

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mining and Minerals Division



May 17, 2023

Bruce Norquist
Facilities Manager – Mt. Taylor Mine
Rio Grande Resources
P.O. Box 1150
Grants, NM 87020

RE: Comments on *Closeout/Closure Plan Mt. Taylor Mine*, Rio Grande Resources Corporation, Mt. Taylor Mine, Cibola County, New Mexico, Permit Tracking No. CI002RE

Dear Mr. Norquist,

The Mining and Minerals Division (“MMD”) has received and reviewed the *Closeout/Closure Plan Mt. Taylor Mine* (“Closeout Plan”) dated June 2022 and Supplemental Submission of the 2022 Cost Estimate dated June 18, 2022. A Field visit regarding this submission was held on October 6, 2022. This comment letter will only address the Closeout Plan and current cost estimate proposal. The financial assurance in the cost estimate will be evaluated and commented on again after further discussion and decisions have been made regarding the Closeout Plan.

Additionally, MMD solicited comments from cooperating state and tribal agencies on the Closeout Plan pursuant to 19.10.5.506.E NMAC. Comments from the NM Environment Dept. are enclosed with this letter. Because Rio Grande Resources (“RGR”) has responded to the initial NM Dept. of Game and Fish and the NM Office of the State Engineer comments, these will not be included in this transmission. Once MMD receives response to comments in this letter we will respond to RGR’s response on all agency comments for Revision 22-1.

MMD has the following general comments on the document:

1. Section 1.3.5, page 6, para 2, states that shaft muck was found to meet the criteria of clean materials and was used for the construction of the disposal cell. Cite the data provided in the Updated CCP that was used to make this determination or provide the data used.
2. Section 2.4.1, page 12-13, describes the shafts and conduits and the hydrologic separation of the mine water from the Point Lookout aquifer. See NMOSE comment memorandum dated November 15, 2022.
3. Section 3.3.3, page 22, includes the Capacitor Building and refers to Table 4.2 that does not have the Capacitor Building listed. Conversely, Table 4.2 lists the

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Firehouse but it is not listed in Section 3.3.3. MMD requests that both Section 3.3.3 and Table 4.2 be updated and revised, if needed.

4. Section 4.2.1, page 26, should be updated, if necessary, along with Section 3.3.3 and Table 4.2. Section 4.2.2, page 27, states that demolished concrete may be placed in the disposal cell. MMD questions whether that practice would reduce the capacity of the disposal cell for contaminated materials. Please address.
5. Section 4.3.2, Shaft Plugging, pages 31-32, the proposed near surface shaft plugs were discussed at a meeting with RGR on January 5, 2023. An updated design is described in this section of the Updated CCP and shown in Appendix G. Please confirm RGR's proposal for the near surface shaft plugging.
6. Section 4.3.3, Well and Conduit Plugging, pages 32-34. Well plugging shall be in accordance with NMED and NMOSE requirements. Based on comments from NMED and NMOSE, some wells may be kept open and/or rehabilitated and used for groundwater monitoring and other uses approved by NMED and NMOSE.
7. Section 4.3.4, Surface Facilities Removal Pending, page 35, para. 4, and Appendix A, Sheet CL 16. RGR states that the treated water discharge pipeline will be removed and buried in the disposal cell. Appendix C, Technical Specifications, Section C.2 Buildings and Pipeline Demolition, provides technical specifications for the proposed pipeline demolition. RGR states that it is working with the USFS on plans for removal of the pipeline segments that cross USFS land. MMD requests that RGR keep MMD informed of plans developed with the USFS and provide detailed plans, if any, prior to the pipeline removal including the segments that cross private land and USFS land. MMD is also concerned about the placement and burial of the discharge pipeline segments in the disposal cell so that that the pipeline segments do not pose a risk to the clay liner or cause differential settlement within the disposal cell. Therefore, MMD requests additional information from RGR on the pipeline segment placement and burial in the disposal cell.
8. Section 4.3.4, Surface Facilities Removal Pending, page 35, para. 5, states that the mine hoists will be buried in the disposal cell. Are the mine hoists radiologically contaminated? Please address.
9. Section 4.3.4, Surface Facilities Removal Pending, page 36, para. 1, states that clean debris may be placed down the shafts. MMD is concerned that debris placed down the shafts could negatively affect an eventual shaft closure plan and should be avoided until approved by MMD. Also, see the NMOSE Memorandum dated November 15, 2022 previously provided to RGR by MMD on November 21, 2022.
10. Section 4.4, Earthwork, page 36, para. 3, states that Borrow Area C is expected to be a source of clay soils. Provide or cite the existing borrow material characterization data for Borrow Area C. How will Borrow Area C be accessed and how will the access route and Borrow Area C be reclaimed?

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11. Section 4.4, Earthwork, page 36, para. 4, states that steep cut slopes in weak sedimentary rock or soil will be flattened to slope gradients not greater than 1H:1V. How will erosion be prevented on the slopes after reclamation?
12. Section 4.4, Earthwork, page 37, para. 2, states that some of the NSWP sediments will be hauled to the disposal cell for placement and some will be used to construct berms of the expanded disposal cell. A MMD approved material handling plan should be provided to determine which sediments are clean and can be used in the berms versus being placed in the disposal cell.
13. Section 4.4, Earthwork, page 37, para. 3, states that a small portion of the disposal cell will remain open until MWTU ponds 2 and 3 are ready for decommissioning. What part of the disposal cell will be left open and how will the open part of the disposal cell be safeguarded from erosion and exposure of radiological materials?
14. Section 4.4, Earthwork, page 37, para. 4, states that Borrow Area C may be used as a source of borrow soil. See MMD comment 10, above.
15. Section 4.4, Earthwork, page 38, para. 1, states that the only soil contaminant of concern is radium arising from the mining operation. Would uranium and radon be contaminants of concern arising from the mining operation?
16. Section 4.4.1, Disposal Cell and Expansion, page 38, para. 3, states that a clay liner, not less than 1.0 ft. of compacted clay soil, will be constructed under the disposal cell to provide additional protection for ground water. Please cite or refer to the compaction specifications and hydrologic characteristics of the compacted clay liner proposed for the expanded disposal cell liner.
17. Section 4.4.1, Disposal Cell and Expansion, page 38, para. 4, states that additional capacity will be available by excavating trenches under the disposal cell footprint and below existing grade for pipe, machinery and other materials. How will the materials placed in the trenches be separated from the clay-lined disposal cell above the trenches where contaminated will be placed?
18. Section 4.4.1, Disposal Cell and Expansion, page 39, para. 2, states that the cover over the disposal cell will consist of a 2.0 ft. thick compacted clay layer and a 2.0 ft. thick growth media layer.
19. Section 4.4.1, Disposal Cell and Expansion, page 39, para. 3, states that the final dimensions of the expanded closure [disposal] cell will not be known until mine closeout is complete. What is the capacity in cubic yards of the proposed expanded disposal cell assuming the proposed dimensions are achieved?
20. Section 4.4.1, Disposal Cell and Expansion, page 40, para.1, states that the WRP characterization study showed that water infiltration is very low in the sandy waste rock. What is the predicted water infiltration rate through the 2.0 ft. thick vegetative growth media?
21. Section 4.4.4, Affected Areas, page 41, para. 4, states that a radiation characterization study will be performed at Borrow Area B and any contaminated soil will be removed. Was a radiation characterization of Borrow Area B

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- performed prior to excavating clay for the 2 ft. thick clay cap at the west and northwest slopes of the existing disposal cell? If so, what were the results?
22. Section 4.4.5, Excavation and Disposal of Contaminated Soil, page 42, para. 4, states that there is an approximately seven-acre area located north of the Marquez arroyo with windblown contaminated soils. Please show this area on a map along with the proposed Borrow Area C. Also, indicate the sampling results used to delineate the windblown contaminated Affected Area.
 23. Section 4.4.5, Excavation and Disposal of Contaminated Soil, page 43, para. 4, states that the Marquez Canyon arroyo and other areas surrounding the mine were sampled for Radium-226 and that background concentrations were found. See comment #22 above. If an area located to the north of Marquez Canyon arroyo was found to have windblown contamination, would the portion of Marquez canyon arroyo located between the mine area and the contaminated area north of the arroyo probably have windblown contamination?
 24. Section 4.4.6, Existing Waste Rock Pile Stabilization, page 45, para. 2, states that the regraded waste rock pile has a higher structural stability factor of safety (FS) than the original waste rock pile due to the lower height and flatter slopes of the regraded waste rock pile. What is the current structural FS for the regraded waste rock pile and what is the predicted structural FS for the proposed expanded waste rock pile and disposal cell?
 25. Section 4.4.6, Existing Waste Rock Pile Stabilization, page 45, para. 4, states that a soil cover over the waste rock is not needed to protect the waste rock from infiltration or leaching. However, radiologically contaminated materials other than waste rock such as sediments from the water treatment system ponds have been placed into the disposal cell. The leachability of these materials by infiltration of precipitation may be greater than the mine waste rock and it may be determined that a function of the cover is to restrict infiltration of precipitation.
 26. Section 4.4.6, Existing Waste Rock Pile Stabilization, page 45, para. 5, states that a 2.0 ft. thick compacted clay cover overlain by a minimum of 1.0 ft. of loam soil over the WRP and disposal cell will support a vegetative cover. MMD will require at least 2.0 ft. of vegetative cover material over the WRP and disposal cell, except that 18 inches of vegetative cover material may be allowed on certain portions of the west slope of the WRP (proposed in Section 4.5.2, Alternative to the VTPP, page 48). It should be noted where portions of the existing disposal cell are proposed to have less than a 2.0 ft. thick growth media cover.
 27. Section 4.4.6, Existing Waste Rock Pile Stabilization, page 46, para. 2, states that for purposes of closeout/closure planning and estimating, RGR assumes that all broken concrete generated by demolition meeting radiological standards will be used to apply to the WRP and diversion channels. MMD may require a contingency plan for an alternate source of rip rap materials in the event that the amount of useable demolished concrete is less than RGR estimates. MMD may

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require additional information on RGR's plan to use broken concrete on the surface of the disposal cell and WRP.

28. Section 4.5, Revegetation, page 46, states that the SSWP bottom and areas where buildings and roads are retained will not be revegetated. MMD requires an erosion control plan for the PMLU areas that are not revegetated.
29. Section 4.5, Revegetation, page 47, para. 2, states that RGR may use irrigation water to establish vegetation. Section 507.A of the Mining Act Rules requires re-establishment of a self-sustaining ecosystem following closure unless conflicting with the approved PMLU. A self-sustaining ecosystem as defined by Section 1.7.S.(2) of the Mining Act Rules requires that the reclaimed land is self-renewing without augmented seeding, amendments, or other assistance. Because of this requirement, irrigation of revegetated areas will only be permitted for the first three years after seeding.
30. Section 4.5.1, Vegetation Test Plot Plan (VTPP), and Section 4.5.2, Alternative to the VTPP, page 48, states that a test plot plan had previously been proposed by RGR but that due to the mine starting reclamation in 2020 and that RGR has committed to placement of a 2.0 ft. thick vegetative cover over the disposal cell clay cap, the need for a test plot program was eliminated. MMD concurs with RGR that the test plot program will not be needed.
31. Section 4.5.3, Revegetation Species, page 49, and Table 4.4, Seed Mix. MMD will provide comments on the revegetation species and seed mix in comments on Appendix F, Revegetation and Weed Management.
32. Section 4.5.4, Other Revegetation Materials, page 50, para 1, states that Alfalfa (*Medicago sativa*) will be used for mulch if native grass hay is unavailable. In accordance with the MMD Guidance for Revegetation of Part 5 Existing Mines and Part 6 New Mines, December 2022, weed-seed free native grass hay is preferred for use as mulch.
33. Section 4.5.5, Seed-Bed Preparation and Seeding, page 50, states that soil amendments will be applied on a location-specific basis. MMD discourages use of chemical fertilizers on revegetated areas as they may promote growth of weedy species.
34. Section 4.5.7, Revegetation Success, pages 51-52, states that a technical standard based on NRCS range site descriptions is being proposed (Table 5.2). MMD will provide comments on the revegetation success in comments on Appendix F, Revegetation and Weed Management.
35. Section 4.5.8, Management and Contingency Plan, page 52. MMD will provide comments on the management of the revegetated areas in comments on Appendix F, Revegetation and Weed Management.
36. Section 4.6.1 Erosion Management, Protection of the Waste Rock Pile Surfaces, pages 52-54, states that previous RUSLE calculations for the WRP were performed for the original CCP submittal. The assumptions used in the RUSLE analysis included 350 ft. long, 20% slopes among other factors. Although the

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proposed reclaimed slopes of the expanded disposal cell will be approximately 5H:1V, MMD is concerned that the proposed uninterrupted slope lengths of over 450 feet on the north facing and east facing slopes as shown on Appendix B Drawing Sheet CL 09, CL 10, and CL 11 may require additional erosion protection including possible changes to the expanded disposal cell grading and drainage plan to include an additional terrace bench drain to the slope design. Please address.

37. Section 4.6.1 Erosion Management, Protection of the Waste Rock Pile Surfaces, page 53, para. 2, states that screened, crushed concrete from the mine site may be used as a riprap layer to protect the lower portions of steeper slopes on the WRP from erosion. MMD believes that the concrete used in this application should be characterized for suitability for use as riprap before use on revegetated areas. This is something that will need to be discussed with more details from the operator.
38. Section 4.6.1 Erosion Management, Protection of the Waste Rock Pile Surfaces, page 53, last para., states that basalt may be crushed and used in the case that sufficient suitable crushed concrete is not available for rip rap and that the reclamation cost estimate includes the cost for approx. 1,600 cubic yards of rip rap. The reclamation financial assurance may need to be adjusted based on the actual amount of rip rap needed for reclamation at the mine site.
39. Section 4.6.2 Erosion Management, Arroyos, pages 54-55 last para., and Appendix B Drawing Sheet CL 12 describes the erosion protection proposed for the south diversion channel. During an inspection by MMD on October 6, 2022, concrete blocks were observed being placed in the south diversion channel to reinforce it from stormwater flows. MMD requests an update to the proposed design of the south diversion channel, if needed, to reflect the placement of the concrete blocks at the south diversion channel.
40. Section 5.1.1, Ground Water Monitoring, Alluvial and Menefee Ground Water Monitoring, page 57, para. 2, states that the existing and future extraction wells will be connected to the NFM for transferring extracted water to the MWTU Pond #3. Please provide a schedule for this action to take place.
41. Section 5.5, Erosion Control and Monitoring, page 60-61, states that RGR will initiate and continue erosion monitoring after reclamation earthwork has been completed through the succeeding 12-year period. MMD Revision 22-1 will have specific erosion monitoring requirements and may require RGR to submit a post-closeout erosion monitoring plan for MMD review. MMD will also require an erosion mitigation plan for post-closeout erosion.
42. Section 5.6, Vegetation Monitoring, page 61, states that monitoring of revegetated areas will be conducted in accordance with the Revegetation and Weed Management Plan (Appendix F). MMD Revision 22-1 MMD will have specific vegetation monitoring requirements in addition to those provided in the RGR Updated CCP.

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43. Section 6, Closeout/Closure Schedule, page 62 and Figure 6-1. RGR states that the closeout/closure activities are estimated to take approximately 26 months. If practicable, please update the Closeout/Closure Schedule to account for closeout activities already completed or are currently in progress in 2023. Is the Closeout/Closure Schedule provided intended to start before or after the Updated CCP is approved by MMD?
44. Section 7, Cost Estimate, page 62, para 1, cites several documents used in developing the Updated CCP cost Estimate (CE). MMD has updated its *Guidance for Calculating Net Present Value of Reclamation Costs* in November 2020. MMD also has a *Guidance for Calculating Capital Indirect Costs for Mine Reclamation and Closure Cost Estimates* dated June 2019. Both guidance's may be found on the MMD website at: <https://www.emnrd.nm.gov/mmd/mining-act-reclamation-program/guidelines/>. MMD recommends RGR review these guidance's and revise the CE as necessary.
45. Section 7, Cost Estimate, pages 62-63. MMD will require RGR to submit a final CE as part of a financial assurance proposal when MMD deems the Updated CCP technically approvable pursuant to 19.10.5.506.G NMAC.
46. Section 7, Cost Estimate, pages 62-63. Since the FA for the closeout/closure plan is jointly held by MMD and NMED, NMED may have additional comments on the CE that will be included in the comments provided to MMD on the Updated CCP and NMED's separate comments on the application for renewal and modification of the DP-61.
47. Section 7, Cost Estimate, Appendix E. MMD will provide comments on Appendix E separately later in this comment letter.
48. Table 4.2, Mine Facility Disposition at Closeout. See MMD Comment #3 above.
49. Table 4.3, Earthwork Balance, Excavation – Contaminated Soil, lists Area C north of Marquez Arroyo (Including hotspots identified by EGR survey). Excavation -Clean Soils, lists Borrow Area A and C North of Marquez arroyo. Please show Area C and Borrow Area C on a map or drawing.
50. Please correct Table 4.4 to make it consistent with Table F.1. In addition, MMD will not accept broom snakeweed in the seed mix. Please substitute a difference native, non-invasive, shrub in it's place in the seed mix.
51. Appendix B Drawing Sheet CL 09, CL 10, and CL 11. See MMD Comment #36 above. Although the proposed reclaimed slopes of the expanded disposal cell will be approximately 5H:1V, MMD is concerned that the proposed uninterrupted slope lengths of over 450 feet on the north facing and east facing slopes may require additional erosion protection including possible changes to the expanded disposal cell grading and drainage plan to include an additional terrace bench drain to the slope design. Also, see MMD Comment #36 above.
52. Figure 6-1, Mt. Taylor Mine Closeout/Closure Plan Schedule. See MMD Comment #43 above.

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53. Appendix B, Engineering Analyses, B. Hydrologic and Erosion Analyses, Slope Stability (SB-Slope) Analyses, 100-Year Storm Runoff and Resulting Peak Shear Stresses on Waste Rock Piles. The Allowable Shear Stress (psf) for a design simple slope of 80 ft. length and 0.33 gradient (3H:1V) is 0.02 psf. The calculated Shear Stress for this slope is 0.10 psf, exceeding the Allowable Shear Stress. Although the proposed expanded disposal cell slopes have a 5H:1V slope gradient, the uninterrupted slope lengths are approximately 450 long in some places. MMD requests that slope stability analyses be performed using the proposed expanded disposal cell slope dimensions. See MMD Comments #36 and 51 above.
54. Appendix C, Technical Specifications. MMD will initially require a Construction Quality Assurance Plan (CQAP) followed by a Construction Quality Assurance Report (CQAR) including a summary of work conducted, as-built drawings, photos, and demonstrate that the final design specifications were achieved.
55. Appendix C, Technical Specifications, Section C.1, Shaft Headframe and Collar Equipment Demolition, Subsection 2.2.4, Disposal and Salvage, states that some demolished materials may be placed down the shaft. See MMD Comment #9 above.
56. Appendix C, Technical Specifications, Section C.2, subsection 2.3, Treated Water Discharge Pipeline. See MMD Comment #7 above.
57. Appendix C, Technical Specifications, Table C.2.1, Facilities to be Removed. Please update, as needed, during the MMD technical review period prior to MMD deeming the Updated CCP technically approvable.
58. Appendix C, Technical Specifications, Section C.3, Shaft Plugging and Backfill, page 1, states that non-rigid scrap materials from surface demolition may be disposed of in the shafts. See MMD Comments #9 and #55 above.
59. Appendix C, Technical Specifications, Section C.3, Shaft Plugging and Backfill, pages 1-2, refers to drawing CL 01, CL 05, and CL 06 in Appendix G. Reinforce Concrete Shaft Slab Closure Designs. See MMD Comment #5 above.
60. Appendix C, Technical Specifications, Section C.3, Shaft Plugging and Backfill, Section 2, Site Construction, subsection 2.2, Debris Disposal, pages 6-7. See MMD Comments #9, #55, and #58 above.
61. Appendix C, Technical Specifications, Section C.3, Shaft Plugging and Backfill, subsection 2.3, Shaft Plug Construction. See MMD Comments #9, #55, and #58 above.
62. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.4, Construction of Soil Cover, page 8, para. 2, states that additional clean soil for use in cover construction may be obtained from other locations on the mine site. Prior to RGR obtaining addition soil cover material the proposed borrow area soil must be sampled and analyzed for chemical and physical characteristics and approved for use as cover material by MMD.

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63. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.5, Reshaping of Rock Walls and Slopes, page 8-9. Vertical slopes steeper than 1H:1V in competent bedrock or competent vadose zone may be left on a site-specific basis with MMD approval.
64. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.6, Finish Grading, page 10, para 1. MMD recommends final slope grades that have a concave profile versus a convex profile to reduce erosion “nick points” from occurring.
65. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.7.1, General Site Drainage, page 10 states that the primary means of controlling erosion by runoff will be grading. MMD believes that an integrated approach to prevent erosion includes re-vegetation and proper drainage designs including geomorphic designs is critical in erosion prevention of reclaimed areas.
66. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.7.3, Crusher Fines, page 11, states that a 0.5 ft. thick layer of [concrete] crusher fines may be applied to certain areas of the WRP where revegetation may be inadequate to control erosion. MMD will consider proposals for using rip rap for erosion prevention and mitigation of revegetated areas on a case-by-case basis and considering site-specific conditions.
67. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.7.4, Riprap, pages 11-12, states that rip rap will be placed in the South Diversion Channel for armoring the channel. MMD recommends that the rip rap be placed after geotextile and rip rap bedding material is placed and that the rip rap is of various sizes to enable it to be placed and compacted to reduce void spaces.
68. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.7.5, Erosion Control Blanket, page 12, describes the placement of temporary erosion control blankets in certain circumstances for erosion protection on slopes. MMD recommends placing erosion blankets only for temporary erosion protection of slopes that have not been seeded and mulched.
69. Appendix C, Section C.4, Earthwork, Section 2, Site Construction, subsection 2.3, Seed-Bed Preparation and Seeding, page 7. MMD recommends seed application by drill-seeder followed by mulch application and crimping on surfaces that will allow the drill seeder to operate safely.
70. Appendix C, Section C.5, Revegetation, Section 2, Site Construction, subsection 2.6, Mulching, page 9, states that Alfalfa (*Medicago sativa*) may be used as mulch if native grass mulch is unavailable. See MMD Comment #32 above.
71. Appendix C, Section C.5, Revegetation, Section 2, Site Construction, subsection 2.8, Monitoring, pages 9-10, state that annual survey of the revegetated areas will be performed. MMD will require that vegetation monitoring be in accordance with a MMD approved plan.

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72. Appendix E, Closeout/Closure Cost Estimate, Section 1.1, Shaft Closures, page 1. Changes to this portion of the cost estimate may be required based on revisions to the shaft closures. See MMD Comment #5 above.
73. Appendix E, Closeout/Closure Cost Estimate, Section 1.3, Surface Facilities Demolition, pages 1-3. RGR has not included the demolition costs for facilities that have been demolished. MMD may allow a partial reduction in the cost estimate for facilities already demolished, while retaining a portion of the cost for final grading erosion control, revegetation and monitoring in the cost estimate.
74. Appendix E, Closeout/Closure Cost Estimate, Section 1.4.4, Waste Pile/Disposal Cell Buildout Stabilization, page 4. MMD has provided comments on the proposed expanded disposal cell drainage (see Comments #36, and #51 above). If additional grading and stormwater terrace drains are required, the costs will need to be included in this section of the cost estimate.
75. Appendix E, Closeout/Closure Cost Estimate, Section 1.4.4, Waste Pile/Disposal Cell Buildout Stabilization, page 4. This portion of the cost estimate includes excavation of up to 87,120 cu. yds of cover soils from borrow areas. If Borrow Area C is utilized, additional costs for reclaiming the access route to Borrow Area C, excavation of borrow soils and reclamation of the borrow area should be included.
76. Appendix E, Closeout/Closure Cost Estimate, Indirect Reclamation Costs (IRC). IRC totaled 37.5%. A previous cost estimate proposed by RGR for expansion of the disposal cell under MMD Modification 20-1 (3/25/2021) used a total IRC of 49.5%. Below is a comparison of IRC used for Mod. 20-1 and for Rev. 22-1:

	<u>Modification 20-1 Cost Estimate</u>	<u>Revision 22-1 Cost</u>
<u>Estimate</u>		
Mob. and Demob.	4%	3%
Contingencies	15%	10%
Engineering Redesign	3%	3%
Contractor Profit & Overhead	15%	10%
Contract Mgmt. Fee	3%	3%
MMD Procurement	3%	2%
Contractor Admin.	2%	2%
Perf. & Payment Bonds	3%	3%
<u>Liability Insurance</u>	<u>1.5%</u>	<u>1.5%</u>
Total IRC	49.5%	37.5%

Please explain the different IRC's used for Revision 22-1 versus Mod. 20-1.

The MMD Guidance for Calculating Capital Indirect Costs for Mine Reclamation and Closure Cost Estimates (June 2019) may be found at:

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https://www.emnrd.nm.gov/mmd/wp-content/uploads/sites/5/June2019CapitalandO-MIndirectCosts_Guidance-Updated.pdf

In addition to comments from MMD please respond to the attached comment letters from the following state and tribal agencies.

- NMED Mining Environmental Compliance Section Letter dated April 14, 2023
- NMED Surface Water Quality Bureau Letter dated September 7, 2022
- NMED Air Quality Bureau dated September 12, 2022
- MASE Comment Letter dated July 14, 2022

Please contact MMD with any questions or concerns and also to set up a follow-up meeting regarding RGR's response to these comments at (505) 467-9589 or by email at clinton.chisler@emnrd.nm.gov.

Sincerely,



Clint Chisler
Permit Lead

Enclosures: NM Environment Dept. Comment Letters
MASE Comment Letter

cc: DJ Ennis, Program Manager
Anne Maurer, NMED
Mine File (CI002RE)