

**PERMIT MODIFICATION 21-1 TO PERMIT NO. MK007ME  
STAR LAKE MINE – MESA VERDE HUMATES, LLC  
MINIMAL IMPACT EXISTING MINING OPERATION**

**MINING AND MINERALS DIVISION  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

This Modification 21-1 (“Modification 21-1”) to Permit No. MK007ME (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Mesa Verde Humates, LLC  
P.O. Box 785  
Bernalillo, New Mexico 87004

Whose correct address is:

(“Permittee”) for the Star Lake Mine – Mesa Verde Humates, located in McKinley County, New Mexico.

This Modification 21-1:

1. Approves the release of approximately 7.5 acres as being reclaimed, except for revegetation; and
2. Holds a total of \$67,644.00 of financial assurance (“FA”) for revegetation of 67.8 acres of reclamation and ten (10) acres of future disturbance at this site by the Permittee. The table in Appendix 1 on page 6 of this modification summarizes the FA required and held by MMD for this project.

In order to accomplish the approval contemplated by this Modification 21-1, the following subparagraphs are added to Permit No. MK007ME:

**Section 1 (21-1). STATUTES AND REGULATIONS**

- A. This Permit modification is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2021) (“Act”) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (“NMAC” or “Rules” or “Regulations”).
- B. This Permit modification is subject to the Act, the Rules, and any other regulations which are now or hereafter in force under the Act; and all such regulations area made a part of this Permit by this reference.

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**Section 2 (21-1). PERMIT APPLICATION PACKAGE**

- A. The permit application package for Modification 21-1 (“21-1 PMP”) consists of a written request from the Permittee, dated August 10, 2021, for the release of 7.56 acres, and includes a map of the reclaimed area and a brief description of the reclamation work performed.
- B. On September 30, 2021, an addendum to 21-1 PMP was submitted by electronic mail messaging indicating that Permittee had completed re-seeding of the 7.56 acres.
- C. Certificate of deposit number 1210424828, in the amount of \$3,600.00, issued by First American Bank, 4301 The 25 Way NE, Albuquerque, NM on November 4, 2021.

**Section 3 (21-1). FINDINGS OF FACT**

- A. The Permittee has paid the permit modification fee of \$250.00 as required by §19.10.2.201 of the Rules.
- B. The application for permit modification has been reviewed in accordance with §19.10.5.505 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.5.505 of the Rules.
- C. Pursuant to §19.10.5.505.B of the Rules, the proposed change does not require public notice nor the opportunity for public hearing.
- D. Pursuant to §19.10.5.505.B(1) of the Rules, the proposed changes would not have a significant environmental impact.
- E. Pursuant to §19.10.5.505.B(2) of the Rules, the application for permit modification was accompanied by sufficient information for the Director to determine whether any of the factors listed in §19.10.5.505 NMAC are present.
- F. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.5.505.B(3) NMAC.
- G. An inspection and evaluation of the 7.5 acres requested for release was conducted by MMD, New Mexico Environment Department, New Mexico Department of Game & Fish, and Bureau of Indian Affairs personnel on September 9, 2021.

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- H. The Permittee has provided FA to cover the costs of reclamation as required by §19.10.3.303.K(3) NMAC. The FA was transferred from the release of approximately 7.5 acres, minus \$3,600.00 for revegetation success, to cover the design limit of ten (10) acres of future mining disturbances. The financial assurance instruments for the Star Lake Mine – Mesa Verde Humates, Permit No. MK007ME, are in the form of:
1. CD number 603154435, issued on February 25, 2013, by First National Bank, Jefferson Branch, 4301 The 25 Way NE, Albuquerque, NM 87109, in the amount of \$5,000.00;
  2. CD number 603154427, issued on May 6, 2010, by First National Bank, Jefferson Branch, 4301 The 25 Way NE, Albuquerque, NM 87109, in the amount of \$4,408.00;
  3. CD number 603154432, issued on August 2, 2012, by First National Bank, Jefferson Branch, 4301 The 25 Way NE, Albuquerque, NM 87109, in the amount of \$21,193.00;
  4. CD number 603154433, issued on October 24, 2012, by First National Bank, Jefferson Branch, 4301 The 25 Way NE, Albuquerque, NM 87109, in the amount of \$24,794.00;
  5. CD number 1210348927, issued on July 23, 2015, by First National Bank, Jefferson Branch, 4301 The 25 Way NE, Albuquerque, NM 87109, in the amount of \$5,000.00;
  6. CD number 1210393427, issued on February 27, 2018, in the amount of \$2,832.00 by First American Bank, 4301 The 25 Way NE, Albuquerque, NM.
  7. CD number 1210416727, issued on September 6, 2019, in the amount of \$817.00 by First American Bank, 4301 The 25 Way NE, Albuquerque, NM.
  8. CD number 1210424828, issued on November 4, 2021, in the amount of \$3,600.00, issued by First American Bank, 4301 The 25 Way NE, Albuquerque, NM.
- I. FA in the amount of \$67,644.00 is in place and has been determined by MMD to be sufficient to meet the requirements of the Act, Rules, and the Permit.

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**Section 10 (21-1).**

**CONCLUSIONS OF LAW**

- A. The request for permit modification is complete and accurate and complies with the requirements of the Act and §19.10.3.303 NMAC.

All other provisions, modifications, and revisions for mining and reclamation contained in Permit No. MK007ME, for Star Lake Mine – Mesa Verde Humates, LLC, remain unchanged.

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**CERTIFICATION**

I certify that I have read, understand and will comply with the requirements of the Permit, this Permit Modification, the Act and the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and/or as otherwise required by law.

Lyndon W. Smith  
Lyndon W. Smith

President General Manager  
Title

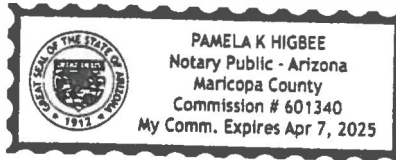
Mesa Verde Humates, LLC  
Company

Subscribed and sworn to before me this 4<sup>th</sup> day of January, 2022

Pamela K. Higbee  
Notary Public

My Commission Expires

April 7, 2025




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**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 21-1 to the Star Lake Mine – Mesa Verde Humates, LLC, Permit No. MK007ME, located in McKinley County, New Mexico.

By Order of the Director, Mining and Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department, of the State of New Mexico.

By:   
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Jerry Schoepner, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

Date: 1/7/2022

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**Appendix 1 – Table Showing Calculated Financial Assurance**

**Reclaim 10 acres of existing and future disturbance**

<u>Acres</u>	<u>\$ Per Acre</u>	<u>Cost</u>	<u>Notes</u>
1	\$5,400	\$5,400	first acre
<u>9</u>	\$3,300	<u>\$29,700</u>	remaining 9 acres
10		<b>\$35,100</b>	

**Revegetation Failure @ 5%/year of \$800 per acre**

<u>Acres</u>	<u>Years</u>	<u>\$ Per Acre</u>	<u>Cost</u>	<u>Notes</u>
7.5	12	\$480	\$3,600	Mod 21-1 (in Section 4 Allottee)
8.9	12	\$480	\$4,272	Mod 19-1 (in Section 4 Allottee)
5.9	12	\$480	\$2,832	Mod 17-2 (in Section 4 Allottee)
8.7	12	\$480	\$4,176	Mod 12-4, redisturbed 2.8 acres of prev reclam.
6.7	12	\$480	\$3,216	Mod 10-1 (9.5 - 2.8 redisturbed = 6.7)
15.7	12	\$480	\$7,536	Mod 09-1, seeded 5/31/09
5.2	12	\$480	\$2,496	Mod 08-2, seeded 11/15/07
<u>9.2</u>	12	\$480	<u>\$4,416</u>	Mod 08-2, seeded 12/31/04
67.8			<b>\$32,544</b>	

**TOTAL NEEDED : \$67,644**

<b>Existing FA :</b>	\$24,794	CD#603154433
	\$21,193	CD#603154432
	\$4,408	CD#603154427
	\$5,000	CD#1210348927
	\$2,832	Provided for Mod 17-2 CD#1210393427
	\$5,000	Provided for Mod 12-4; CD#603154435
	\$817	Provided for Mod 19-1; CD #1210416727
	<u>\$3,600</u>	Provided for Mod 21-1, CD#1210424828
	<b>\$67,644</b>	