

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michele Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Jerry Schoeppner, Director**  
Mining and Minerals Division



**Electronic Transmission**

July 21, 2020

Shawn Findlan  
201 W. Spruce St  
P.O. Box 444  
Deming, NM 88030

**RE: MMD'S Response to the Termination Report for the Peru Mill Tailings Exploration Project, Permit No. LU038EM – Luna County, New Mexico**

Dear Mr. Findlan,

The New Mexico Mining and Minerals Division (“MMD”) received the Termination Report from Gila Mining, LLC (“Gila Mining”) titled, “*Termination Report for Minimal Impact Exploration Permit No. LU038EM Peru Mill Tailings Exploration Project*”, dated July 16, 2020. MMD has reviewed the report and has the following response.

In Gila Mining’s September 19, 2019 response to the MMD and Agency Technical Comment Letter it states “any excess drill cuttings (tailings) will be containerized in 55-gallon drums. The cuttings will be sampled using USEPA SW-846 waste laboratory test methods, the drums will be appropriately labeled and stored off the tailings pile until the laboratory results are reported to GM. From those results the excess cutting will be recycled or disposed of following State and Federal guidelines for mining wastes.” Since the permit for this project was issued based on the plan for the disposal of excess drill cuttings, MMD will be retaining a portion of the Financial Assurance in order to cover the cost for offsite disposal. Please provide a quote for disposal of the excess tailings that are stored in the 55-gallon drums. This quote will determine the amount MMD will need in a new Financial Assurance Instrument before releasing the \$22,550 Surety Bond No. 800047580.

The deadline for the waste disposal quote is 30 days of receipt of this letter. Should you have any questions, comments, or require additional information concerning this letter please contact me at (505) 470-5354, or via email at: [jennifere.johnson@state.nm.us](mailto:jennifere.johnson@state.nm.us).

Sincerely,

Jenn Johnson, Permit Lead  
Mining Act Reclamation Program (“MARP”)

**cc:** Terry Jensen, Chief Operating Officer, Gila Mining, LLC  
Holland Shepherd, Program Manager, MARP  
Mine File (LU038EM)