



Comexico LLC (wholly owned
subsidiary of)
New World
RESOURCES

September 30, 2020

State of New Mexico
Energy, Minerals and Natural Resources Department
Mr David Ohori, Supervisor, Senior Reclamation Specialist
New Mexico Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Response to Comments on Regular Exploration Application, Tererro Exploratoin Project, Permit No. SF040ER, Comexico, LLC

Dear Mr. Ohori

Following are responses from Comexico LLC (Comexico) to comments provided by MMD and to which Comexico had failed to properly respond to in a letter dated August 25, 2020.

In general, I would like to reiterate that Comexico have not proposed a mining operation, a water well drilling, nor an oil and gas drilling operation but have proposed exploration drilling for hard rock (non-coal) resources and notes that often times comments appear to confuse the four activities.

August 10, 2019 NMED Surface Water Quality Bureau (SWQB) and Air Quality Bureau (AQB)

Mining Environmental Compliance Section

- Comexico proposes to use mud pits.
- During a site visit on August 8, 2019, Comexico collected Total Dissolved Solids (TDS) measurements from the groundwater seeps at the two historic mine adits. The upper adit recorded a TDS of 220 milligrams per liter (mg/L), and the lower adit recorded a TDS of 240 mg/L. Comexico has committed to also sampling water well UP00826.
- Plugging and abandonment of borings will comply with regulation as as required by the New Mexico Office of the State Engineer as is indicated in the application. Comexico will contain any water produced from the exploration holes at the drill sites.

September 4, 2019 NMED SWQB

Comexico is aware of the designations associated with NMAC 20.6.4.217 and 20.6.4.98 and has added discussion of the impaired waters status of Macho Creek to the project Hydrology report updated on September 29, 2020. Comexico noted in response to MMD comments on August 25, 2020 that it is aware of the impaired designation for Macho Creek (Pecos River to headwaters). In addition to those comments, it is also noteworthy that 1) the impaired water status for the entire Macho Creek is somewhat in conflict with a documented population of Rio Grande Cutthroat Trout some 2.4 miles



upstream of the water monitoring sample point and 2) the last sample documented was collected in September 2013 (<https://www.env.nm.gov/wp-content/uploads/sites/25/2018/03/Appendix-A-Integrated-List.pdf>) four months after the start of the Tres Lagunas fire. Proposed exploration activities will be implemented with appropriate and reasonable Best Management Practices to prevent further degradation.

- Bullet point 1:
 - o Comexico will maintain appropriate spill clean up materials on-site at all times during project operations and commits to reporting all spills immediately to the NMED as required by the New Mexico Water Quality Control Commission Regulations.
- Bullet point 2:
 - o Comexico will contain all water to the drill site to prevent erosion and gully formation.
 - o Comexico proposes to use mud pits and to bury the contents on-site after use. An updated list of proposed mud products was provided to MMD in a letter dated August 25, 2020.
 - o Comexico will notify the SWQB as well as the Office of the State Engineer if artesian conditions are encountered during drilling activities.
- Bullet point 3:
 - o Comexico commits to requiring contractors to pressure wash/steam clean all equipment prior to mobilization to the project area.
 - o Comexico commits to keeping a written log of daily drill inspections and maintenance.
- Bullet Point 4:
 - o Comexico have developed and documented specific descriptions of drill site preparation and reclamation, including BMPs to implement during and after operations. Comexico have proposed a Road Maintenance Plan, updated September 29, 2020 to address the access roads proposed for use.
 - o Comexico referenced portions of the Gold Book in the preparation of the Road Maintenance Plan but also notes that the Gold Book is tailored toward oil and gas operations which are distinctly more impactful in terms of size/types of equipment, amount of materials and support required, and overall scope of operation. Roads identified for maintenance by Comexico, and addressed in the Road Maintenance Plan, are all existing Forest Service roads classified as “Maintenance Level 2 roads” which have their own USFS-based guidelines for use and maintenance. Proposed drill sites are located within historical disturbance areas and will be bounded by BMPs to prevent surface waters from entering and exiting the area during and after operations. Maintenance has been proposed on the roads in the expectation that the increased and repaired erosion control measures will allow for all-weather access. Comexico will provide discussion/protocol on suspending road maintenance activities during or shortly after significant precipitation events.
 - o Comexico is of the position that the current road condition meets the characterization of a Forest Service Maintenance Level 2 road which would support the equipment proposed for use; daily access would be via pickup trucks.
 - o Comexico proposes to keep the footprint of drill sites within the existing disturbance areas to the extent possible and will recontour back to the original contour during



reclamation. It is impractical for Comexico to cut into hill slopes to a significant degree as the material from such cuts would need to be stored within the proposed drill site (maximum dimensions of 60 by 40 ft), therefore decreasing possible area to be used by operations.

- Bullet point 5:
 - o All proposed drill sites and overland routes are located greater than 100 ft from wetlands. Specific BMPs have been defined for this area to prevent surface water runoff and interaction.
 - o The proposed laydown area is within 100 ft of an identified wetland and spring. This area was selected as the proposed location to store materials because it is 1) in an “open” area of historical disturbance apparently used for cattle grazing operations and formerly used in exploration activities by former operators, 2) it is in an area large enough to turn around readily without additional disturbance, 3) it is in close proximity to proposed drill sites to allow a short commute from sites to use toilets and/or retrieve parts or materials is nearby, and 4) it is within an area of proposed activity to access the existing water well on site, this activity would occur on a regular basis. Specific BMPs have been defined for the area to prevent surface water runoff and interaction.
- Bullet point 6:
 - o Comexico have developed specific BMPs and has committed to providing site specific erosion control plan for the proposed activities.
- Bullet Point 7:
 - o Comexico have developed specific BMPs and has committed to providing site specific erosion control plan for the proposed activities.
- Bullet Point 8:
 - o If the project qualifies, Comexico will secure an Industrial Stormwater permit.
 - o An SWPPP plan will be developed.
- Bullet point 9:
 - o Comexico does not propose any activities within watercourses or wetlands.
- Bullet point 10:
 - o Subsequent versions, revisions, and associated application materials will be made available for review via the MMD.

August 5, 2019 NMED AQB

- Comexico can confirm that the proposed core drilling rig's, QSB (off road) Cummins 6.7 Liter turbo diesel compression engine with maximum 220 horsepower does not appear to exceed emissions requirements as defined. Comexico is still determining the potential emissions related to the engine within the proposed reverse circulation drill rig which uses a Detroit Diesel Series 60 engine at a maximum horsepower rated to 600. Comexico commits to Air Quality Requirements related to emissions as outlined by the AQB.
- Comexico will operate following possible control strategies provided by the AQB in regards to fugitive dust.
- Comexico will comply with all requirements of federal and state laws pertaining to air quality.

October 10, 2019 NM Department of Game and Fish

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- The biological report associated with the project is not yet finalized but Comexico can confirm that the US Fish and Wildlife 2012 Mexican Spotted Owl surveying protocol was followed and the analyses area included a 0.5 mile buffer to the project area.
- Comexico is not aware of SWCA making a “No Effect” determination for MSO at the proposed project. The current draft determination in the draft biology report, after 2 years of MSO surveying is “May Affect, but Not Likely to Adversely Affect.
- Comexico proposes to operate at any time during the year and expects a review of this proposed operating period be based upon the survey results and final Biological Assessment report.
- Prior to arriving on site Comexico will commit to thoroughly cleaning all visible dirt and mud from equipment to prevent the spread of weeds.
- Comexico have proposed a Road Maintenance Plan to address the existing Forest Service Roads used to access the project area. The road Maintenance Plan, Hydrology report, and Exploration Permit Application and associated modifications and addendums detail BMPs planned to be used to control sediment runoff.
- Comexico have proposed to use mud pits enclosed by fence and netting – Comexico commits to regular inspection and maintenance of the netting. Contents of the mud pits are proposed to be buried onsite after use.
- Comexico will commit to taking measures to dampen rig noise at the drill site. Two seasons of field surveys have been undertaken and are outlined in the draft Biological Assessment report.
- Comexico referenced 20 year old MMD permit documents from an operator who was granted an exploration permit in the Jones Hill area. Comexico is still working with the USFS to determine an appropriate seed mix for use in reclamation. Comexico have requested that their consultant, SWCA prepare a draft seed mix for review.

June 13, 2019 and July 25, 2019 Department of Cultural Affairs Historic Preservation Division

- An archaeological survey spanning two seasons and report are under review.
- While it may never have been submitted to the NM Department of Cultural Affairs Historic Preservation Division, Comexico have evidence that an archaeological report authored in 1981 and titled “Archaeological Survey of Conoco’s Jones Mine Property” has been submitted to the USFS.
- A letter dated May 3, 1999 between the MMD and the Office of Cultural Affairs Historic Preservation Division indicates that, at that time, “two previously recorded sites within the permit area [were] eligible for inclusion in the National Register...”.

August 31, 2019 Office of the State Engineer (OSE))

- Comexico propose to undertake exploration activities for a period of up to three years, from the time of gaining all approvals.
- A well Plugging Plan of Operations, form WD-08, will be submitted to the OSE.
- Comexico disagrees that the depth to water discrepancy between 1981 and 2019 is necessarily due to artesian conditions. Several logical explanations include:
 - 1) The 1981 water level was collected without allowing enough time for the water column to reach its static level – particularly if any mud products were used during the drilling.



- 2) The stock pond of unknown origin located approximately 140 ft downhill (and approximately 16.5 feet lower in elevation) from the water well was built after the well was completed and has altered the well's static water level.
 - 3) The well log on file for the hole indicates that "overburden" was encountered to a depth of 22 feet below surface and therefore there could be a perched water condition local to the collar position of the water well, where the overburden meets bedrock. Over the course of 39 years there may have been communication between a perched aquifer and the fracture system which the water well originally encountered.
 - 4) Seasonal differences in water level associated with a well that is indicated to have been drilled within close proximity to a NM defined wetland.
- Comexico will file and await approval for a Well Plugging Plan of Operations (Form WD-08), and a Plugging Record (Form WD-11) in accordance with Subsection C of NMAC 19.27.4.30, as revised on 6/30/2017.
 - Comexico will commit to using Portland neat cement to plug wells to within 2 ft below ground surface as well as all other requirements for well plugging in NMAC 19.27.4.36.
 - Comexico will contact District 6 Office of the Water Rights Division of the NMOSE in Santa Fe should artesian conditions be encountered. In the event artesian conditions are encountered, drilling operations will cease immediately and the borehole will be plugged from the bottom upwards with an OSE-approved sealant in accordance with Subsection A of 19.27.4.31 NMAC. The borehole plugging will be witnessed by an authorized representative of the state engineer.

July 8, 2019 NM EMNRD State Parks Division

- Comexico have proposed exploration activities located on unpatented mining claims which date back to the early 1970s. Prior to the date of those unpatented mining claims, Comexico understands that the Jones Hill area was accessed for timber as well as small scale and intermittent mining operations at the Jones Hill Mine. The Jones Hill Mine is understood to have been discovered during prospecting and mining activities relating to the historic Tererro Mine. Comexico encourages the state of New Mexico State Parks Division to consider memorializing the history of the Tererro Mine which is said to have employed an average of 600 people between 1926 and 1939 and to have supported the town of Tererro which was home to as many as 3,000 people. The mining operation was a significant engineering feat which utilized an aerial tramway to deliver ore mined from Tererro to the mill site more than 12 miles distant. Presumably portions of the operation are sites worthy of the National Register. Comexico encourages including more recent historical facts in the memorial such as the transfer of ownership from the mining company to the NM State Game Commission in 1950 and the subsequent activities which occurred between 1950 and 1991 and then those which have occurred to present day.
- Comexico hopes to maintain reasonable access to the real property interest it maintains via its mining claims in the project area. The reasonable access includes I-25, NM State Highway 63, an access easement through 5 individual parcels (one of which is a parcel owned by the New Mexico Game and Fish which was originally deeded to the Game Commission along with the property that is now the Pecos Canyon State Park), and then existing Forest Service Maintenance Level 2 roads 192 and 120.



- Comexico will endeavor to ensure the NM State Parks Division continues to receive information related to activities proposed by Comexico to ensure that input and collaboration may continue into the future.

August 6, July 24, and June 21, 2019 EMNRD Forestry Division

- The Biology surveys and report address Holy Ghost Ipomopsis and the current draft version of the report states a No Effect determination. Biological surveys of the proposed project area included presence/absence surveys.
- Comexico have proposed installing a non-drivable water bar at the junction of Forest Road 192 and 120, where 120 continues to the proposed project area and 190 passes the HGI enclosure approximately 1122 ft north of the road junction. Comexico do not propose to utilize Forest Road 192 after the junction with Forest Road 120 and therefore will not be traveling directly past the HGI enclosure.
- I understand there is concern about possible traffic along an existing maintenance level 2 Forest Service road that is near a population of HGI. Is there documentation detailing why a decision was made to transplant HGI into an area so close to an existing road apparently used by a grazing allotment lessee? In addition to this detail, is there any documentation as to what means of access authorization were granted to whichever groups performed the transplanting? Access authorization, if accessed via motorized vehicle, would have required crossing private property via Macho Canyon, Sawyer Canyon, or Indian Creek.

January 13, 2020 Memo transmitting a December 31, 2019 NMED-SWQB comment

- Bullet Point 1:
 - o Comexico have determined that utilizing onsite mud pits and burying the mud at the drill site upon reclamation is to be included in the proposed action moving forward.
- Bullet Point 2:
 - o Comexico commits to not widening any existing roads.
- Bullet Point 3:
 - o A Road Maintenance Plan has been developed.
- Bullet point number 4:
 - o Wetlands as defined by NMAC 20.6.4 have been incorporated into the hydrology report and BMP discussion.
 - o Three riverine wetland areas identified have been incorporated into the hydrology report and BMP discussion.
- Bullet Point number 5:
 - o Comexico have incorporated discussion of the 303(d) listing of Macho Canyon Creek into the Hydrology Report and BMP discussion.
 - o No road maintenance is proposed on the Macho side of the Indian-Macho divide nor have any culverts, plugged or not, been identified.
- Bullet point number 6:
 - o Comexico have indicated that if the project qualifies, an Industrial Stormwater permit or Sector G: Metal Mining (Ore Mining and Dressing) Facilities.
- Bullet Point 7:



- Comexico have provided a protocol to be followed during and after precipitation events during the road maintenance or other proposed ground disturbing activities. It is part of the Road Maintenance Plan as modified September 30, 2020.

February 12, 2020 New Mexico Game and Fish

- Comexico have incorporated discussion of the 303(d) listing of Macho Canyon Creek into the hydrology report and BMP discussion.
- DH13 and DH17 are near a depression which ultimately leads to an NWI identified “seasonally flooded intermittent riverine streambed” approximately 2200 ft downhill from DH13. DH05 is within approximately 128 ft (in plan view) from an NWI identified “seasonally flooded intermittent riverine streambed” and New Mexico defined wetland. Discussion on this topic has been incorporated into the hydrology report section 4.1.2. In addition, discussion on the impaired water status has been incorporated into the updated Hydrology Report in section 4.1.4.5. BMPs have been identified and proposed to assist with prevention of surface water runoff interaction off of the proposed disturbance sites.
- Exploration and small-scale mining operations, including road building, prospecting, and timber activity have been intermittently ongoing in this area since about 1905, as evidenced by the vast network of existing access roads that are within the existing Forest Service road network. Comexico have gained authorized use to these existing maintenance level 2 roads and have proposed a road maintenance plan and associated BMPs to assist with prevention of surface water runoff and interaction with adjacent habitats. Comexico is of the position that the poor quality of the existing roads will be enhanced and that after proposed operations have ceased the condition of the project area and access thereto will be better off than it was prior.
- Comexico have developed a road maintenance plan and specific BMPs as well as have committed to providing a site-specific erosion control plan to the MMD at least 60 days prior to implementing operations. In addition, Comexico have committed to providing detail on the first 3-5 drill sites to be implemented upon to the MMD, at least 30 days prior to implementing.

February 7, 2020 Office of the State Engineer

- A Road Maintenance Plan has been developed.
- BMPs specific to various disturbance types have been developed.
- Discussion on NM wetlands and impaired waters have been incorporated into the Hydrology Report and USFS Plan of operations/New Mexico MMD Exploration Permit Application.
- The nearest proposed drill site, DH27, measures approximately 1175 ft from the well UP00826.
- Comexico disagrees with the assessment that project water is [likely to be] under artesian conditions as addressed above in this document. Comparing well UP00826 to 20 wells within 10 miles of the project site should be done with great care. The vast majority of water wells within 10 miles of the project site are directly adjacent to the Pecos River and are therefore in a wholly different surface water/groundwater regime to that of well UP00826.
- Comexico agrees that there is a strong possibility of encountering groundwater during the proposed drilling project.
- Comexico will contact the Water Rights Division of the Office of the State Engineer and complete the necessary required forms.



October 25, 2019 Santa Fe County Building and Development Services


1. Comexico propose to utilize lined mud pits.
2. Comexico will review requirements for assigning addresses to the roads for 911 purposes with the County and the Forest Service. Comexico will review requirements for a drainage and grading plan and determine whether the Road Maintenance Plan, in its current form, can fulfill that requirement.
3. Comexico will incorporate the laydown area into the SWPPP.
4. Comexico will review required water usage and assess whether a hydrologic report as per the Santa Fe County Sustainable Land Development Code is required.
5. Comexico propose to utilize lined ponds.
6. A cultural resource study encapsulating multiple site visits across two field seasons is under draft and review.
7. Comexico will review requirements for a drainage and grading plan and determine whether the road maintenance plan can fulfill that requirement.
8. Final versions of the Biological, Hydrogeologic and Cultural Reports, including the road maintenance plan are still in draft and under review.

April 6, 2020 Santa Fe County Building and Development Services

1. Comexico is presently of the understanding that it is not possible to proceed with an application under Santa Fe County SLDC until “all required federal and state permits, and all of the submittals, orders, judgements, reports, filings, and all other materials relating to the consideration and permitting of the mineral exploration project by federal land management and state regulatory agencies” are available to submit.
2. Comexico have reviewed the Parametrix Engineering analyses of Comexico’s Hydrogeologic Resources Report. This will be very useful in preparing an application relevant to fulfill requirements in Santa Fe County’s SLDC.
3. This will be useful in preparing an application relevant to fulfill requirements in Santa Fe County’s SLDC.

Sincerely,

Pat



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720.258.6329

