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PERMIT MODIFICATION 20-1 TO PERMIT NO. BE001RE TIJERAS MINE AND MILL EXISTING MINING OPERATION

MINING AND MINERALS DIVISION ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

This Permit Modification 20-1 ("Permit Modification") to Permit No. BE001RE is issued by the Director of the Mining and Minerals Division ("MMD") of the New Mexico Energy, Minerals and Natural Resources Department to:

	GCC Rio Grande, Inc. ("GCC Rio Grande")
Whose correct address is:	Tijeras Mine and Mill
	P.O. Box 100
	Tijeras, NM 87059

("Permittee") for the Tijeras Mine and Mill, located in Bernalillo County, New Mexico.

This Permit Modification:

- A. Approves the addition of exploration drilling verbiage to the current Closeout Plan within the permit boundary of the Tijeras Mine and Mill.
- B. Approves the addition of verbiage to the current Closeout Plan regarding Off-Spec Coal Management on site.

In order to accomplish the approval contemplated by this Modification 20-1, the following subparagraphs are added to Permit No. BE001RE:

Section 1 (20-1). STATUTES AND REGULATIONS

- A. This Permit Modification is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2019) ("Act") and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code ("NMAC" or "Rules" or "Regulations").
- B. This Permit Revision is subject to the Act, the Rules, and any other regulations which are now or hereafter in force under the Act; and all such regulations are made a part of this Permit by this reference.

Section 2 (20-1). PERMIT APPLICATION PACKAGE ("PAP")

A. Modification Application for New Units, Exploration Drilling and Off-Spec Coal

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Placement at GCC Rio Grande Tijeras Mine and Mill (Permit BE001RE), January 24, 2020

- B. *Proposed Financial Assurance for Modification 20-1* Submitted by Permittee, January 21, 2020.
- C. Amended Application: *Modification Application for Exploration Drilling and Off-Spec Coal Placement at GCC Rio Grande Tijeras Mine and Mill (Permit BE001RE)*, March 25, 2020.
- D. BE001RE Modification 20-1 Application Comment Response, June 8, 2020
- E. Final Application: *Modification Application for Exploration Drilling and Off-Spec Coal Placement at GCC Rio Grande Tijeras Mine and Mill (Permit BE001RE)*, June 8, 2020.
- F. *Tijeras Quarry Exploration Map*, June 8, 2020

Section 3 (20-1). PERMIT AREA AND DESIGN LIMITS

A. The Tijeras Mine and Mill are situated south of the Village of Tijeras on approximately 2,118.67 acres, of which 1,705.77 acres are patented claims, 119.19 acres are owned in fee, and 293.71 acres are leased. The cement plant is located in the S ½ of the SW ¼ of SE ¼ of Section 22 and the N ½ of the NW ¼ and NW ¼ of NE ¼ of Section 27, Township 10 North, Range 5 East. The quarry and the patented claim areas include parts of Sections 21, 22, 26, all of 27, and parts of Sections 33 and 34 of Township 10, Range 5 East and the North ¼ of Section 4, Township 9 North, Range 5 East. The approved permit area is approximately 2,118.67 acres and is delineated in Figure A-3 of the Revision 20-1 PAP. The approved permit area is on surface lands owned by GCC Rio Grande and the United States Forest Service. The Permittee is authorized to conduct mining, exploration and reclamation operations only within the approved permit area, as set forth in the Revision 20-1 PAP.

Section 4 (20-1). FINDINGS OF FACT

The Permit Application Package

- A. The PAP is complete and demonstrates that the proposed operation will meet the performance and reclamation standards and requirements of §19.10.5.507.A NMAC.
- B. The Permittee has paid the Permit Modification fee of \$1,000.00 as required by \$19.10.2.201.H NMAC.

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- C. The PAP has been reviewed in accordance with §19.10.5.505 NMAC and has been determined to be a Modification. The PAP is complete, accurate, and complies with the requirements of §19.10.5.505 NMAC.
- D. The proposed operations and reclamation, as described in the PAP and this Permit, will meet the requirements of reclamation, as identified in §19.10.1.7.R(1) NMAC of the Rules. The reclamation plan, subject to the conditions in the Permit, demonstrates that the reclamation of the disturbed areas within the Permit Area will result in a condition that allows for the establishment of a self-sustaining ecosystem within the Permit Area that is appropriate for the life zone of the surrounding areas.

Right-To-Enter / Property Access Information

E. The Permit does not grant or create any property rights. Nor does MMD, by issuing this Permit or otherwise, make any comment on the surface or mineral rights that the Permittee may or may not have in the area covered by the Permit. Permittee is solely responsible to take whatever steps are necessary to ensure that Permittee has property rights sufficient to support the activities contemplated by the Permit.

General Information Regarding the Permittee

- F. The Permittee is not in violation of the terms of another permit issued by the Director or in violation of a substantial environmental law or substantive regulation at another mining operation, has not forfeited or had forfeited financial assurance in connection with another mining, reclamation or exploration permit, and has not demonstrated a pattern of willful violations of the Act, the Rules or other New Mexico environmental statutes.
- G. The Permittee has signed and certified a statement, provided within the Application, that the Permittee agrees to comply with the requirements of this Permit, the Rules, and the Act, and allows the Director to enter the Permit Area for the purpose of conducting inspections.

MMD's Request for Comments to the Agencies

- H. MMD provided the cooperating agencies (the New Mexico Environment Department, the Department of Game & Fish, State Forestry Division, State Historic Preservation Office, Office of the State Engineer, and the United States Forest Service) with a copy of the Application pursuant to §19.10.5.505.B(3) NMAC and requested comments from the agencies on February 04, 2020 and on March 30, 2020.
- I. MMD provided the Permittee with comments provided by MMD and the cooperating agencies on May 6, 2020.

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Financial Assurance

J. The Permittee has provided satisfactory updated financial assurance to complete the Modification 20-1 for the Tijeras Mine and Mill as required by 19.10.5.506.J.2. The updated financial assurance for the Tijeras Mine and Mill closeout plan is in the form of a Surety Bond Rider to Surety Bond No. 106336638 for a total amount of \$2,326,694.00. The Surety Bond Rider to the Surety Bond is in the amount of \$65,460.00 issued by Travelers Casualty and Surety Company of America

Section 5 (20-1). COMPLIANCE REQUIREMENTS

- A. The Permittee shall conduct mining, exploration, and reclamation operations only as described in the approved Modification 20-1 PAP, the Permit, and any revisions or modifications approved by the Director.
- B. This Permit Modification is issued pursuant to NMSA 1978, Section 69-36-1 et. seq. and Title 19, Chapter 10 NMAC. Permittee may be required to comply with other federal, State, county or local laws or ordinances before or while undertaking the activity that is the subject of this Permit Modification. MMD does not, by issuing this Permit Modification or otherwise, make any comment on Permittee's compliance with such other laws. It is Permittee's sole responsibility to investigate and comply with the requirements of such other laws.
- C. The approval of this Permit Modification does not relieve Permittee from the responsibility of complying with other state and federal requirements and standards.
- D. The Permit Modification does not grant or create any water rights. Nor does MMD, by approving this Permit Modification or otherwise, make any comment on the water rights that the Permittee may or may not have available for use in the area covered by the Permit Modification. Permittee is solely responsible and obligated to comply with all State and federal laws related to water rights sufficient to support the activities contemplated by the Permit Modification.
- E. Future submittals required by this Permit shall be presented in electronic form in addition to written form to the Director for approval.

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Section 6 (20-1). GENERAL OBLIGATIONS AND CONDITIONS

The conditions outlined in this section are required for the Permittee to meet certain requirements of the Rules. The conditions for Modification 20-1 are required to mitigate the disturbances within the Tijeras Mine and Mill and provide for stabilization of the Tijeras Mine and Mill that will minimize future impact to the environment and protect air and water resources in accordance with §19.10.1.7.R(1) NMAC.

This Permit is subject to the following conditions:

A. **EXPLORATION ACTIVITIES**

- 1. Exploration activities covered under Modification 20-1 shall only be conducted within the Permit Area of the BE001RE Permit. Any exploration activities that are planned to occur outside of the Permit Area must be applied for as a separate Exploration or Minimal Impact Exploration Operation.
- 2. MMD shall be given 60 days' notice prior to any exploration activities beginning onsite.
- 3. Exploration activities covered under Modification 20-1 shall be in accordance with Section 4 of the June 8, 2020 Application and Comment Response as included in the PAP.
- 4. Exploration activities approved under Modification 20-1 shall not exceed 1 acre of surface disturbance and 4,040 ft of drill hole depth at any given time. The operator will only be able to proceed with more surface disturbance and drilling after MMD approves a Termination Report which sufficiently reflects the reclamation and borehole abandonment requirements set forth in §19.10.3.302 K and L NMAC.
- 5. Exploration activities must be reclaimed as soon as possible per §19.10.3.302.K NMAC and completed in accordance with this modification application.
- 6. The Termination Report provided by the operator shall include a map of borehole locations with associated depths, surface disturbance calculations, documentation including photos after reclamation that are in accordance with §19.10.3.302.K and L NMAC, and Well Plugging/Abandonment Approval from the NM Office of the State Engineer ("NMOSE").

B. DISPOSAL OF OFF-SPEC COAL ON-SITE

- 1. Disposal of Off-Spec Coal is approved in the Quarry 6 Cement Kiln Dust ("CKD") Pit area of the mine site.
- 2. Reclamation of the Quarry 6 CDK Pit area shall be conducted in accordance with Section 5.3.1 of the current Rev. 18-1 Closeout Plan.
- 3. Off-Spec Coal Management shall be conducted as described in the June 8, 2020 Modification 20-1 Application and Comment Response as included in the PAP.
- 4. GCC shall submit an NOI to NMED for review of the Off-Spec Coal Management prior to placing any material in the CKD area.

Section 7 (20-1). CONCLUSIONS OF LAW

- A. The Director has jurisdiction over the Permittee and the subject matter of this proceeding.
- B. The Modification 20-1 PAP is complete, accurate, and complies with the requirements of the Act and Section §19.10.5.505 NMAC and with conditions described in this Permit Modification document.
- C. The Modification 20-1 PAP is complete, accurate, and complies with the requirements of Section §19.10.5.505 NMAC. The Permittee, GCC Rio Grande Inc., is permitted pursuant to the New Mexico Mining Act to conduct mining and reclamation operations at the Tijeras Mine and Mill, Bernalillo County, New Mexico, upon the condition that the Permittee complies with the requirements of this Order, the Act, the Rules, Permit No. BE001RE, and all modifications thereof and Modifications thereto.

All other provisions, Revisions, and Modifications for mining and reclamation contained in the Tijeras Mine and Mill Permit No. BE001RE, remain unchanged.

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CERTIFICATION

I certify that I have read, understand and will comply with the requirements of this Permit, this Permit Modification, the Act, the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and/or as otherwise required by law.

Authorized Depresentative of the Permittee - Manager Rio Grande

<u>Company</u>

Subscribed and sworn to before me this $\frac{13}{2}$ day of 2020 Notary/

My Commission Expires

January 30, 20 22

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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 20-1 to the Tijeras Mine and Mill – GCC Rio Grande Inc., Permit No. BE001RE, located in Bernalillo County, New Mexico. This approval is for the addition of exploration verbiage and Off-Spec Coal Management verbiage into the Closeout Plan for the Tijeras Mine and Mill.

By Order of the Director, Mining and Minerals Division, Energy, Minerals and Natural Resources Department, of the State of New Mexico.

By:

in Are

Jerry Schoeppner, Director Mining and Minerals Division Energy, Minerals and Natural Resources Department

Date: <u>7/15/2020</u>

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