Hi Bruce,

I am attaching a Memorandum from NMED, dated May 4, 2021, with comments on the March 25, 2021 Rev. 8.2 Reclamation Cost Estimate. Please review these comments and provide MMD with a written response within 30-days of receipt.

Contact me if you have any questions.

Thanks.

-David

David Ohori Supervisor, Senior Reclamation Specialist New Mexico Mining and Minerals Division 1220 So. St. Francis De. Santa Fe, NM 87050 (505) 216-8945 David.Ohori@state.nm.us



Michelle Lujan Grisham Governor

> Howie C. Morales Lieutenant Governor

NEW MEXICO ENVIRONMENT DEPARTMENT

Ground Water Quality Bureau

1190 Saint Francis Drive / PO Box 5469 Santa Fe, NM 87502-5469 Phone (505) 827-2900 Fax (505) 827-2965 www.env.nm.gov EN MEXTOPPART

James C. Kenney Cabinet Secretary

Jennifer J. Pruett Deputy Secretary

MEMORANDUM

Date: May 4, 2021

To: Holland Shepherd, Program Manager, Mining Act Reclamation Program

- Through: Anne Maurer, Team Leader, Mining Environmental Compliance Section
- From: Ashlynne Winton, Mining Environmental Compliance Section Alan Klatt, Surface Water Quality Bureau Sufi Mustafa, Air Quality Bureau
- Subject: NMED Comments, Response to Comments and Updated Cost Estimate, Modification 20-1, Mt. Taylor Mine and Mill, Rio Grande Resources Corporation, Cibola County, New Mexico Mining Act Permit No. CI002RE

The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) on April 2, 2021 requesting NMED review and provide comments on the above-referenced MMD permitting action. Pursuant to the Mining Act, this is a regular existing mine with Mining Act Permit No. CI002RE. MMD requested comments on the Modification 20-1 application no later than May 3, 2021. NMED has the following comments.

Background

Rio Grande Resources Corporation (RGR) submitted the Modification 20-1 application in May of 2020 to MMD. MMD requested comments from NMED on this application on June 26, 2020. NMED sent comments on the application to MMD on July 27, 2020. RGR submitted a response to comments (RTC) in a letter dated December 20, 2020. In addition, RGR submitted an Updated Closure/Closeout (CCP) Cost Estimate (Cost Estimate) and the Alternate Mine Cap System (Mine Cap) design with the December 2020 RTC. NMED provided comments to MMD on the Cost Estimate and Mine Cap on March 12, 2021. RGR submitted a RTC to MMD on April 16, 2021 and resubmitted the Updated CCP Cost Estimate to MMD dated March 25, 2021 to address comments from the NMED and MMD.

Holland Shepherd, Program Manager May 4, 2021 Page 2 of 2

Air Quality Bureau

The Air Quality Bureau has no comments.

Surface Water Quality Bureau

The Surface Water Quality Bureau comments are attached.

Mining Environmental Compliance Section (MECS)

RGR responded adequately to the MECS comments in the April 16, 2021 RTC. In addition, MECS has no further comments on the Cost Estimate and accepts RGR's proposal to maintain the currently approved shaft closure plan. It is important to note that any material used as "clean fill" will require demonstration that it does not have contaminant levels above cleanup standards as addressed in the Response to NMED Specific Comment#2 in the RTC.

NMED Summary Comment

NMED has no further comments on the March 25, 2021 Cost Estimate and looks forward to RGR providing joint financial assurance for the Updated CCP.

If you have any questions, please contact Anne Maurer at (505) 660-8878.

cc: David Ohori, Lead Staff, EMNRD-MMD Kurt Vollbrecht, Program Manager, MECS Shelly Lemon, Bureau Chief, NMED-SWQB Elizabeth Bisbey-Kuehn, Bureau Chief, NMED-AQB



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James C. Kenney Cabinet Secretary

Jennifer J. Pruett Deputy Secretary

MEMORANDUM

DATE: April 27, 2021

TO: Anne Maurer, Mining Environmental Compliance Section, Ground Water Quality Bureau

FROM: Alan Klatt, Watershed Protection Section, Surface Water Quality Bureau

SUBJECT:Request for Comments, Mt. Taylor Mine and Mill, Revised Cost Estimate, Modification20-1, Cibola County, New Mexico Mining Act Permit No. Cl002RE

The Surface Water Quality Bureau (SWQB) of the New Mexico Environment Department (NMED) has completed its review of the Subject request for comments. The New Mexico Mining and Minerals Division (MMD) is requesting additional comments on the Revised Cost Estimate for the Mt. Taylor Mine and Mill.

The revised cost estimate includes costs for incorporating broken concrete debris into "channel riprap" and "riprap and water bars". Broken concrete can be considered a type of clean fill only if it has not been subjected to any known spill or release of chemical contaminants including other special waste such as radioactive waste or hazardous waste (20.9.2.7 New Mexico Administrative Code). It is required that clean fill be covered with clean earth and not adversely impact the environment (20.9.2.8.H New Mexico Administrative Code). When placed in channels, broken concrete has the potential to adversely impact the environment; therefore, alternative materials should be considered. Natural channel design concepts including rock and other bioengineered solutions are the preferred approach for channel stabilization.

For questions related to these comments, please contact Alan Klatt, SWQB, at 505-819-9623.