

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

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Jerry Schoeppner, Director
Mining and Minerals Division



January 21, 2021

Meghan Chesal
BHP Mineral Resources, Inc.
180 W. Magee Road, Ste. 134
Tucson, Arizona 85704

**RE: Exploration Permit Renewal Approval
BHP Oak Grove Exploration Drilling, Permit No. GR084EM-R1
BHP Mineral Resources, Inc., Grant County, New Mexico**

Dear Ms. Chesal:

The New Mexico Mining and Minerals Division (“MMD”) received a letter on January 19, 2021, from WestLand Resources on behalf of BHP Mineral Resources, Inc. (hereafter referred to as “BHP” or “Permittee”), requesting renewal of the BHP Oak Grove Exploration Drilling, Minimal Impact Exploration Permit No. GR084EM (“Permit”). This letter acknowledges the renewal of the Exploration Permit. The permit number designated for the renewal will be GR084EM-R1. BHP is authorized to conduct mineral exploration and reclamation operations only on those lands specifically designated and authorized as the permit area, where BHP proposes to disturb up to three and a half (3.5) acres within the permit boundaries proposed for mineral exploration drilling located approximately 9 miles southeast of Tyrone, NM, located on private and Federal Lands managed by the Bureau of Land Management (“BLM”), within portions of Sections 4, 9, 10, 15-18 and 21, Township 20 South, Range 14 West and Sections 13,14, and 24, Township 20 South, Range 15 West; N.M.P.M., in Grant County, New Mexico.

From your letter, it is our understanding that BHP has completed drilling and borehole abandonment but has been unable to complete reclamation and reseeding due to COVID-19 travel restrictions. The letter also states that reclamation and reseeding work will be scheduled upon loosening of travel restrictions.

Findings of Fact:

1. The application for renewal is complete and demonstrates that there will be no changes to the scope of work or financial assurance instruments or amount, and will meet the requirements of reclamation, as identified in Section 19.10.4.405.C of the New Mexico Mining Act Rules (“the Rules”),

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2. The Permit application fee in the amount of \$500.00, as determined by Part 2 of the Rules, has been waived by the director.
3. The Permittee has no outstanding violations of the New Mexico Mining Act or 19.10 NMAC.
4. The Permittee has provided an approved financial assurance instrument in the form of a Surety Bond (“Bond”) No. 58S212424 dated February 10, 2020, from its banking institution verifying that Bond No. 58S212424 established by BHP as financial assurance for the BHP Oak Grove Exploration Drilling is valid and presently in effect in the required amount of \$91,237.74.
5. The Permittee has acknowledged that there has been no change in the amount of proposed disturbance within the proposed permit area or any changes to the drilling plans as described in the Permit.
6. The Permittee has provided, as part of the PAP, a signed a statement indicating that Permittee agrees to comply with the reclamation requirements of the permit, Part 3 of the Rules, and the New Mexico Mining Act (“the Act”) and allows the Director to enter the permit area, without delay, for the purpose of conducting inspections during exploration and reclamation.
7. The Permittee shall comply with all requirements, obligations and conditions and shall conduct mining and reclamation operations within the permit area only as described within the Permit, originally approved on February 21, 2020.
8. This 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; only that the Permittee has provided a statement of basis on which the Permittee has a right to enter the property to conduct mining and reclamation. 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.
9. This Permit does not grant or create any water rights. Nor does MMD, by issuing this Permit 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. 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.
10. Since the permit area is located both on private and Federal Lands, the expiration, or termination, of the private landholder’s or the BLM’s authorization to conduct operations on

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the property automatically suspends the permittee's authority to continue mining operations on the property, although not necessarily reclamation operations required by this permit.

11. This Permit 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. MMD does not, by issuing this Permit 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.

This permit renewal is valid until January 27, 2022, which is one year from the date of issuance of this permit term renewal [19.10.405.4.A (1) NMAC]. In addition, at the end of the project you will need to file a termination report based on the requirements of Section 407 of the Rules. If you decide to continue exploration activities beyond that period, you must renew the permit at least 30 days before the date of expiration [19.10.4.405.C (2) NMAC].

For additional information regarding the New Mexico Mining Act Rules, please contact Jenn Johnson, of my staff, at (505) 470-5354, or via e-mail at: jennifere.johnson@state.nm.us, with any questions regarding this permit.

By Order of the Director,



Jerry Schoeppner, Director
Mining and Minerals Division

cc: Holland Shepherd, Program Manager, MARP/MMD
Leighandra Keeven, Las Cruces District Office, BLM
File No. GR084EM