

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Cabinet Secretary

Jerry Schoeppner, PG, Director  
Mining and Minerals Division



**Electronic Transmission**  
July 29, 2021

E. Terry Jensen, Gila Mining, LLC  
201 W. Spruce St.  
P.O. Box 444  
Deming, NM 88030

**RE: Request for Infrastructure Removal Cost, Deming Alpha Mine, Permit No. LU042MN, Gila Mining, LLC**

Dear Mr. Jensen:

On July 6, 2021, the New Mexico Mining and Minerals Division (“MMD”) sent Gila Mining a letter requesting a financial assurance instrument in the amount of \$58,216.59. Upon additional review, MMD mistakenly agreed to this value (which only included costs to reclaim surface disturbance) and inadvertently overlooked costs for removal of the infrastructure (e.g., storage containers, conveyors, etc.) listed in Section 5.E of the permit application submitted on February 12, 2021. Please provide an amended cost estimate for removal of the twenty storage containers, two 20,000-gallon water tanks, one conveyor, one screening plant, and one scale that are listed in Section 5.E of the application.

MMD understands that Gila Mining would like to terminate the Peru Mill Tailings Exploration Permit No. LU038EM. During the site visit for the exploration project on June 9, 2020, it was noted that there was a shipping container that was storing equipment and several 55-gallon drums partially filled with tailings. If Gila Mining wishes to keep this container and its contents on site, please include removal costs for these as well in the estimate required above.

Once MMD receives and approves the amended cost estimate, Gila Mining will need to provide MMD with a financial assurance instrument in the new amount. The financial assurance for Permit No. LU038EM will be released after the new instrument for Permit No. LU042MN is in place and includes the cost for the remaining items from the exploration operations.

If you have any questions, please contact me at (505) 470-5354 or [jennifere.johnson@state.nm.us](mailto:jennifere.johnson@state.nm.us).

Sincerely,

Jennifer Johnson, Permit Lead  
Mining Act Reclamation Program (“MARF”)  
Mining and Minerals Division

cc: Holland Shepherd, MARP Program Manager  
Mine File (LU042MN)