

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Jerry Schoeppner, PG, Director
Mining and Minerals Division



January 4, 2021

Gerald Graham, Project Manager
Diamond Bar Minerals, LLC
5070 Mark IV Pkwy
Fort Worth, TX 76106

RE: Exploration Permit Renewal Approval Palm Park Doña Ana 2019 Exploration Project, Permit No. DA004EM R-1 Diamond Bar Minerals, LLC, Doña Ana County, New Mexico

Dear Mr. Graham:

The New Mexico Mining and Minerals Division (“MMD”) received a letter dated December 28, 2020 from you on behalf of Diamond Bar Minerals LLC (hereafter referred to as “DBM” or “Permittee”), requesting renewal of the Palm Park Doña Ana 2019 Exploration Project, Minimal Impact Exploration Permit No. DA004EM (“Permit”). This letter acknowledges the renewal of the Permit. The permit number designated for the renewal will be DA004EM R-1. DBM is authorized to conduct mineral exploration and reclamation operations only on those lands specifically designated and authorized as the permit area, where DBM proposes to disturb up to 1.14 acres within the permit boundaries proposed for mineral exploration drilling located approximately 7 miles north of Hatch, New Mexico, on Federal land managed by the Bureau of Land Management (“BLM”) within portions of Sections 10, 14, and 15, Township 18 South, Range 3 West, N.M.P.M., in Doña Ana County, New Mexico.

From your letter, it is our understanding that DBM began preparing drill pads and access roads in March of 2020, as authorized under the Permit where the Permittee is permitted to vertically drill no more than twenty (20) boreholes, up to 6 inches in diameter, and up to 160 feet deep and utilizing no more than twenty (20) drill pad disturbance areas, each no greater than thirty feet by fifty feet (30’ x 50’) to explore for barite. The letter also explains that no boreholes have been drilled and operations have ceased as of March 2020 due to travel restrictions from the COVID-19 pandemic. In addition to the use of existing roads to access the permit area, the Permittee is also authorized to travel on a total of 1,043 feet of newly constructed roads and 583 feet of modified existing roads, each a maximum 12 feet wide. Additionally, the Permittee is authorized to repair a total of 90 square feet on the existing access road.

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Findings of Fact:

1. The application for renewal is complete and demonstrates that there will be no changes to the original permit 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).
2. The Permittee has paid the permit application fee in the amount of \$500.00, as determined by Part 2 of the Rules.
3. The Permittee has no outstanding violations of the New Mexico Mining Act or 19.10 NMAC.
4. The Permittee has provided a joint BLM-MMD reclamation bond in the form of a Certificate of Deposit (“CD”) No. 2416 issued by Trinity Bank of Fort Worth, TX on February 18, 2020 for financial assurance (“FA”), in accordance with 43 CFR 3809 and 19.10.12.1201.A NMAC, in the amount of \$24,909.66 (twenty-four thousand nine hundred nine dollars and 66/100), for the reclamation of twenty (20) boreholes and twenty (20) associated drill pads and access roads of the exploration project.
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 described in the Permit.
6. The Permittee has provided, as part of the PAP, a signed a statement indicating that he 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 March 5, 2020.
8. This Permit renewal does not grant or create any property rights. Nor does MMD, by issuing this Permit renewal 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 renewal does not grant or create any water rights. Nor does MMD, by issuing this Permit renewal 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. The 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 on Federal Lands, the expiration, or termination, of the BLM’s authorization to conduct operations on the property automatically suspends the permittee’s

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authority to continue mining operations on the property, although not necessarily reclamation operations required by this permit. BLM issued a decision for Notice NMNM-141067 for Palm Park on February 28, 2020, which remains in effect for two (2) years from the date of the decision.

- 11.** This Permit renewal is issued pursuant to NMSA 1978, Section 69-36-1 et. seq. and Title 19, Chapter 10 NMAC. The 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 renewal 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 March 5, 2022, which is one year from the expiration date of Permit No. DA004EM [19.10.4.405.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 19.10.4.407 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 visit our Website at: www.NMMines.com, or contact Carmen Rose, of my staff, at (505) 216-8399 or carmen.rose@state.nm.us for any questions regarding this permit.

By Order of the Director,



Jerry Schoeppner, Director
Mining and Minerals Division

cc: Carmen Rose, Permit Lead, MARP
Holland Shepherd, Program Manager, MARP/MMD
Joseph Navarro, Division of Multi-Resources, Las Cruces District Office, BLM
File No. DA004EM