

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Dylan Fuge**  
Deputy Secretary

**Albert C.S. Chang, Director**  
Mining and Minerals Division



**Electronic Transmission**

December 27, 2023

Michael Feinstein, Geologist  
3350 Cherri Ave  
Kingman, AZ 86401

**RE: Agency Review Comments and Request for Additional Information,  
CN Project – Minimal Impact Exploration Project,  
Permit No. CA028EM – Catron County, New Mexico**

Mr. Feinstein:

The New Mexico Mining and Minerals Division (MMD) has reviewed the Permit Application Package (PAP), for a minimal impact exploration permit for the CN Project, submitted by Sierra Gold and Silver Ltd. (Permittee), under Subpart 3 of the New Mexico Mining Act Rules (Rules). The PAP consists of the July 28, 2023 Application (Application).

On September 6, 2023, MMD determined the Application to be administratively complete and sent request for comment letters to state and federal agencies. An interagency inspection was conducted on September 14, 2023. MMD granted an extension of time request for one agency, and MMD received agency comments by October 5, 2023.

Enclosed with this letter are the reviewing agency comment letters submitted by the following state agencies: the New Mexico Environment Department (NMED), the New Mexico Office of the State Engineer (NMOSE), the New Mexico Department of Game and Fish (NMDGF), and the New Mexico Department of Cultural Affairs - Historic Preservation Division (NMDCA/HPD), and the New Mexico State Forestry Division (NMSFD). Because this exploration project is proposed to take place on U.S. Forest Service (USFS) lands, Permittee is required to follow the USFS process for obtaining a Plan of Operations in conjunction with MMD's Minimal Impact Exploration Permit (Permit). Additionally, please find comments from MMD based on review of this application.

MMD reviewed the PAP found it to be *technically incomplete* pending receipt of acceptable responses including supplemental information identified in this letter. Many of the MMD comments have been discussed during the field inspection or follow up communication by email and phone.

**MMD Comments:**

1. Page 9-10, Section 4.C drill pad dimensions and total acreage disturbance; Attachment – drill pad diagram. The drilling pad dimensions of 20 by 30 feet would be too small to accommodate the drill pad layout attached to the Application. The acreage should be based on approximately 75 by 30 feet for disturbance estimate.
2. Page 12, Section 4.F. The section on road disturbance is changed by the field inspection. The approximately 800 feet of access road north of the highway is currently a closed USFS road and would require reclamation like an overland travel or new road disturbance.
3. Page 13, Section 4.H, total acreage to be disturbed. Based on the adjustments to the surface disturbance in Section 4.F and 4.C, the total disturbance increases to approximately 0.75 acres.
4. Page 16, Sections A and C: The Application estimated depth to groundwater as 300 feet, and noted it is highly variable. Based on a review of drilling records and historical mining district publications, boreholes will likely encounter groundwater about 100-150 feet below ground surface with the caveat that geologic structure may affect the depth to groundwater. Thus, WR-07 and WD-08 forms require completion and submittal to State Engineer’s District 1 Office in Albuquerque with a copy of the submitted forms to MMD.
5. Page 21, Section 7.D – USFS Seed mix. The Application indicates a USFS seed mix. MMD requests the list of proposed plant species and seeding rate for the project area.
6. Page 23, Section 8.A. Financial Assurance: Joint Financial Assurance (FA) will be held with USFS on this project because the project takes place on USFS property. Please refer to 19.10.12.1203 NMAC for approved forms of FA. Once you decide which mechanism you would like to use, we will collaborate with the USFS as the paperwork moves forward.
7. Page 23, Section 8.A The Application estimated \$9,509 as the FA amount. Below is the proposed FA for this project based on MMD’s calculations, which includes less than one acre of surface disturbance. Using a 3-borehole phased approach, the total bond amount is \$21,500. As boreholes are completed, a copy of the well plugging record (NMOSE form WD-11) must be sent to MMD as part of the phased approach to ensure sealant has been placed after drilling each borehole.

**Cost Estimate: Minimal Impact Exploration Project  
 CN Project CA028EM**

**Subsurface Plugging and Abandonment Financial Assurance**

\$ Cost/Ft.	Ft.	Number of Holes*	Total
14	300	3	\$12,600

**Surface Reclamation Financial Assurance**

Category	\$Cost/Acre	Number of Acres	Total
First acre or less	8900	1	\$8,900
Additional acres	4900	0	\$0

**Total FA Amount (\$)                      \$21,500**

\*Phased approach requires copies of completed plugging records be sent to MMD for approval before drilling next boreholes. Otherwise, bonding for the entire project’s 16 boreholes/surface would require \$76,100.

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**Please respond to the MMD comments and attached comments from NMED, NMOSE, NMDGF, NMDCA/HPD and NMSFD by January 31, 2023.**

Should you have any questions, comments, or require additional information concerning this letter or any enclosures, please call (505) 490-0726, or email [kevin.myers@emnrn.nm.gov](mailto:kevin.myers@emnrn.nm.gov).

Sincerely,



Kevin C. Myers, Hydrologist  
Permit Lead, CA028EM  
Mining Act Reclamation Program (MARP)  
New Mexico Mining and Minerals Division

**Enclosures:**

September 11, 2023 letter from NMDCA/HPD to MMD  
September 22, 2023 letter from NMDGF to MMD  
September 25, 2023 letter from NMSFD to MMD  
October 4, 2023 letter from NMED (includes AQB, SWQB and MECS) to MMD  
October 5, 2023 letter from NMOSE to MMD

**CC(email):** DJ Ennis, Program Manager, MARP/MMD  
Carmen Rose, Supervisor, MARP/MMD  
Jenna Padilla, Geologist, USFS  
Brett Mellott, District Ranger, Black Range, USFS  
Mine File (HI018EM)