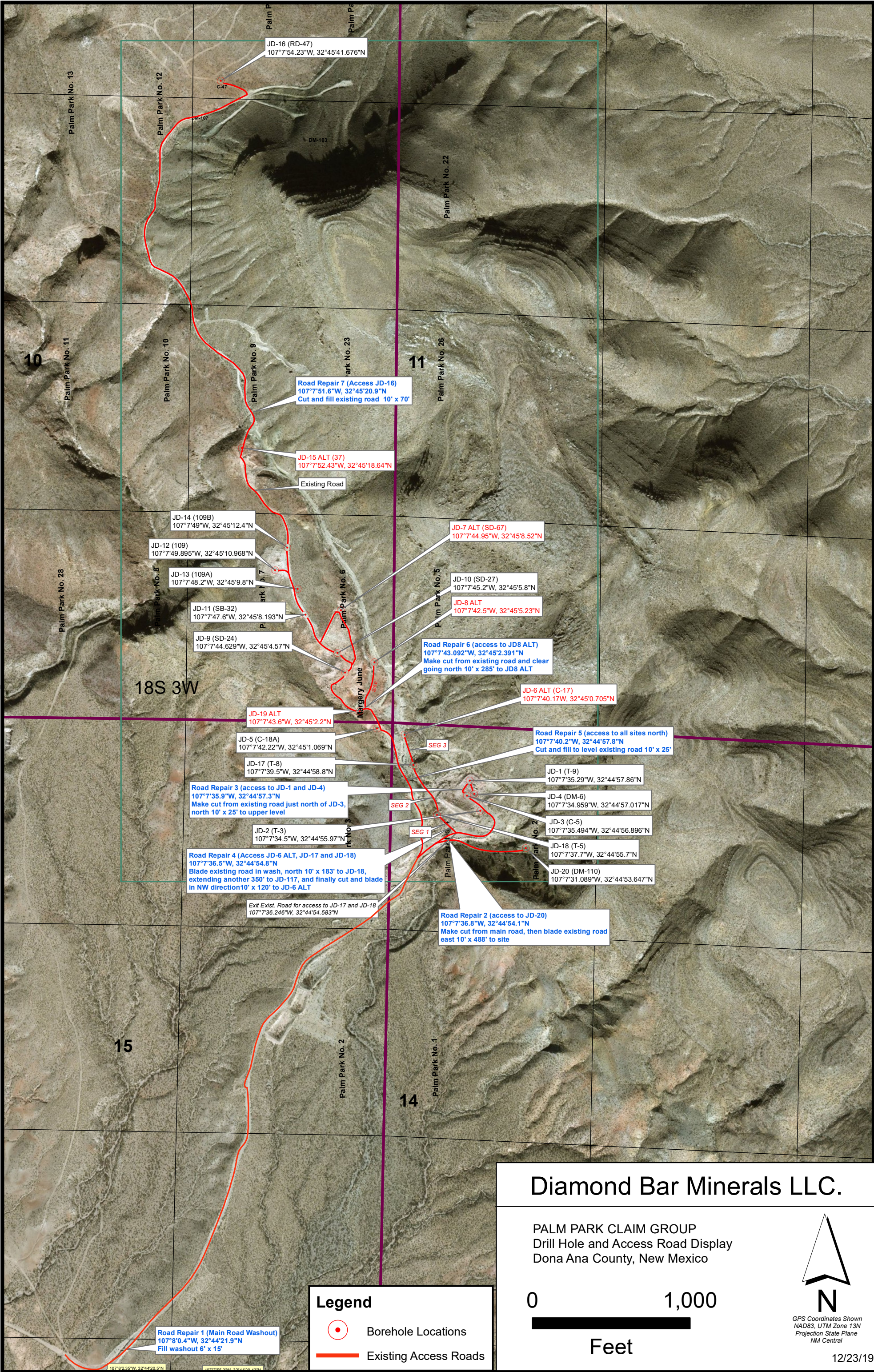
I.D. Number	Northing / Latitude	Easting / Longitude	I.D. Number	Northing / Latitude	Easting / Longitude

Coordinate system used to collect GPS data points:

- | | |
|--|--|
| <input type="checkbox"/> NAD83 Geographic | <input type="checkbox"/> NAD27 Geographic |
| <input type="checkbox"/> NAD83 UTM Zone 13 (or 12) | <input type="checkbox"/> NAD27 UTM Zone 13 (or 12) |
| <input type="checkbox"/> WGS 1984 | <input type="checkbox"/> Other: _____ |

Attachment _____ (for listing additional boreholes)

B. Maps (see application form instructions for examples of maps to be included):



Legend

Borehole Locations

Existing Access Roads

Diamond Bar Minerals LLC.

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

01,000

Feet

N

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

12/23/19