

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



March 13, 2023

Bonnie Broman, VP-Exploration
American Copper NMX, Inc.
500 4th Street NW, Suite 1000
Albuquerque, NM 87102

**RE: Agency Review Comments and Request for Additional Information, Permit Tracking
No. HI022EM, Lordsburg PCD Exploration Project in Hidalgo County, NM**

Ms. Broman:

The New Mexico Mining and Minerals Division (MMD) has reviewed the Permit Application Package (PAP), for the Lordsburg PCD minimal impact exploration project (Lordsburg PCD), submitted by American Copper NMX, under Subpart 3 of the New Mexico Mining Act Rules (Rules). MMD received the PAP on January 17, 2023, and this application was supplemented with well drilling forms on February 24, 2023. MMD has also received agency comments on the PAP submittals from American Copper NMX, Inc. (American Copper). A site inspection was completed on March 02, 2023.

Enclosed with this letter are the reviewing agency comment letters submitted by the following agencies: the New Mexico Environment Department (NMED), the NM Office of the State Engineer (NMOSE), the New Mexico Department of Game and Fish (NMDGF), the New Mexico Department of Cultural Affairs - Historic Preservation Division (NMDCA/HPD) and New Mexico State Forestry Division (SFD).

Because the PAP shows 11 proposed drilling locations for this exploration project are proposed to take place on U.S. Bureau of Land Management (BLM) lands, American Copper will be required to follow BLM requirements in conjunction with MMD's Minimal Impact Exploration Permit (Permit). BLM is processing this notice application as NMNM-145510. The BLM's evaluation is in progress.

In addition to State and Federal agencies the White Mountain Apache Tribe commented on the proposed permitting action No. HI022EM. Please take the state and tribal comments into consideration during this process. Attached to this letter are comments from the State and Tribal agencies.

General Comments:

MMD has reviewed the PAP and deemed it administratively complete, pursuant to §19.10.3.302 G. NMAC, in a letter to American Copper dated February 3, 2023. **However, MMD has reviewed the PAP and has found it to be *technically incomplete* pending receipt of responses necessary as identified in this letter. Please respond no later than 30 days after receipt of this letter, to the information requested.**

MMD Comments on January 17, 2023 Application:

1. Section 3.A, Page 7, Project Location. The Project Location should add Section 10, Township 23 South, Range 19 West. The Project Location should delete Section 19, Township 23 South, Range 18 West. Please acknowledge these changes.
2. Section 3. A, Page 7 Project Location, and adjusted XY coordinates provided on February 24, 2023. During the March 2, 2023 inspection, proposed boreholes PL007 and PL011 were moved to be approximately 100 feet from nearby ephemeral drainages. This considers the size of the drilling pad is up to 50 feet by 100 feet. Please acknowledge these boreholes have been moved to maintain a greater setback from the drainages.
3. Section 3.A, Page 7, Project Location. During the March 2, 2023 inspection, American Copper NMX indicated that likelihood of eliminated two proposed boreholes, PL008 and ResP003. Please acknowledge if boreholes PL008 and ResP003 have been eliminated.
4. Section 3, Page 7, Project Location. Proposed borehole PL006 is within sight of nearby Continental Divide Trail (CDT) signs. For the safety of all the drill sites for wildlife and in particular borehole PL006, which may have curious backpackers, securing the drill site will be important. Please inform drilling crews that fencing of mud pits as described in Section 7.C will be an important safety measure at PL006 for the both the public using the CDT trail and wildlife.
5. Section 4, Page 9, Exploration Description and February 24, 2023 NMOSE well drilling forms. The application indicates 3,000 feet depth to boreholes and the NMOSE well drilling forms show 4,000 feet depth. Please acknowledge that 4,000 feet is the maximum depth proposed.
6. Section 7.D, Page 21, Seed Mix. The proposed seed mix looks reasonable, and the proposed seeding rate is too high at 198 seeds per square foot. MMD recommends adjusting the seeding rate to have approximately 66 seeds per square foot when broadcast applied. Please acknowledge the new seeding rate as shown in the table below.

**RE: Agency Review Comments and Request for Additional Information,
Lordsburg PCD Minimal Impact Exploration Project,
Permit No. HI022EM – Hidalgo County, New Mexico**

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Plant Name	Seeding Rate from application (lbs./acre)	Adjusted Seeding Rate (lbs./acre)
Sideoats grama	3	3
Black grama	4	1
Purple three-awn	1	1
Winterfat	4	2
Scarlet globemallow	4	1
Seeds per square foot	198 seeds/sq.ft.	66 seeds/sq.ft.

- Contact MMD with the preferred Financial Assurance (“FA”) Instrument to start the process of getting the joint FA with MMD and BLM in place. For a phased approach for one borehole at a time, the current FA estimate is as follows:

Cost Estimate: Lordsburg PCD Exploration Project/American Copper NMX

Subsurface Plugging and Abandonment Financial Assurance

\$ Cost/Ft.	Ft.	Number of Holes	Total	
14	4000	1	\$56,000	1 hole phased approach*

Surface Reclamation Financial Assurance

Category	\$Cost/Acre	Number of Acres	Total
First acre or less	8900	1	\$8,900
Additional acres	4900	2.77	\$13,581

Total FA (\$)	\$78,481
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*each additional borehole in the phased approach would require adding \$56,000.

**NMED Mining Environmental Compliance Section, Ground Water Quality Bureau
Comments (GWQB MECS)**

Please review the comment letter received by NMED GWQB MECS and respond to the TDS clarification whether this is the water quality for makeup water used by drilling muds/sealants or the water quality of the beneath the exploration drilling pads.

NMED Surface Water Quality Bureau (SWQB) Comments:

Please review the comment letter received by NMED SWQB and comply with SWQB requirements.

NMED Air Quality Bureau (AQB) Comments:

Please review the comment letter received by NMED AQB and comply with NMED AQB requirements.

Bonnie Broman, American Copper NMX, Inc.

**RE: Agency Review Comments and Request for Additional Information,
Lordsburg PCD Minimal Impact Exploration Project,
Permit No. HI022EM – Hidalgo County, New Mexico**

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NMDCA/HPD Comments:

Please review the comment letter received by NMDCA/HPD.

NMOSE Comments:

Please review the comment letter received by NMOSE and comply with all regulations stipulated in the letter.

NMDGF Comments:

Please review the comment letter received by NMDGF and respond to the following concerns/requirements.

1. Ground and vegetative disturbance as related to migratory bird nests.
2. Ensure that mud pit fencing follows NMDGF recommendations.

SFD Comments:

Please review the comment letter received from NMSF.

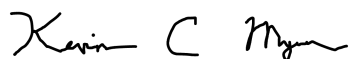
BLM Comments:

BLM evaluation is still ongoing. No comment letter provided at this time.

Should you have any questions, comments, or require additional information concerning this letter or any enclosures, please contact me at (505) 490-0726, or via email at:

kevin.myers@emnrn.nm.gov .

Sincerely,



Kevin Myers – Permit Lead, HI022EM
Mining Act Reclamation Program (MARF)
New Mexico Mining and Minerals Division

Bonnie Broman, American Copper NMX, Inc.

**RE: Agency Review Comments and Request for Additional Information,
Lordsburg PCD Minimal Impact Exploration Project,
Permit No. HI022EM – Hidalgo County, New Mexico**

March 13, 2023

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Enclosures:

March 3, 2023 Letter to MMD from NMDGF
March 10, 2023 Letter to MMD from NMED (includes GWQB, SWQB and AQB)
February 16, 2023 Letter to MMD from NMDCA/HPD
March 8, 2023 Letter to MMD from NMOSE
March 13, 2023 email to MMD from NMSFD
March 2, 2023 Letter to MMD from the White Mountain Apache Tribe

Cc: Mark Osterberg, Consultant, American Copper NMX, Inc.
Joseph Navarro, BLM lead NMNM-145510
Holland Shepherd, Program Manager, MARP
Mine File (HI022EM)



DIRECTOR AND SECRETARY
TO THE COMMISSION
Michael B. Sloane

STATE OF NEW MEXICO
DEPARTMENT OF GAME & FISH

One Wildlife Way, Santa Fe, NM 87507

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For information call: (888) 248-6866

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STATE GAME COMMISSION

TIRZIO J. LOPEZ
Vice Chair
Cebolla

GREGG FULFER
Jal

SHARON SALAZAR HICKEY
Santa Fe

3 March 2023

Kevin Myers, Permit Lead
Mining Act Reclamation Program
Mining and Minerals Division (MMD)
1220 South St. Francis Drive
Santa Fe, NM 87505

***RE: Minimal Impact Exploration Project, Lordsburg PCD-American Copper NMX, Inc.,
Hidalgo County, New Mexico. Permit No. HI022EM; NMDGF Project No. NMERT-2423.***

Dear Mr. Myers:

The New Mexico Department of Game and Fish (Department) has reviewed the above referenced exploration permit submitted by American Copper NMX, Inc. (American Copper). American Copper is proposing to drill 19 exploratory holes, down to a depth of approximately 3,000 feet. The drilling sites will be located in Sections 7, 18, and 19, Township 23S, Range 18W; and Sections 11-14, 23, and 24, Township 23S, Range 19W. The total area that will be disturbed is approximately 3.48 acres. Staff from the Department, MMD, and the Operator conducted a site inspection on 2 March 2023.

To minimize the likelihood of adverse impacts to migratory birds, nests, eggs, or nestlings during drill pad construction activities, the Department recommends that ground disturbance and vegetation removal activities be conducted outside of the primary breeding season for migratory songbirds and raptors (1 March – 1 September; 1 January-15 July for golden eagle and great horned owl). If ground disturbing and clearing activities must be conducted during the breeding season, the area should be surveyed for active nest sites (with birds or eggs present in the nesting territory) and avoid disturbing active nests until young have fledged. For active nests, establish adequate buffer zones to minimize disturbance to nesting birds. Buffer distances should be at least 100 feet from songbird and raven nests; 0.25 miles from most raptor nests; and 0.5 miles for ferruginous hawk, golden eagle, peregrine falcon, and prairie falcon nests. Active nest sites in trees or shrubs that must be removed should be mitigated by qualified biologists or wildlife rehabilitators. Department biologists are available to consult on nest site mitigation and can facilitate contact with qualified personnel.

In addition to observing seasonal and buffer distance guidelines for ground clearing, it is important to prevent wildlife from entering and becoming trapped in stockpiled pipes used in the drilling process. The Department recommends capping drill pipes as the most effective way to prevent wildlife entry. At a minimum, each section of pipe should be visually inspected prior to use to verify that wildlife is not inside.

To eliminate the potential for wildlife to become entrapped in mud pits, the Department recommends the use of closed loop drilling systems. Closed loop systems eliminate the need to build fences or install netting to exclude wildlife from pits, reduce the amount of surface disturbance associated with the drill pad site, and consume significantly less water. American Copper is proposing to use fenced mud pits, with one side sloped at 3:1 to provide an escape ramp for wildlife. The Department also recommends netting or covering fenced mud pits to exclude birds and bats. If netting is used, extruded plastic, knit, or woven netting material with a mesh size of $\frac{3}{8}$ inch to exclude smaller animals is preferred. Monofilament netting should not be used due to its tendency to ensnare wildlife and cause injury or death. Netting material must be held taught over a rigid and adequately supportive frame to prevent sagging into the drilling fluids.

On 2 March 2023, MMD and Department staff observed that several of the proposed drill pad sites were located in close proximity to drainages. American Copper agreed to relocate these sites to at least 100 feet from the outer edges of the drainages as recommended.

The Department recommends that American Copper use only native plant species and that the reclamation seed mix is designed to enhance local pollinator habitat. The Department also recommends that only certified weed-free seed be used to avoid inadvertently introducing non-native species to the reclamation site. Any alternate plant species, used to substitute for primary plant species that are unavailable at the time of reclamation, should also be native. When possible, the Department recommends using seeds that are sourced from the same region and habitat type as the reclamation site or from a region that represents potential future climatic conditions at the site.

Thank you for the opportunity to review and comment on the proposed exploration project. If you have any questions, please contact Ron Kellermueller, Mining and Energy Habitat Specialist, at (505) 270-6612 or ronald.kellermueller@dgf.nm.gov.

Sincerely,

Matt Wunder, Ph.D.
Chief, Ecological and Environmental Planning Division

cc: USFWS NMES Field Office



Electronic Transmission

MEMORANDUM

Date: March 10, 2023

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

Through: Anne Maurer, Mining Act Team Leader, Mining Environmental Compliance Section (MECS)

From: Alan Klatt, Surface Water Quality Bureau (SWQB)
Roseanne Sanchez, Air Quality Bureau (AQB)

Subject: **New Mexico Environment Department (NMED) Comments, Lordsburg PCD, Minimal Impact Exploration Operation Permit , American Copper NMX, Inc., Hidalgo County, New Mexico, New Mexico Mining Act Permit No. HI022EM**

The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) on February 3, 2023 requesting that NMED review and provide comments on the above-referenced MMD permitting action. Pursuant to the Mining Act, the Lordsburg PCD is a minimal impact exploration operation permit. MMD requested comments on the application within 30 days of receipt of the request for comments. NMED requested an extension to submit comments by March 15, 2023. NMED has the following comments.

Background

American Copper NMX, Inc. (applicant) proposes to disturb up to 3.48 acres of Bureau of Land Management (BLM) and private property within the boundaries of claim numbers identified in the application for exploration to MMD. The applicant proposes to drill up to 19 boreholes on 19 drill pads, each up to 3,000 feet below ground surface (bgs). This site is located approximately 3.5 miles southwest of Lordsburg, NM following Road A22 (aka Ghost Town Road) to Banner Mill Road in Hidalgo County.

Mr. Holland Shepherd
Lordsburg PCD
March 10, 2023

Air Quality Bureau

The Air Quality Bureau comments are attached.

Surface Water Quality Bureau

The Surface Water Quality Bureau comments are attached.

Mining Environmental Compliance Section (MECS)

The depth to groundwater as reported in the application is 156 feet bgs and has a Total Dissolved Solids (TDS) concentration of 521 mg/L. It is unclear if this is the City of Lordsburg's well data that is being used for drilling purposes or if this data is from a well that is on-site. The applicant should clarify if there is a well on-site that they have water level and TDS concentrations for or if they are using a City of Lordsburg well that is located 3.5 miles to the northeast of the site.

In the likely instance ground water is encountered while advancing the borings to the total depth of 3,000 feet below ground surface, plugging and abandonment of the borings should comply with New Mexico Office of the State Engineer regulations for wet holes as is indicated in the application. In addition, the applicant must contain any water produced from the exploration holes at the drill sites.

NMED Summary Comment

NMED finds that the exploratory project is likely to have a minimal impact to the environment if operated and reclaimed with the approved permits, pollution controls, and the comments above.

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

cc: Kevin Myers, Permit Lead, EMNRD-MMD
Joseph Fox, Program Manager, NMED-MECS
Shelly Lemon, Bureau Chief, NMED-SWQB
Elizabeth Bisbey-Kuehn, Bureau Chief, NMED-AQB



MEMORANDUM

March 9, 2022

To: Anne Maurer, Mining Act Team Leader
Mining Environmental Compliance Section
Groundwater Quality Bureau (GWQB)

From: John Moeny
Watershed Protection Section
Surface Water Quality Bureau

Subject: **Request for Review and Comment, Minimal Impact Exploration Operation Permit Application, Lordsburg PCD – American Copper NMX, Inc., Hidalgo Co., NM, Permit Tracking No. HI022EM**

On February 3, 2023, NMED received a request for comments regarding a new exploration permit application submitted by American Copper NMX Inc. (“Applicant”). The project is in Hidalgo County, approximately 3 miles southwest of Lordsburg on Bureau of Land Management and private lands.

Summary of Proposed Action

The Applicant would like to bore nineteen 4-inch diameter holes to a maximum depth of 3,000 feet from 19 drill pad locations near Eightyfive hill. Each drill pad will require a cleared area approximately 90’x40’ containing mud tank, storage tank, drill pad, sump and staging area. Drilling will use either air drilling or fluid drilling and lined mud pits. Existing roads will be utilized to access drill locations and total disturbance is estimated at 3.5 acres.

Relevant State and Federal Water Quality Regulations

Mine activities may affect Surface Waters of the State as defined in 20.6.4.7 NMAC, which includes ephemeral arroyos within the mining operations and are subject to 20.6.4.98 NMAC. Furthermore, operations must ensure protection of surface waters of the state including General Criteria at 20.6.4.13 NMAC, established to sustain and protect existing or attainable uses of surface waters of the State. These general criteria apply to all surface waters of the state at all times. Surface waters of the State shall be free of any water contaminant in such quantity and of such duration as may with reasonable probability injure human health, animal or plant life or property, or unreasonably interfere with the public welfare or the use of property.

The Applicant is required to report all spills immediately to the NMED as required by the New Mexico Water Quality Control Commission regulations (20.6.2.1203 NMAC). For non-emergencies during normal business hours, call 505-428-2500. For non-emergencies after hours, call 866-428-6535 or 505-428-6535 (voice mail, twenty-four hours a day). For emergencies only, call 505-827-9329 twenty-four hours a day (NM Dept of Public Safety).

In addition to the above regulatory standards, SWQB requires the following practices to avoid contamination

and to protect surface and groundwater quality:

- Process water must be contained within the closed-loop system or lined pits and may not be discharged unless a discharge permit has been secured from the EPA and/or NMED.
- Fuel, oil, hydraulic fluid, lubricants, and other petrochemicals must have a secondary containment system to prevent spills. Store these materials outside of the flood-prone zone.
- Perform all work, when practicable, in the dry season and postpone work during wet and muddy conditions.
- Appropriate spill clean-up materials such as absorbent pads must be available on-site at all times during road construction, site preparations, drilling and reclamation to address potential spills.
- Provide a minimum 50' setback from existing drainages to drill pads and staging areas.

If you have any questions, please phone me at (575) 956-1545.



MEMORANDUM

DATE: March 10, 2023

TO: Anne Maurer, Mining Act Team Leader, Mining Environmental Compliance Section, NMED

FROM: Rosanne Sanchez, Manager, Small Business Environmental Assistance Program, Air Quality Bureau.

RE: Request for Review and Comment, Minimal Impact Exploration Operation Permit, Lordsburg PCD – American Copper NMX, Inc., Hidalgo County, New Mexico Mining Act Permit No. H1022EM

The New Mexico Air Quality Bureau (AQB) has completed its review of the above-mentioned mining project. Pursuant to the New Mexico Mining Act Rules, the AQB provides the following comments.

Details

An application was submitted by American Copper NMX, Inc. (American Copper), for its Lordsburg PCD exploration project and proposes to disturb a total of up to 3.48 acres of United States Bureau of Land Management (BLM) and private property (19 drill holes on 19 drill pads) within the boundaries of claim numbers identified in the application for exploration located approx. 3.5 miles SW of Lordsburg, NM following Road A22 (Ghost Town Road) to Banner Mill Road in Hidalgo County, NM. Because American Copper has agreed not to exceed 5 acres of total disturbance at all times, MMD is processing this application as a minimal impact exploration permit pursuant to 19.10.3.302 (A) NMAC.

Air Quality Requirements

The New Mexico Mining Act of 1993 states that “Nothing in the New Mexico Mining Act shall supersede current or future requirements and standards of any other applicable federal or state law.” Thus, the applicant is expected to comply with all requirements of federal and state laws pertaining to air quality.

20.2.15 NMAC, *Pumice, Mica and Perlite Processing*. Including 20.2.15.110 NMAC, *Other*

Particulate Control: "The owner or operator of pumice, mica or perlite process equipment shall not permit, cause, suffer or allow any material to be handled, transported, stored or disposed of or a building or road to be used, constructed, altered or demolished without taking reasonable precautions to prevent particulate matter from becoming airborne."

Paragraph (1) of Subsection A of 20.2.72.200 NMAC, *Application for Construction, Modification, NSPS, and NESHAP - Permits and Revisions*, states that air quality permits must be obtained by:

“Any person constructing a stationary source which has a potential emission rate greater than 10 pounds per hour or 25 tons per year of any regulated air contaminant for which there is a National or New Mexico Ambient Air Quality Standard. If the specified threshold in this subsection is exceeded for any one regulated air contaminant, all regulated air contaminants with National or New Mexico Ambient Air Quality Standards emitted are subject to permit review.”

Further, Paragraph (3) of this subsection states that air quality permits must be obtained by:

“Any person constructing or modifying any source or installing any equipment which is subject to 20.2.77 NMAC, *New Source Performance Standards*, 20.2.78 NMAC, *Emission Standards for Hazardous Air Pollutants*, or any other New Mexico Air Quality Control Regulation which contains emission limitations for any regulated air contaminant.”

Also, Paragraph (1) of Subsection A of 20.2.73.200 NMAC, *Notice of Intent*, states that:

“Any owner or operator intending to construct a new stationary source which has a potential emission rate greater than 10 tons per year of any regulated air contaminant or 1 ton per year of lead shall file a notice of intent with the department.”

The above is not intended to be an exhaustive list of all requirements that could apply. The applicant should be aware that this evaluation does not supersede the requirements of any current federal or state air quality requirement.

Fugitive Dust

Air emissions from this project should be evaluated to determine if an air quality permit is required pursuant to 20.2.72.200.A NMAC (e.g. 10 lb/hour or 25 TPY). Fugitive dust is a common problem at mining sites and this project will temporarily impact air quality as a result of these emissions. However, with the appropriate dust control measures in place, the increased levels should be minimal. Disturbed surface areas, within and adjacent to the project area, should be reclaimed to avoid long-term problems with erosion and fugitive dust. EPA’s *Compilation of Air Pollutant Emission Factors, AP-42, “Miscellaneous Sources”* lists a variety of control strategies that can be included in a comprehensive facility dust control plan. A few possible control strategies are listed below:

Paved roads: covering of loads in trucks to eliminate truck spillage, paving of access areas to sites, vacuum sweeping, water flushing, and broom sweeping and flushing.

Material handling: wind speed reduction and wet suppression, including watering and application of surfactants (wet suppression should not confound track out problems).

Bulldozing: wet suppression of materials to “optimum moisture” for compaction.

Scraping: wet suppression of scraper travel routes.

Storage piles: enclosure or covering of piles, application of surfactants.

Miscellaneous fugitive dust sources: watering, application of surfactants or reduction of surface wind speed with windbreaks or source enclosures.

Recommendation

The Air Quality Bureau has no objection to this project.

This written evaluation does not supersede the applicability of any forthcoming state or federal regulations.

If you have any questions, please contact me at 505 629 3938



Michelle Lujan
Grisham
Governor

STATE OF NEW MEXICO
DEPARTMENT OF CULTURAL AFFAIRS
HISTORIC PRESERVATION DIVISION

BATAAN MEMORIAL BUILDING
407 GALISTEO STREET, SUITE 236
SANTA FE, NEW MEXICO 87501
PHONE (505) 827-6320

February, 16, 2023

Kevin Myers, Permit Lead, MARP/MMD
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, NM 87505
kevin.myers@emnrd.nm.gov

Re: HPD Log# 119025, Req. for Review & Comments, Minimal Impact Exploration Permit App. Lordsburg PCD - American Copper NMX, Inc., Hildalgo Cty, NM, Permit Tracking No. HI022EM

Dear Mr. Myers:

I am writing in response to your request for comment on the above referenced permit modification received at this office February 6, 2023

Pursuant to 19.10.3.302 NMAC, Minimal Impact Exploration Operations, the Director shall determine whether a permit modification would have an adverse impact on cultural resources listed on either the National Register of Historic Places (NRHP) or the State Register of Cultural Properties (SRCP) or be located in a known cemetery or other burial ground.

According to our files, a small portion of the project area has been surveyed for cultural resources and there are no historic properties listed on the NRHP or the SRCP present. Based on this information, this permit will have no adverse impacts to burial grounds or cultural resources listed either on the National or State Registers.

However, 19.10.3.302 NMAC also states, that *“if the permit area includes state or federally-owned lands, no permit will be issued unless the appropriate land management agency has approved or acknowledged the proposed operation...”*

Our records indicate that the following exploration locations are situated on Bureau of Land Management (BLM) owned lands: PL-003, PL-004, PL-005, PL-006, PL-008, PL-011, PL-012, ResP003, ResP004, ResP006, and ResP007. With the exception of locations PL-002 and PL-004, our database indicates that these locations have never been surveyed for cultural resources. They will likely require a survey: the BLM should be contacted regarding this project.

The remaining exploration locations are situated on private land, and none has been surveyed for the presence of historic properties. However, location PL-007 appears with the site boundary of LA 49988. We recommend a cultural resource survey be performed for all the exploration locations on private lands, and that an archaeologist revisit site LA 49988 to determine if it will be impacted by the exploration project.

If you have any questions concerning these comments, please do not hesitate to contact me by phone at (505)-827-6162 or e-mail me at richard.reycraft@state.nm.us

Sincerely,

Richard Reycraft

Richard Reycraft

HPD Staff Archaeologist

MEMORANDUM

OFFICE OF THE STATE ENGINEER

Hydrology Bureau

DATE: March 8, 2023

TO: Kevin Myers, Permit Lead, Mining Act Reclamation Program, MMD, Santa Fe

THROUGH: Katie Zemlick, Ph.D., Chief, Hydrology Bureau, Santa Fe *KZ*

FROM: Steve Acheampong, Ph.D., Senior Hydrologist, Hydrology Bureau *sya*

SUBJECT: Review and Comment on Minimal Impact Exploration Operation Permit Application, Lordsburg PCD – American Copper NMX, Inc., Hidalgo County, New Mexico, Permit No. HI022EM

The Hydrology Bureau of the New Mexico Office of the State Engineer (NMOSE) received a request from the Mining and Minerals Division (MMD) of the Mining Act Reclamation Program (MARP) on February 3, 2023, for comment on Minimal Impact Exploration Operation Permit Application. The application was submitted by Bonnie Bowman of American Copper NMX Inc. for their Lordsburg PCD exploration project for the mining of copper and gold. The project proposes to disturb a total of 3.48 acres of United States Bureau of Land Management (BLM) and private property.

The project site is located Hidalgo County in New Mexico at sections 11, 12, 13,14, 23, and 24 Township 23 S Range 19 W and sections 17, 18, and 19, Township 23 S Range 18 W. The application and other related documents submitted with the application were made available on the Mining and Minerals Division (MMD) website: <https://www.emnrd.nm.gov/mmd/hi022em-pcd-lordsburg-american-copper-nmx/>.

The proposed exploration operation consists of:

- Air and mud/fluid drilling of nineteen 4-inch diameter holes to depths of up to 3,000 feet below ground level (bgl),
- The construction of 19 drill pads with dimensions of 100 ft by 50 ft and
- The construction of nineteen 8-foot-deep pits measuring 20 ft by 50 ft.
- Excess drill cuttings will be buried at each drill pad location. The locations of the proposed drill holes drill pads are shown in Attachment 4a of applicant's application (see Attachment B).
- Construction of mud/fluid pits lined with heavy gauge plastic sheeting.
- 50-foot test pits/exploratory trenches.
- Equipment proposed includes 25000-lb Drill Rig, a 25,000-lb support pipe truck.
- A bulldozer, backhoe and 4X4 Trucks/vehicles.

The applicant indicated they anticipate encountering groundwater at the site during their operations at a depth of 156 ft bgl and have completed the appropriate permit applications for drilling and plugging plan. Available well log information in the Lordsburg area within T23S R18 & R19 obtained from the database of the New Mexico Water Rights Reporting System (NMWRRS) at [New Mexico Office of the State Engineer::Water Rights Reporting System](#) of the NMOSE shows depth to groundwater level of between 36 and 360 feet below ground level with total depths of wells ranging from 100 to 2100 ft bgl. These are wells completed mainly in the Basin Fill aquifer. The available well logs information supports the applicant's anticipation of encountering groundwater at the mine site during the exploration. Completion of the appropriate water rights forms by the applicant is therefore in order.

Hydrology Bureau does not have any specific concerns about encountering groundwater at the mine site.

The springs and creeks in the mine exploration area are ephemeral that occasionally transport floodwaters.

Attachment A is the general concerns related to NMOSE Regulation of Exploratory borehole drilling encountering groundwater and associated plugging of those borings for applicant's attention.

ATTACHMENT A

General Concerns Related to NMOSE Regulation of Exploratory Borehole Drilling Encountering Groundwater and Associated Plugging of those Borings

Well drilling activities (including mineral exploration borehole drilling (“mine drill holes”) that penetrate a water-bearing stratum) and well plugging, are regulated in part under 19.27.4 NMAC (New Mexico Administrative Code). Most recently promulgated in 6/30/2017, these regulations require any person engaged in the business of well drilling within New Mexico to obtain a Well Driller License issued by the NMOSE (New Mexico Office of the State Engineer). Therefore, a New Mexico licensed Well Driller shall perform the drilling and plugging of exploratory boreholes that encounter groundwater.

Exploration drilling where any form of groundwater is encountered will be subject to pertinent sections of 19.27.4 NMAC, including but not limited to Sections 19.27.4.30.C NMAC for plugging and abandonment of non-artesian wells / borings; 19.27.4.31 NMAC for artesian wells / borings; and 19.27.4.36 NMAC for mine drill holes that encounter water. A complete version of the NMOSE 19.27.4 NMAC regulations can be found on the NMOSE website at:

<http://164.64.110.134/parts/title19/19.027.0004.html> . The Mining and Mineral Division (MMD) will likely place additional conditions on the drilling and plugging of all mineral exploration borings via the MMD project permit.

All onsite drilling and plugging activities where groundwater is encountered shall be conducted under the supervision of the New Mexico-licensed Well Driller or a NMOSE-registered Drill Rig Supervisor under the direction of the licensed Well Driller.

Additional NMOSE filings will be required where it is requested that an exploratory borehole be converted to a water well. The well design and construction shall be subject to the provisions of 19.27.4 NMAC Regulations. Appropriation of water from such a conversion may require a water right. **The MMD may disallow the conversions of exploratory borings to water wells if not permitted specifically in the MMD permit.**

Use/extraction of Temporary Casing

When drilling through overburden or caving, poorly consolidated, or karst geologic units, use of temporary casing may be desired. Any temporary casing should be installed with the full intention of its removal before borehole plugging, therefore temporary casing should be inserted into a borehole of sufficiently large diameter to allow easy extraction upon termination of drilling. NMAC 19.27.4 regulations dictate methodology for the installation of permanent well casing, including the installation of required annular seal, should that option be more prudent.

If temporary casing lacking an appropriate annular seal becomes stuck in-place, the potential for permanent commingling of aquifers or loss surface water drainage downhole may occur via an unsealed annulus. In these cases, remedial casing perforation and squeeze-cementing may be required as part of the well decommissioning. Steps should be taken to prevent deleterious fall-in or drainage of cuttings/sediments into the annulus outside the temporary casing during drilling to best allow for full retrieval and proper borehole plugging.

When setting of temporary casing occurs or is expected, appropriate detail of the proposed casing extraction and borehole clean-out process prior to plugging will be required in the NMOSE *Well Plugging Plan of Operations* form. If exploratory drilling through stratified or artesian aquifer systems, filing a NMOSE *Artesian Well Plan of Operations* may be required to preemptively assess and address NMOSE concerns regarding best borehole decommissioning practices.

Exploratory Borehole Plugging

Terms of borehole plugging will be established jointly by the evaluation of the NMOSE *Well Plugging Plan of Operations* and the review of the relevant MMD application for water-bearing boreholes. Approved high-solids bentonite abandonment-grade sealants and/or approved cement slurries will be required for plugging as deemed hydrogeologically appropriate by the agencies. NMOSE-authorized cement slurries will be required for the decommissioning of flowing artesian boreholes. If the exploratory borings do not encounter groundwater, MMD plugging regulations (19.10.3 NMAC) prevail over those of 19.27.4 NMAC.

NMOSE well plugging regulations require tremie placement of the column of well sealant, which shall extend from the bottom of the borehole to ground surface. By regulation, pumping decommissioning sealants into the top of the borehole is not allowed. The NMOSE defers to the discretion of the MMD for the choice of sealant versus natural fill in the uppermost portion of a borehole plug to facilitate site restoration.

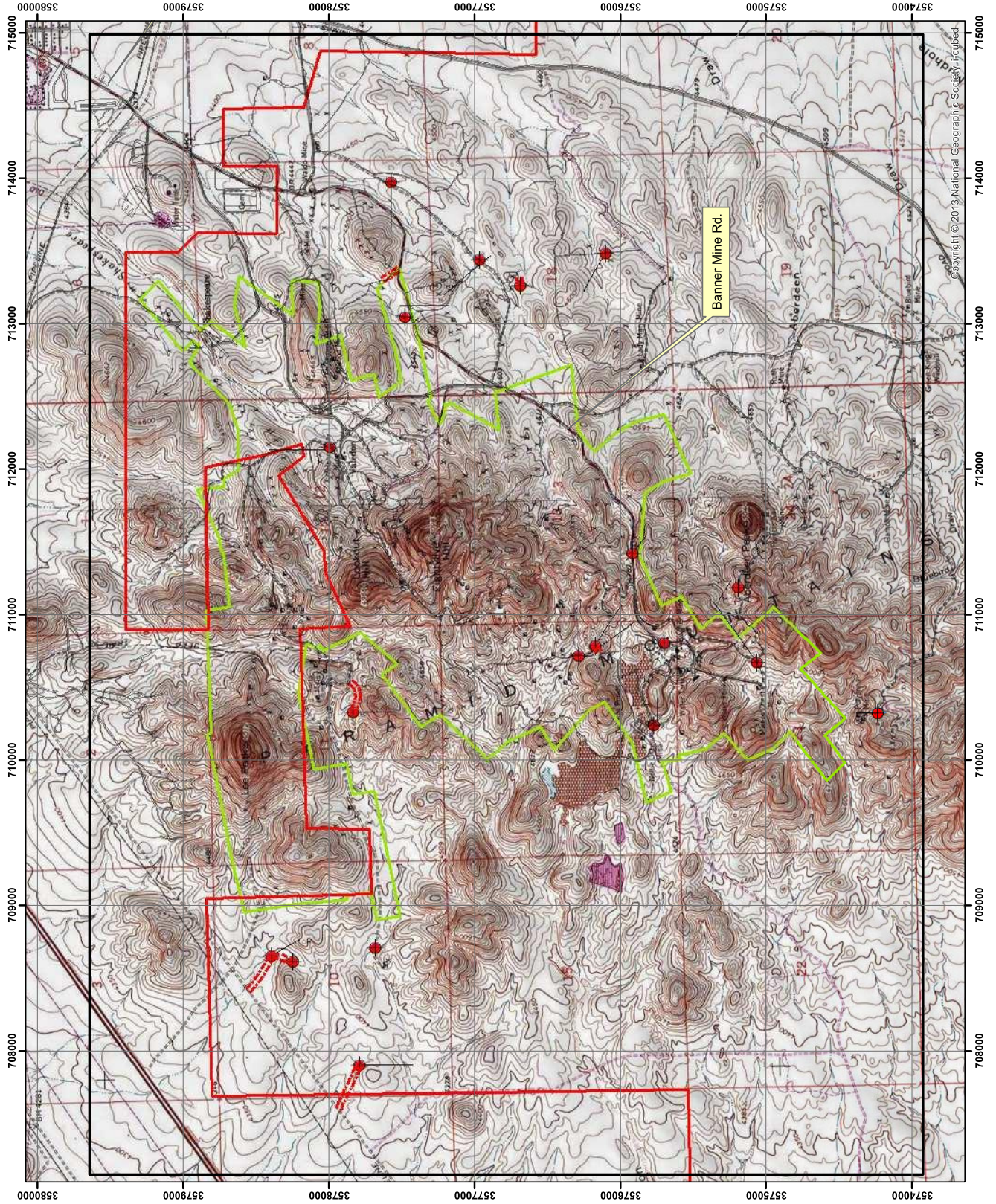
Required plugging of water-bearing exploratory borings shall occur within the timeframe specified by either the NMOSE or MMD to minimize cave-in and the potential for incomplete plugging due to blockages in the borehole.

Drill Rig Fuels, Oils and Fluids

Drill rigs contain and consume fuels, oil, and hydraulic fluids, and are subject to leaks. Drill rigs often remain in-place longer than other pieces of exploration equipment onsite, are frequently running, and are positioned immediately above and adjacent to the open borehole. As a standard practice to prevent contamination and reduce site cleanup activities, it may be beneficial to use bermed, impermeable ground sheeting under the drill rig. Consideration of bermed containment volume sufficient to accommodate a high-intensity precipitation event is also a good practice.

Attachment 4a

Topography, Project Area, Proposed drill hole locations



Grid: NAD83, UTM 12, meters

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

Laura McCarthy, State Forester
Forestry Division



March 13, 2023

Kevin Myers
Permit Lead – Permit H1022EM
Mining Act Reclamation Program
Energy, Minerals and Natural Resources Department (EMNRD)
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Request for Review and Comment, Minimal Impact Exploration Operation Permit Application, Lordsburg PCD – American Copper NMX, Inc., Hidalgo Co., NM, Permit Tracking No. H1022EM

Thank you for providing me with the opportunity to comment on the above referenced project. I do not anticipate any impacts to NM State Listed Endangered Plants or Federally Listed Endangered or Threatened plants as a result of this project, as described in your letter. Additionally, the project consulted with Zia Engineering & Environmental Consultants, LLC to complete a biological survey on land administered by the Bureau of Land Management in support of proposed test drilling locations and access roads. Albeit in 2009, they found no species of concern in the proposed disturbance area.

Please let me know if I can be of further help.

Sincerely,

Erika Rowe

Endangered Plant Program Coordinator
EMNRD-Forestry Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505
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(505)699-6371 (Phone)
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White Mountain Apache Tribe

Office of Historic Preservation

PO Box 1032

Fort Apache, AZ 85926

Ph: (928) 338-3033 Fax: (928) 338-6055

To: Kevin Myers, Permit Lead Mining and Minerals Division

Date: March 02, 2023

Re: *Minimal Impact Exploration Operation Lordsburg PCD-America Copper NMX*

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The White Mountain Apache Tribe Historic Preservation Office appreciates receiving information on the project dated; February 08, 2023. In regards to this, please refer to the following statement(s) below.

Thank you for allowing the White Mountain Apache tribe the opportunity to review and respond to the above permit application for the Minimal Impact Exploration Operation Permit application for Lordsburg PCD – American Copper NMX, in Hidalgo County, New Mexico.

Please be advised, we reviewed the consultation letter and the information provided, and we've determined the proposed plans will have "*No Adverse Effect*" on the tribe's cultural heritage resources and/or historic properties.

Thank you for your continued collaborations in protecting and preserving places of cultural and historical importance.

Sincerely,

Mark Alaha

White Mountain Apache Tribe – THPO
Historic Preservation Office