April 16, 2021

Mr. David Ohori
Supervisor/Senior Reclamation Specialist
Mining and Minerals Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Rio Grande Resources Corp. Response to Additional Comments on the Application for Modification 20-1 to Mt. Taylor Mine, Permit No. Cl002RE, Rio Grande Resources Corporation, Dated March 18, 2021

Dear Mr. Ohori,

This letter is Rio Grande Resources Corporation's (RGR) response to a comment letter by the New Mexico Mining and Minerals Division (MMD) dated March 18, 2021. That letter contained additional comments on RGR's response letter dated 12/7/20, pertaining to RGR's request for permit modification (MOD 20-1) submitted May 15, 2020. RGR's permit modification request (MOD 20-1) focused on:

- 1) An update of the Closeout/Closure schedule,
- 2) The expansion of the disposal cell and
- 3) An update of the PMLU.

Responses to MMD's Comment Letter of 3/18/21

RGR's responses are provided to each comment or question in the same order contained in the comment letter. The text of each comment or question as posed by MMD is in bold text, followed by RGR's response in regular font.

1. MMD accepts the RGR responses and notes that the requirements for the SWRP test plots studies of Condition 9.M.3 of Revision 13-2 are being addressed in separate submittals by RGR and that the test plot requirement may be changed as part of Modification 20-1.

RGR acknowledges the comment.

2. MMD accepts RGR's response.

RGR acknowledges the comment.

3. MMD accepts RGR's response.

RGR acknowledges the comment.

4. MMD accepts RGR's response.

RGR acknowledges the comment.

5. MMD accepts RGR's response.

RGR acknowledges the comment.

6. MMD accepts RGR's response.

RGR acknowledges the comment.

7. MMD accepts RGR's response and notes that additional information on the estimated volume of contaminated material from the Ore Pad and Ore Pad Runoff Retention Pond to be submitted by RGR may result in changes to the closeout plan that can be addressed in the updated closeout plan in 2022.

RGR acknowledges the comment.

8. MMD accepts RGR's response and notes that additional information on the estimated volume of contaminated material from the general mine site to be submitted by RGR may result in changes to the closeout plan that can be addressed in the updated closeout plan due in 2022.

RGR acknowledges the comment.

9. MMD accepts RGR's response.

RGR acknowledges the comment.

10. MMD accepts RGR's response.

RGR acknowledges the comment.

11. MMD accepts RGR's response.

RGR acknowledges the comment.

12. MMD accepts RGR's response.

RGR acknowledges the comment.

13. MMD accepts RGR's response.

RGR acknowledges the comment.

14. MMD accepts RGR's response.

RGR acknowledges the comment.

15. MMD accepts RGR's response and notes that the information requested by MMD on the annual short-term and long-term water usage at the mine after closeout may be provided by RGR as part of the information to be submitted by RGR on the proposed water supply post- mining land-use ("PMLU"), if RGR wishes to pursue this PMLU.

RGR acknowledges the comment.

16. RGR's submittal to MMD dated February 22, 2021 adequately addresses MMD's comments.

RGR acknowledges the comment.

17. MMD accepts RGR's response.

RGR acknowledges the comment.

18. MMD accepts RGR's response.

RGR acknowledges the comment.

19. Please provide an updated Facility Disposition Plan drawing DWG No. GS20-CL104-00, Sheet No. CL-04 showing the current proposed disposition of the buildings and facilities at the mine.

See the attached drawing "Facility Disposition Plan, CL-04, drawing No. GS20-CL104-00" dated 4/12/2021.

20. MMD accepts RGR's response.

RGR acknowledges the comment.

21. MMD accepts RGR's response.

RGR acknowledges the comment.

22. MMD accepts RGR's response.

RGR acknowledges the comment.

23. MMD accepts RGR's response.

RGR acknowledges the comment.

24. MMD accepts RGR's response.

RGR acknowledges the comment.

25. MMD accepts RGR's response.

RGR acknowledges the comment.

The following comments are based on **RGR's Submittal of an Updated** Closeout Plan Cost Estimate, dated December 29, 2020 and subsequent revisions dated January 22, 2021 and March 8, 2021:

 Please use MMD's Guidance for Calculating Capital Indirect Costs for Mine Reclamation and Closure Cost Estimates to determine the indirect reclamation costs. The guidance includes Indirect Costs for contract management, performance & payment bonds, and liability insurance. Please include these Indirect Costs into the cost estimate. The guidance may be accessed at:

http://www.emnrd.state.nm.us/mmd/MARP/MARPGuidanceGuidelines.html

RGR has addressed this comment in the most recent version of the Mt Taylor Mine Closeout/Closure Cost Estimate, Rev 8.2 submitted 3/25/21.

2. In the cost estimate under Surface Facilities Demolition there is a task 1.3.24, called non- contaminated debris hauling and dumping/ stacking for salvage or disposal in pond basins. It is unclear if salvage value is assumed for any of the demolished material. Please add disposal costs for demolished material if salvage value was assumed.

The costs shown do not assume any salvage value for the demolished materials.

3. Some cost and quantity references cite links as a source. Please provide a copy or screenshot of the information since these links lead to error messages and not the required information.

See below for responses to comment #3, cited references:

Response to comment #3, cited references:

For sections 1.1.2 and 1.1.5

http://www.structural-drafting-net-expert.com/steel-sections-i-beam-w-shape.html

Home Page	Steel Sections			
Drafting Service				
Steel Sections				
North America	part of the site represents standard steel sections tables (steel m tables). Unique web design of our steel sections tables allows lling the table's data in two directions and keeping the headers of rows and columns visible on the screen - please allow your vser to run scripts, otherwise the tables can't work.			
Standard Beams Gearing Mics Standard Channels	can find in our tables both dimensions and properties for majority ne standard steel section like steel beams and columns, channels, les, steel hollow sections.			
Europe - IPF - IPM	st, this part of the site was intended for internal use only. Later, we decided to open the for our visitors. Here is collected a variety of the steel beam tables which our team has in its practice. In the event that we use other new kinds of steel sections tables we will gly provide that standard data table on the site for our visitors use. / we prefer to use our web version of the tables versus a			
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- UE - USII - GH	e steel sections classification mostly used in North America:			

Engineering Books

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res are presented in either Imperial (inch-pound) units or SI tric) units. The data presented in each system isn't exactly equal; efore, each system should be used essentially separately. Inbinations values from these systems aren't allowed. (ASTM A6M).

(I-shaped I-beams cross-section) W - Wide flange steel beam (I-shaped cross-section) have flange surfaces. S - American Standard Beam (I-shaped cross-section) have a surfaces. slope the inner flange on HP - Bearing Pile (H-shaped cross-section) have parallel flange surfaces and equal web and flange thicknesses. M - Miscellaneous shapes cannot be classified as standard ibeams (W,S,HP), available from a limited number of manufacturers.

Channels (C-shaped cross-section)
C - American Standard Channels have a slope on the inner flange surfaces.
MC - American Miscellaneous Channels cannot be classified as standard channels, available from a limited number of manufacturers.

Angles (L-shaped cross-section)

L - shapes are equal leg and unequal leg angles.

Reference for Section 1.2.2 https://www.epa.gov/sites/production/files/2016-11/documents/appendixl.pdf

> Powertech (USA) Inc. Dewey-Burdock Project 2008 Pumping Tests: Results and Analysis

November 2008

Prepared for

Powertech (USA) Inc. 5575 DTC Parkway, Suite 140 Greenwood Village, CO 80111

Telephone: (303) 790-7528 Telefax: (303) 790-3885

Prepared by

Knight Piesold and Co. 1580 Lincoln Street, Suite 1000 Denver, Colorado 80203

> Telephone: (303) 629-8788 Telefax: (303) 629-8789

Project DV102.00279.01

Rev. No.	Date	Description	Knight Piésold	Client
0	November 2008	Final to Client	Paul Bergstrom	Powertech (USA)

Reference for Section 1.3.21

http://www.engineeringtoolbox.com/ansi-steel-pipes-d_305.html



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4. Please explain the significant decrease in the \$/SF for the task concrete slab, removed under section 1.3, Surface Facilities Demolition. The decrease is from \$4.89/SF to \$0.81/SF.

The decrease in price from 2013 to 2020 was due to a change in remediation plans for concrete slabs. In 2013 the concrete slabs were to be removed. In the 2020 version, the concrete slabs were to be left in place and covered with 2 feet of soil. Thus, the \$0.81/SF unit price.

5. It appears there is a typo in line 114 column O. The cost reference should be RSM 02 41 16.13 0500, 5000 not RSM 02 41 16.13 0500, 5001.

This has been corrected in Cost Estimate Rev 8.2, submitted 3/25/21.

6. There is no change in costs for section 1.3.23, manholes and culverts. Please clarify if the costs for this item are in fact the same as they were in 2013.

The culverts and manholes in section 1.3.23 pertain to the reconstruction of the ore pad prior to the resumption of mining activities. Because RGR began closure activities at the Mt Taylor Mine rather than resume mining, the reconstruction of the ore pad was never initiated. No construction was performed therefore no costs were included. Please see Cost Estimate Rev 8.2, submitted 3/25/21.

7. Please update the 2013 costs for the 14 ft. and 24 ft. shaft closures.

The costs for plugging the shafts have been updated in Cost Estimate Rev 8.2, submitted 3/25/21.

8. It appears that the value or cost reference is wrong for section 1.1.3, 24 ft shaft and vent closure (line 22). The value provided was \$1,245/day which is from RSM 01 54 19.50 0100 not RSM 01 54 19.50 0200. The value for RSM 01 54 19.50 0200 is \$1,370/day. Please clarify if the RSM reference is RSM 01 54 19.50 0100 or RSM 01 54 19.50 0200 and correct the value in the cost estimate.

The value listed is from 2019 RSMeans and is correct both in amount and in citation. All RSMeans citations are from the 2019 data, which were the most recent available when this estimate was initially prepared.

The following comments are based on **RGR's Submittal of a Shaft Cap System**<u>Concept as an Alternative to the Approved Shaft Plug Concept</u>, dated December 30, 2020:

MMD has reviewed the proposed Shaft Cap System Concept and consulted with NMED (see NMED comments, dated March 12, 2021) and believes that the Approved Shaft Plug Concept approved by MMD under Revision 13-2 is likely more permanent and may be more protective of the environment. MMD appreciates RGR's concern for worker safety during the shaft closure and plugging operations, however, a shaft plug of similar design and scale to the design approved for the Mt. Taylor Mine by MMD under Revision 13-2 was recently successfully constructed at the CMI Questa Mine in Questa, New Mexico. Therefore, at this time, MMD will not approve the proposed Shaft Cap System Concept. Please update the closeout plan cost estimate for the current costs to plug the 14-foot and 24- foot diameter shafts under the MMD approved design.

Based on the response from MMD and NMED, RGR withdraws its proposed plan to construct a shaft cap at this time. RGR will plan to construct the shaft plug, as approved. The costs for the approved shaft plug have been updated in Cost Estimate Rev. 8.2 submitted 3/25/21.

RGR's engineering consultant believes the conditions and plug design at the Questa mine are different from the Mt Taylor mine. RGR's proposed cap design was reviewed by a New Mexico registered professional engineer and considered to be robust for the application. RGR still believes crew safety is of the utmost importance and may present the cap concept at a future time.

Additional MMD Comments

Based on the review of the Application, MMD is concerned that the Application and associated updated Closeout Plan Cost Estimate do not address the reclamation of the remaining portion of the low-grade ore stockpile at the mine in the case that excavation and removal of the lowgrade ore is discontinued. Currently, the mine is excavating and shipping the low-grade ore from the existing low- grade ore stockpile to a mill located in Blanding, Utah. As of February 16, 2021, RGR reported that approximately 36,909 tons of the low-grade ore stockpile has been removed from the mine, and that excavation and removal is ongoing. According to RGR, over half of the existing low-grade ore stockpile has been removed and that removal of the low-grade ore will be completed within the next seven to eight months at the current rate of removal. MMD is aware that in the past two years RGR has performed a significant amount of reclamation including the excavation of contaminated sediments from eight of the mine water treatment system ponds and the construction of a waste disposal cell and reclamation of the existing SWRP at the mine without a release of financial assurance in accordance with 19.10. 12.1210 NMAC. Therefore, at this time MMD will not require additional financial assurance for the reclamation of the remaining low-grade ore stockpile. However, MMD may require RGR to provide a closeout plan and financial assurance for the remaining low-grade ore stockpile if removal has not been completed by 2022, as part of the application for the Mt. Taylor Mine Closeout Plan Update.

RGR acknowledges the comment and will work diligently to complete the removal of the remaining low-grade ore before that time.

<u>Additional Agency Comments</u>

Mining Environmental Compliance Section (MECS)

In general, RGR responded adequately to the MECS comments in the RTC except for the following comment:

RTC

1. NMED Specific Comment #2 - RGR states that "once remediated, the formerly diesel- contaminated material may be found suitable for use as clean backfill elsewhere on the site." Once this material is placed in the disposal cell, this material can no longer be considered "clean backfill." NMED will not allow this material to be used as clean backfill if it has been placed in the disposal cell.

RGR has always held the position that any materials placed in the disposal cell are to remain there. RGR wants to avoid placing clean soils in the disposal cell as valuable capacity is limited.

To clarify RGR's previous response regarding remediation of diesel contaminated soils, RGR intends to first determine if they are radiologically contaminated. If the soils are radiologically contaminated (above permitted clean-up levels), then diesel contamination will be remediated and the soils placed in the disposal cell. If the soils are not radiologically contaminated then diesel contamination will be remediated and the resultant clean soil used as fill material or left in place. RGR is considering both in-situ and ex-situ diesel remediation options.

Cost Estimate

1. Many of the unit costs appear to have stayed the same since 2013. In the cover letter, RGR states that the "pricing was adjusted in the updated cost estimate from the 2013 values." Please explain why certain unit costs were not adjusted for inflation.

Unit prices for all line items were updated according to the 2019 RS Means Heavy Cost Construction Cost Data. RSMeans values may have increased, decreased, or remained unchanged relative to the 2013 values. Please refer to the Cost Estimate Rev 8.2 submitted 3/25/21 for the latest changes.

2. The Cost Estimate does not include a basis for any of the unit costs. Please provide the basis for each unit cost (i.e., RSMeans, direct quotes, cost centers, etc.).

RGR has included the unit cost references in Cost Estimate Rev 8.2 submitted 3/25/21. Unit cost references are listed in the column titled "Cost Reference".

3. The cover letter states that the "currently projected material volumes were used in the updated cost estimate." Please describe how the projected material volumes were calculated and if they are based on the Closeout Plan design drawings.

Currently projected volumes of earth materials were estimated from Closure/Closeout Plan drawings and recent field observations, cleanup experiences, site knowledge and radiological surveys. Closure/Closeout Plan drawings were used as the basis for aerial estimation. Radiological survey information was used in conjunction with the Closure/Closeout Plans to better define the aerial extent of contamination. Contamination depth was estimated using excavations, field observations and cleanup experiences in conjunction with radiological surveys. Volumes were then calculated from the estimated aerial extents and depths of the various zones.

Structural and linear material volumes were estimated using dimensional measurements of buildings, pipelines and other facility structures. Debris volumes were conservatively calculated using visual estimations as well as field measurements of piles. Radiological surveys were used to classify the various materials as contaminated or clean. Volumes were calculated using simple mathematical concepts based on shape and height.

4. In Section 1.1.7 of the Cost Estimate, the costs for the Access/Utility Tunnels Backfill were retained. NMED understands that the PMLU change is not part of this modification. Therefore, these costs need to be included in the Cost Estimate.

RGR has stated it will not pursue the water supply PMLU at this time. However, changes to the commercial PMLU were a key part of the MOD 20-1 (changes to commercial building disposition).

RGR proposed to "retain" the utility tunnels for the updated commercial PMLU. This was because all site utilities (including electrical and water) pass through the utility tunnels before entering the buildings.

5. In numerous sections of the Cost Estimate (i.e., Sections 1.3.1, 1.3.2, 1.3.3, etc.) the cost associated with the concrete slab removal changed from \$4.89/ft² in 2013 to \$0.81/ft² in 2020. Please discuss why the costs significantly decreased.

The decrease in price from 2013 to 2020 was due to a change in remediation plans for concrete slabs. In 2013 the concrete slabs were to be removed. In the 2020 version, the concrete slabs were to be left in place and covered with 2 feet of soil. Thus, the \$0.81/SF unit price.

6. In Section 1.3.5, 1.3.6, and 1.3.7, the costs for the Hoist House demolition need to be added back in because the PLMU is not changing in this modification.

See RGR's response in MECS comment #4 above. One of the key parts of the MOD 20-1 request was to update the commercial PMLU. RGR requested to retain this building for the commercial PMLU in Mod 20-1.

7. In Sections 1.3.8, 1.3.9, 1.3.10, and 1.3.11 (steel frame), the costs are removed. Financial assurance associated with demolition projects has not been released. The costs need to be added back in until RGR formally requests and receives approval for financial assurance release of these items.

RGR added these costs back in to the Cost Estimate after discussion with MMD. Please see Cost Estimate Rev 8.2, submitted 3/25/21.

8. In Section 1.3.17, the total linear feet of steel rail removal decreased from 8,787 ft in 2013 to 7,487 ft in 2020, which results in a significant decrease in cost associated with removal. Please explain why there was a decrease in the total linear feet of steel rail removal.

RGR changed the quantity of lineal feet of rail in the 2020 Cost Estimate to match the 2013 quantity after discussion with MMD. Please see Cost Estimate Rev 8.2, submitted 3/25/21.

9. In Section 1.3.20, the linear footage of 12 in., Schedule 40 steel decreased from 3,000 ft in 2013 to 1,000 ft in 2020. Please explain this decrease.

RGR changed the quantity of lineal feet of pipe in the 2020 Cost Estimate to match the 2013 quantity after discussion with MMD. Please see Cost Estimate Rev 8.2, submitted 3/25/21.

10. In Section 1.3.23, the costs for removal of the manholes and culverts need to be added back in because the PMLU change is not part of this modification.

The culverts and manholes in section 1.3.23 pertain to the reconstruction of the ore pad prior to the resumption of mining activities. Because RGR began closure activities at the Mt Taylor Mine rather than resume mining, the reconstruction of the ore pad was never initiated. No construction was performed therefore no costs were included. Please see Cost Estimate Rev 8.2, submitted 3/25/21.

- 11. In Section 1.3.24, the cubic yards of uncontaminated debris to be hauled/dumped decreased from 3,897 cubic yards in 2013 to 1,584 cubic yards in 2020. Please explain this decrease in volume.
 - RGR changed the quantity of uncontaminated debris in the 2020 Cost Estimate to match the 2013 quantity after discussion with MMD. Please see Cost Estimate Rev 8.2, submitted 3/25/21.
- 12. In Section 1.4.2, Borrow Soil Area, the costs for reclamation of this area was removed in 2020. Financial assurance associated with reclamation of the borrow soil area has not been released. This cost needs to be added back in
 - RGR changed the quantity of the Borrow Soil Area in the 2020 Cost Estimate to match the 2013 quantity after discussion with MMD. RGR also added the updated cost for 2020. Please refer to Cost Estimate Rev 8.2, submitted 3/25/21.
- 13. In Section 1.4.2, 24-ft Shaft Area and South Storm Water Pond, the cubic yards of contaminated soil to be removed significantly decreased from 2013 to 2020. Please explain this decrease in volume of contaminated soil to be removed.
 - The reduction of estimated contaminated soil for the "24-ft shaft area" in 2020 was a result of recent radiological surveys over the area. The 2013 volume estimate was a conservative estimate made before radiological surveys were performed over the area. The 2013 estimates were based on different assumptions than exist today at the site.
- 14. In Section 1.4.3 Pond Backfill by Pond Berm Excavation and Placement as Backfill, the volume of large-scale earthwork decreased from 170,060 cubic yards in 2013 to 130,000 cubic yards in 2020. In addition, the costs for the "total pond area less the pond basins" are indicated to be included in the costs for large-scale earthwork. Please explain the decrease in volumes and provide a discussion of how the costs for the "total pond area less the pond basins" are included in the large-scale earthwork costs.

RGR revisited section 1.4.3 after discussion with MMD (see Cost Estimate Rev 8.2, 3/25/21). The current estimated volume for the line item "Pond Backfill by Pond Berm Excavation and Placement as Backfill" is 162,000 bank cubic yards, a 5% volume reduction from the 2013 estimate of 170,060 cubic yards. The small reduction in estimated volume is based on current conditions and a revision of the final grading plan. Volume and pricing for line item "Mine Water Treatment Pond Area cut/fill" has been added back into the 2020 estimate (see Cost Estimate Rev 8.2, 3/25/21).

15. Section 1.4.4 states the costs for "contaminated soil" disposal were \$25,404 in 2013, but RGR indicates that this was "previously constructed" in the 2020 costs. The change in costs between 2013 to 2020 appears to be \$11,374, but this does not make sense because the 2020 Cost Estimate does not include the cost for this activity. Please explain this discrepancy in cost.

RGR revisited section 1.4.4 after discussion with MMD. The Cost Estimate Rev 8.2 (dated 3/25/21) version shows the 2020 volume and pricing for the line item "Place and compact disposal cell berms", where the \$11,374 difference occurs. A check of the spreadsheet cell formula shows the cell calculation erroneously references the next line down. The difference should actually be only -\$6,786, not the stated -\$11,374.

16. In Section 1.4.5, the costs for disposal of broken concrete, rock, concrete/rock, and concrete, rock mulch are significantly less in 2020 compared to 2013 costs. Please discuss the decrease in volumes and associated costs.

RGR revisited section 1.4.5 after discussion with MMD (see Cost Estimate Rev 8.2, 3/25/21). In the Cost Estimate Rev 8.2, all material quantities in Section 1.4.5 are the same as 2013, or greater. The lower 2020 cost for line item "Crushed rock and concrete hauling" results from selecting a different RSMeans Cost Reference (which takes into account a different method of handling rock material). The lower 2020 cost for line item "Placing on waste pile slope" results from using a different RSMeans Cost Reference (a different placement application).

17. In Section 1.5.1, the costs for seed and drilling in 2020 are \$56.03/acre compared to \$871.20/acre in 2013. Please explain the basis for the \$56.03/acre cost. If the cost is based on a quote, please provide the quote.

RGR revisited section 1.5 after discussion with MMD (see Cost estimate Rev 8.2, 3/25/21). The seed and drilling price for 2020 was changed to \$1,071.47, reflecting the use of the currently mandated "state" seed mix and drilling costs (RSMeans).

Mine Cap

1. The approved 2013 CCP included a far more robust shaft closure system than what is proposed in the Mine Cap proposal. The 2013 CCP proposed a 62-ft long concrete plug in the 24-ft shaft and a 40-ft long concrete plug in the 14-ft shaft. In addition, Section 4.1 in the 2013 CCP states that "the remainder of the shaft, as well as connecting tunnels"

and raises, will be backfilled with cementitious slurry of soil, Portland cement, fly ash, and water." The Mine Cap proposal does not include a concrete plug, but rather a 2-foot concrete cap on the ground surface. This shaft closure proposal is not considered permanent and may not be environmentally protective. The currently approved shaft closure system and cost estimate needs to be carried forward in this updated CCP.

Based on the response from MMD and NMED, RGR withdraws its proposed plan to construct a shaft cap at this time. RGR will plan to construct the shaft plug, as approved. The costs for the approved shaft plug have been updated in Cost Estimate Rev. 8.2 submitted 3/25/21.

RGR's proposed cap design was reviewed by a New Mexico registered professional engineer and considered to be robust for the application. RGR still believes crew safety is of the utmost importance and may present the cap concept at a future time.

NMED - Air Quality Bureau

Recommendation

The AQB has no objection to revision of the mine close out/closure plan.

RGR acknowledges the comment.

NMED - Surface Water Quality Bureau (SWQB)

SWQB does not have any new comments on the above submittals and defers to the Director of Mining and Minerals Division regarding the adequacy of cost estimates pursuant to §19.10.5.506 New Mexico Administrative Code (NMAC).

RGR acknowledges the comment.

Office of the State Engineer (NMOSE)

Comments/Recommendations

1. The shaft and conduit workings have penetrated unsaturated geologic units, as well as saturated units and confining units to terminal depth. Previous CCP plans indicate that these shafts and

conduits were cased and grouted to prevent water intrusion. We would be interested in the original design and construction details of these shafts. The update request also indicates a possibility of simply capping the shafts (without plugging). We would like to know which regulatory agency offers approval that simply capping a shaft might offer perpetual segregation of aquifers.

RGR's response simply states that capping or plugging is widely used in mine shaft closure in New Mexico. We like to reiterate that design and construction details of the shafts would help us more fully assess the adequacy of the proposed shaft closure procedures in minimizing intermingling of, and communication between, penetrated aquifers.

Based on NMOSE's original comment, RGR was unclear that shaft design and construction information was being requested at that time. RGR is providing design drawings of the 14- and 24-foot diameter shafts, as approved for construction, with this response (Appendix A).

RGR believes the shaft linings are functioning as intended, based on recent water sample results from several Point Lookout aquifer water wells. These wells are in close proximity to the shafts and the water quality has been in compliance with 20.6.2.3103 NMAC.

RGR would be happy to conduct an on-site tour of the facility for NMOSE and to further discuss any topics regarding the shafts.

If you have any questions, please contact me at (505) 287-7971 or by email at bruce.norquist@ga.com. A hard-copy of this document is also being sent by regular mail.

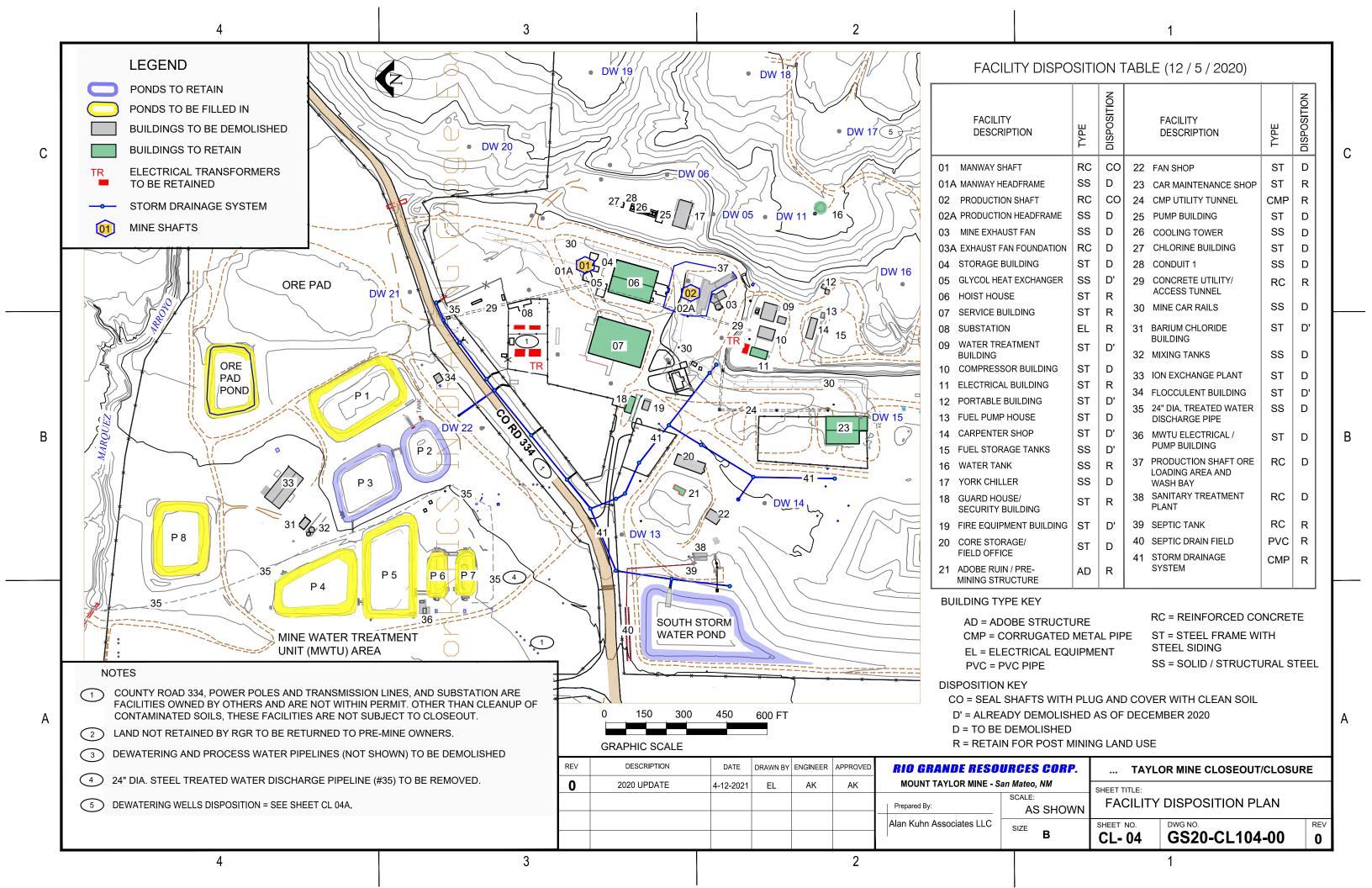
Sincerely,

Bruce Norquist

Facilities Manager, Mt. Taylor Mine Rio Grande Resources Corporation

Bruce 2. Norguest

cc: Ashlynne Winton, NMED Ground Water Quality Bureau (GWQB), via email



Appendix A

Mt Taylor Mine Shaft Lining Design Drawings for Construction

