

**PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN**  
**BLACK SPRING MINE**  
**MINIMAL IMPACT NEW MINING OPERATION**  
  
**MINING AND MINERALS DIVISION**  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

This Modification 21-1 (“Modification 21-1”) to Permit No. MK026MN (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Menefee Mining Corporation (“Menefee”)  
8144 Walnut Hill Lane, Suite 987  
Dallas, TX 75231

Whose address is:

(“Permittee”) in order to conduct mining and reclamation at the Black Spring Mine, McKinley County, New Mexico.

This Modification 21-1:

- Increases the Design Limit from ten (10) acres to a maximum of twelve (12) acres of total disturbance allowed at any given time.

In order to accomplish the approval contemplated by Modification 21-1, the following subparagraphs are added to Permit No. MK026MN:

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

- A. Modification 21-1 is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2022) (“Act”) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (“NMAC” or “Rules” or “Regulations”).
- B. Modification 21-1 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 are made a part of this Permit by this reference.

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

- A. The permit application package for Modification 21-1 (“21-1 PAP”) consists of:
  - 1. A written request from the Permittee representative, received by MMD on September 10, 2021, for an increase in the Design Limit and associated financial assurance for the Black Spring mine from ten (10) acres to twelve (12) acres and

PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN  
BLACK SPRING MINE

Page 2 of 7

the partial financial assurance release associated with approximately 0.88 acres of reclamation.

2. An email from the Permittee's representative, received by MMD on November 1, 2021, stating that reseeded had not yet been performed on the reclaimed 0.88 acres due to limited labor and equipment resources, and that reseeded would likely not occur until the spring of 2022.
3. An email from the Permittee dated December 28, 2021, agreeing to MMD's email about splitting Modification 21-1 for only the increase of the Design Limit for this modification and eliminating the 0.88 acres of partial financial assurance release from Modification 21-1.
4. Financial assurance in the form of Certificate of Deposit ("CD") No. 00001029, issued by Frost Bank on September 30, 2021, in the amount of \$10,930.20.

**Section 3 (21-1). PERMIT AREA**

- A. The Permittee is authorized to conduct mining and reclamation operations only on those lands that are specifically designated and authorized within the permitted area ("Permit Area") and within the Design Limit. The Permit Area is defined as a total of 80 acres comprised of the south half of the southwest quarter of Section 4, Township 19 North, Range 5 West.
- B. The Design Limit for this mine is redefined herein as no more than twelve (12) acres of total mining related disturbance, at any one time, within the 80 acre Permit Area. The Design Limit of no more than ten (12) acres is for total disturbance, including discontinuous areas that are mined, explored, or otherwise disturbed within the Permit Area.

**Section 4 (21-1). FINDINGS OF FACT**

*The Permit Application Package*

- 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 §19.10.6.608 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.6.608 of the Rules.

PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN  
BLACK SPRING MINE

Page 3 of 7

- C. Pursuant to §19.10.6.608.D of the Rules, the proposed change does not require public notice nor the opportunity for public hearing.
- D. Pursuant to §19.10.6.608.D(1) of the Rules, the proposed changes would not have a significant environmental impact.
- E. Pursuant to §19.10.6.608.D(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 §19.10.6.608 NMAC are present.

*MMD's Request for Comments to the Agencies and Tribes*

- F. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.6.608.D(3) NMAC.

*Agency Comments and Site Inspection*

- H. Agency comments on 21-1 PAP were provided to the Permittee.
- I. An inspection and evaluation of the Permit Area was conducted by MMD and New Mexico Game and Fish personnel on September 9, 2021.

*Right-To-Enter / Property Access Information*

- J. The Permit Area is managed by BLM Farmington Field Office. The Permittee has satisfactorily demonstrated its right of entry pursuant to §19.10.304.D(1) NMAC through a mining lease with BLM.
- K. The Permit or Modification 21-1 does not grant or create any property rights. Nor does MMD, by issuing the Permit or this Modification 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.

*Financial Assurance*

- L. Financial assurance in the total amount of \$79,058.64 is in place and has been determined by MMD to be sufficient to meet the requirements of the Act, Rules, and Permit for a period of

PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN  
BLACK SPRING MINE

Page 4 of 7

up to five years from the date of this Permit, for up to ten (10) acres of disturbance within the approved Permit Area.

The financial insurance instruments are:

1. CD No. 7886603211, issued on June 17, 2011, by Wells Fargo Bank in the amount of \$11,000.00;
2. CD No. 013847187, issued on January 17, 2012, by Frost Bank in the amount of \$25,000.00;
3. CD No. 3635167335, issued on March 28, 2019, by Wells Fargo Bank in the amount of \$29,628.64.
4. CD No. 9500925780, issued on December 23, 2020, by Wells Fargo Bank in the amount of \$2,500.00.
5. CD No. 00001029, issued on September 30, 2021, by Frost Bank in the amount of \$10,930.20.

**Section 5 (21-1). COMPLIANCE REQUIREMENTS**

- A. This Permit and Modification is issued pursuant to NMSA 1978, Section 69-36-1 et. seq. and Title 19, Chapter 10 NMAC. 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 and Modification. MMD does not, by issuing this Permit, Modification 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. The issuance of this Permit and Modification does not relieve Permittee from the responsibility of complying with other state and federal requirements and standards.
- B. The Permit and Modification does not grant or create any water rights. Nor does MMD, by issuing this Permit 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. 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.

PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN  
BLACK SPRING MINE

Page 5 of 7

**Section 10 (21-1).**     **GENERAL OBLIGATIONS AND CONDITIONS**

- A.     Total disturbance shall not exceed the Design Limit of twelve (12) acres at any given time within the Permit Area.

**Section 11 (21-1).**     **CONCLUSIONS OF LAW**

- A.     The request for permit modification is complete and accurate and complies with the requirements of the Act and §19.10.3.304 NMAC.

All other provisions, modifications, and revisions for mining and reclamation contained in the Black Spring Mine Permit, Permit No. MK026MN, remain unchanged.

PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN  
BLACK SPRING MINE

Page 6 of 7

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.

John Vandenberg  
Authorized Representative of the Permittee

Vice president  
Title

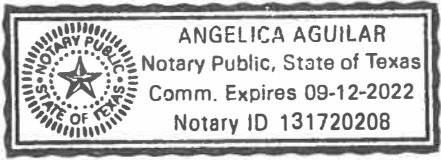
Meneke Mining Corporation  
Company

Subscribed and sworn to before me this 18 day of January, 20 22

Angela Aguilar  
Notary Public

My Commission Expires

Sept. 12, 20 22




PERMIT MODIFICATION 21-1 TO PERMIT NO. MK026MN  
BLACK SPRING MINE

Page 7 of 7

**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 21-1 to the Black Spring Mine, Permit No. MK026MN, 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:   
\_\_\_\_\_  
Jerry Schoeppner, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

Date: 1/21/2022