

**RELEASE OF PERMIT NO. SA004MN AND FINANCIAL ASSURANCE
COPAR SOUTH PIT MINE
MINIMAL IMPACT NEW MINING OPERATION**

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

This Permit Modification 22-1 (“Permit Release”) to Permit No. SA004MN (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

The Española Mercantile Company
Whose correct address is: 1302 N. Riverside Drive
Española, New Mexico 87532

(“Permittee”) for the Copar South Pit Mine, located in Sandoval County, New Mexico.

This Permit Release:

1. Releases the Copar South Pit Mine from the requirements of the New Mexico Mining Act; and
2. Releases the total amount of Financial Assurance (“FA”) for the site in the amount of \$33,516.00.

In order to accomplish the approval contemplated by Permit Release, the following subparagraphs are added to Permit No. SA004MN:

Section 1 (22-1). STATUTES AND REGULATIONS

- A. This Permit Release is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, *et seq.* (2014) (“Act”) and New Mexico Mining Act Rules (“Rules”), Title 19, Chapter 10 of the New Mexico Administrative Code (“NMAC”).
- B. This Permit Release is subject to the Act and any amendments 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.

Section 1a (22-1). PERMIT MODIFICATION PACKAGE

The Permit Modification Package (“22-1 PMP”) is comprised of a written request from the Permittee titled *Closeout Plan Completion Report – South Pit Mine Minimal Impact Operation Permit No. SA004MN*, dated October 2022, and a \$250.00 application fee received by MMD on October 19, 2022, for the release of the Copar South Pit Mine from the requirements of the New Mexico Mining Act and all associated FA. Any correspondence subsequently submitted to MMD

by the Permittee or its representatives, can be found within the Division's files, and is titled, Copar South Pit Mine, SA004MN, or similar.

Section 3 (22-1). **FINDINGS OF FACT**

The Permit Modification Package

- A. The 22-1 PMP is complete and demonstrates that the proposed operation has met the performance and reclamation standards and requirements of §19.10.3.304.(6 through 8) NMAC.
- B. The Permittee has paid the permit modification fee of \$250.00 as required by §19.10.2.201.I NMAC.
- C. The 22-1 PMP has been reviewed in accordance with §19.10.6.608 NMAC. The 22-1 PMP is complete, accurate, and complies with the requirements for permit modifications under §19.10.6.608 NMAC.
- D. Pursuant to §19.10.6.608.D NMAC, the proposed changes do not require public notice nor the opportunity for a public hearing.
- E. Pursuant to §19.10.6.608.D(1) NMAC, the proposed changes would not have a significant environmental impact.
- F. Pursuant to §19.10.6.608.D(2) NMAC, the 22-1 PMP 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

- G. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.6.608.D(3) NMAC.
- H. MMD provided notification of the 22-1 PMP to the following tribal entities: Hopi Tribe, the Navajo Nation, the Pueblo of Laguna, the Pueblo of Cochiti, the Pueblo of Jemez, the Pueblo of Isleta, the Ohkay Owingeh Pueblo, the Pueblo of San Felipe, the Pueblo of San Ildefonso, the Pueblo of Sandia, the Pueblo of Santa Ana, the Pueblo of Santa Clara, the Pueblo of Santo Domingo, the Pueblo of Tesuque, the Pueblo of Zia, the Jicarilla Apache Nation, and the Comanche Nation, such tribes being identified on a notification list maintained by the New Mexico Department of Indian Affairs.
- I. MMD received notification from the USDA Forest Service on December 8, 2022 that the reclamation work was inspected and all work completed in the permit area was considered to be adequate.

Agency Comments and Site Inspection

- J. Agency comments on the 22-1 PMP were received by MMD from the New Mexico Department of Game and Fish, the New Mexico Environment Department, and the USDA Forest Service, with no concerns regarding the release of the site from the requirements of the Act and all associated FA.
- K. An inspection and evaluation of the Permit Area was conducted by MMD, the New Mexico Department of Game and Fish, the USDA Forest Service, and the New Mexico Environment Department personnel on November 9, 2022.

Financial Assurance

- L. The Permittee had provided financial assurance to cover the costs of reclamation as required by §19.10.3.304.J(3) NMAC. The financial assurance instrument for the Copar South Pit Mine, Permit No. SA004MN, in the form of a Joint Surety Bond No. DVIFSU0719088, dated February 14, 2018 in the amount of \$33,516.00, issued by the Harco National Insurance Company, is hereby released in accordance with §19.10.12.1210 NMAC.

Section 10 (22-1). CONCLUSIONS OF LAW

- A. The 22-1 PMP is complete and accurate and complies with the requirements of the Act and §19.10.3.303 NMAC.
- B. The Director hereby releases the Copar South Pit Mine from the requirements of the New Mexico Mining Act.
- C. The Director hereby releases the total amount of FA for the site in the amount of \$33,516.00 in the form of a Joint Surety Bond No. DVIFSU0719088, dated February 14, 2018, issued by the Harco National Insurance Company.

CERTIFICATION

I certify that I have read, understand, and will comply with the requirements of this Permit Modification, the Act, and the Rules.

Katharine C. Fishman
Authorized Representative of the Permittee
Katharine C. Fishman, President

President
Title

The Espandola Mercantile Co Inc.
Company

Subscribed and sworn to before me this 8th day of February, 2023

[Signature]
Notary Public

My Commission Expires

June 01, 2025

STATE OF NEW MEXICO
NOTARY PUBLIC
REBECCA M. MARTINEZ
Commission Number 1101494
My Commission Expires June 01, 2025

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves the Permit Release of the Copar South Pit Mine – The Española Mercantile Company, Permit No. SA004MN, located in Sandoval County, New Mexico.

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

By: Michael W. Tompson
Mike Tompson, Acting Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date: Feb. 10, 2023