

# Code Breaker Enterprises

P.O. Box 413 Bayard, NM 88023

April 15, 2020

Clinton Chisler  
Mining Act Reclamation Program, Mining & Minerals Division  
New Mexico Energy, Minerals & Natural Resources Department  
Wendell Chino Building - 3rd Floor, Rm. 360  
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Via Email: Clinton.chisler@state.nm.us

Cc: Joseph Navarro, BLM Las Cruces NM Office  
Ms. Leighandra Keeven, [lkeeven@blm.gov](mailto:lkeeven@blm.gov)

RE: Serial Number NMMC 197959, claim name Santo Nino  
NM Permit No. GR037EM-R8, Minimal Impact Exploration Operation

**Summary.** Code Breakers Enterprise, Inc. (Code Breaker) seeks to renew New Mexico (NM) Permit No. GR037EM-R8 to continue minimal impact exploration operations without significant change to Operator plan of operations as provided in BLM Notice of Intent for NMNM 124689 dated April 27, 2018, the BLM decision dated May 1, 2018, the recently submitted April 15, 2020 NOI to the BLM, and New Mexico Permit No. GR037EM-R8 dated May 9, 2019.

**Project.** The Santo Nino Exploration Project is conducting minimal impact exploration operations using only hand tools and simple mining techniques (the Project) in the excavation of a suspected underground void/tunnel. On June 11, 2011, the Joint BLM-NMMD Financial Assurance Agreement for the Santo Nino Mine (“Bond Agreement”) was formally executed. Operator has been operating within the provisions and requirements set forth in its BLM NOI 2018 and NM Permit GR037EM-8.

On April 15, 2020 Code Breaker filed to extend BLM NOI 2018 in parallel with this renewal application to NM, without significant modifications. Operator recommends the current bond remains sufficient for the on-going activities (see 7., Financial Assurance Bond).

I. The following activities have been completed:

1. Safety. Throughout the Project, Operator has proceeded with safety activities including installing a secure metal gate and locks to prevent unauthorized access to the entrance; installing warning signs around the work area and mine entrance; and installing safety handles as needed. Operator requires personnel to wear hard hats and other safety apparel.
2. Remediation. Operator has successfully completed the following remediation activities:
  - a. Erosion control on east slope. Installed erosion silt fence along the toe of stockpiled materials and around the general perimeter of the work area for erosion

- control to prevent storm water run-on/off during storm events; reseeded slope; and replanted slope surface below exploration area. Seeding of slope has been successful with dense growth of erosion-mitigating plants now covering the slope.
- b. The Code Breaker team has also maintained erosion control (silt fence) along upper portion surrounding entrance and applied and maintained erosion control (sock webbing) along two sides of approximately 20 feet of roadway to mine site and completed roadway remediation as required by BLM.
  - c. Reclamation and erosion control to initial stockpile on south. With advice and consent of BLM Las Cruces office and ERMERD officials, Code Beakers successfully contoured and reclaimed this pile inclusive of implementing erosion control and seeding.
3. Second stockpile. During 2019 Code Breakers began a second stockpile on the south side of the entrance. With the advice and consent of NMEMNRD and BLM officials during 2019, a second stockpile was initiated at the surface using existing boulders as the base to construct and stabilize this stockpile. Stockpiling operations presently involve filling the spaces between the surface boulders with excavated materials.
  4. Miner Certifications. Operator personnel completed U.S. Department of Labor MSHA approved mine safety and health training in accordance with Mine Safety and Health Administration (MSHA) standards. The three underground miners presently engaged in the project completed MSHA training during 2016.
  5. Operations. Using only hand tools, Operator began project in 2013 removed three large boulders blocking the entrance point of suspected underground void/tunnel. An approximate 10-ton boulder could not be moved. Using the remaining 10-ton boulder as a stabilizing foundation, 3 iron catwalks have been installed walkways and work area. An iron-locking gate was also securely bolted to boulder and vertical bedrock. Exploration activities completed include:
    - a. Operator dug around the large boulder that could not be removed, descended 23 feet and encountered bedrock surface and a natural underground pocket.
    - b. Operator began excavations between two vertical bedrock walls in a horizontal direction, creating a work area approximately 4 feet wide and 12 feet long. Above the exposed work area metal catwalks were installed. Two ladders (10 feet each) were secured to rock wall and are used by Operator personnel to access work area.
    - c. Excavated materials previously were stored on the surface south of the mine site in quantities within the permitted footprint (40' x 20') in compliance for excavated materials established by NM Permit GR037EM-8. As noted above (I.2.c.), this stockpile has been successfully reclaimed, has erosion controls in place and has been seeded with native vegetation.
    - d. Presently excavated materials are being stored in a new pile to the north of the entrance. As noted above, excavated material from below is being used to fill in spaces between large boulders as the foundation of this new stockpile.
    - e. Stockpiled materials are stored within the designated stockpile area for later use during reclamation and backfilling operations following termination of the exploration project and have been secured with silt fencing or other applicable BMP's to prevent erosion and transport off-site.

- f. In the previous year Operator has installed hand rails, ladder and other safety features in appropriate areas. During 2019 and early 2020, Operator installed an additional metal platform and metal ladders. In all cases, these additions can be easily removed and should not pose any significant challenge or cost to remove when required.
6. BLM Notices and Responses
- a. May 14, 2012 BLM NOI. Code Breaker filed a “Modification to Notice of Intent” to the BLM on May 22, 2012 to continue explorations at the Santo Nino Mine Claim, with identical provisions as submitted to New Mexico MMD in applying for Permit GR037EM, approved June 7, 2011.
  - b. The BLM Las Cruces District completed an inspection on June 12, 2012 and issued Operator a Notice of Non-Compliance on June 27, 2012.
  - c. On July 12, 2012 Operator informed BLM that all of the specified remedial actions had been completed to comply with the BLM June 27 Notice.
  - d. On April 13, 2013 Operator paid to BLM a stipulated \$1,000 Surface Management Personal Bond to address any prospective damage to roadway.
  - e. On April 16, 2014, the BLM extended the Code Breaker Mining Notice an additional two years until June 15, 2016.
  - f. On May 11, 2015 the NM MMD approved renewal and issued permit GR037EM-R4.
  - g. May 1, 2016, the Operator filed for an extension of the BLM NOI for an additional two years, which was approved.
  - h. On May 1, 2018 the BLM extended NOI NMNM124689 for two years to continue permitted operations.
  - i. On May 19, 2019 NM EMNRD approved renewal permit GR037EM-8.
7. Financial Assurance Bond. Regarding the July 2010 MOU between BLM, NM EMNRD and Code Breakers (MOU NM 920-1010-003, NM EMNRD Agreement and amendment, 11-521-0600-0040), the Operator has a Bond Agreement and a bond posted in the original amount of \$17,940 with a current value of \$18,518.49 as of April 14, 2020, and also has a supplemental bond of \$1,000 for use of the road. Based on the completed and successful slope restoration and stockpile restoration; only minimal additions to secure underground safety features that can be easily disassembled and removed if required; Code Breakers regular maintenance of the public roadway for safe travel; and our excellent example of minimal impact operations, we recommend no additional bonding be required for continuing explorations.

II. The following operations are presently being undertaken:

- 1. The work area is an approximate 4 feet X 17 feet opening, secured with iron grating 33 feet deep from the top surface. A second platform is constructed 8 feet from the top platform.
- 2. Operator has excavated in a 3-4 foot wide space between two vertical bedrock walls in a horizontal direction following the descending and expanding fissure in the vertical bedrock. The fissure at the top of the vertical cliff outcrop above the mine claim site is a small crack. At a depth of current explorations it has expanded into a larger fissure once the clay and dirt was removed.

3. Operator is presently undertaking excavation/explorations at the base of the mountain in the 3-4.5-foot wide excavated work area and tunnel. Excavations from the work area proceeded at a downward incline until a floor of solid bedrock was reached. Current excavations taking place are in a horizontal direction to the north following the fissure. We estimate we are operating at about 200-feet below the surface.
4. The only notable addition to previously cited operations is the installation of an air hose. However, due to a natural source of fresh air in the tunnel the air hose is not being used.
5. Current operations are consistent with obligations and conditions of GR037EM-8 including operating within the permitted footprint for excavated materials and also consistent with the BLM NOI of using shovels, buckets and a clay digger.

III. The following outcomes are anticipated.

1. Consistent with originally submitted applications to BLM and NM MMD, Operator is exploring and excavating an underground void, seeking a natural volcanic vent. Operator is maintaining a 3-4 ft. wide trough and continuing explorations by tunneling and seeking mineral deposits.
2. With unsuccessful results, i.e. no mineral discoveries are made or no further indication of the presence of a tunnel, the excavated material will be used to backfill the shaft and any boulders will be returned to their original position and Operator will proceed with site reclamation and revegetation as required under NM Permits and BLM guidelines.

IV. Proposal to NM Mining and Minerals Division.

Operator is seeking renewal of its Minimal Impact Exploration Permit. Code Breaker operations remain consistent with the terms and provisions of originally approved Permit No. GR037EM-8, with the following clarification: Operator will continue to follow the now horizontal tunnel in a northerly direction between the two vertical bedrock walls and the bedrock floor.

V. Other Material Facts.

1. The Santo Nino mine claim was transferred from Code Breaker Enterprises to Insight Mining LLC, a limited liability company comprised of Code Breaker Enterprises, Ruben Amador and Carl Lehrburger; both individuals are Officers of Code Breaker Enterprises.
2. Code Breaker Enterprises/Ruben Amador remains the Operator and party to the Bond Agreement.
3. During 2017, the Santo Nino BLM mine claim designation was changed from NMNM 124689 to NMNM 197959.
4. On April 15, 2020 Operator submitted request to extend NOI to BLM.

Under separate cover a check in the amount of \$500.00 will be sent to NM MMD.

For any questions and all requests for additional information regarding this Permit Renewal Application, contact: Carl Lehrburger, Secretary [carllehrburger@gmail.com](mailto:carllehrburger@gmail.com), 303-587-9962.

All formal communications and Notices should also be sent via mail to: Ruben Amador, Code Breaker Enterprises, P.O. Box 413, Bayard, NM 88023.

To arrange for a Site Inspection or for other operational questions, contact Ruben Amador at (575) 574-7167.

Thank you for your consideration in this matter.

Sincerely,



Carl Lehrburger  
Code Breakers, Inc.  
Secretary

Cc: Ruben Amador, Code Breaker Enterprises

Cc: Joseph Navarro, BLM Las Cruces NM Office, [jnavarro@blm.gov](mailto:jnavarro@blm.gov)

Cc: Ms. Leighandra Keeven, [lkeeven@blm.gov](mailto:lkeeven@blm.gov)