

**RENEWAL OF PERMIT NUMBER SI057EM-R1  
PELTON GROUP – DROLTE HOLE PROJECT  
MINIMAL IMPACT EXPLORATION OPERATION**

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

**Findings of Fact:**

1. The application for renewal is complete and demonstrates that there will be no changes to the scope of work or financial assurance instruments or amount, and will meet the requirements of reclamation, as identified in 19.10.4.405.C of the New Mexico Mining Act Rules (“the Rules”).
2. The Permittee has paid the permit application renewal fee in the amount of \$500.00, as determined by Part 2 of the Rules.
3. The Permittee has no outstanding violations of the New Mexico Mining Act (“the Act”) or the Rules.
4. The Permittee has provided an approved financial assurance instrument in the form of an Irrevocable Standby Letter of Credit No. 378, issued by First National Bank Colorado, 2768 North Gate Blvd, Colorado Springs, CO 80921, on January 8, 2024, in the amount of \$8,900.00 that is jointly held by the Mining and Minerals Division and the Bureau of Land Management – Las Cruces Field Office (“BLM”). This instrument remains valid and presently in effect in the required amount.
5. The Permittee has acknowledged that there has been no change in the amount of proposed disturbance within the proposed permit area or any changes to the amount of disturbance as described in the Permit. However, several boreholes were recently discovered by Permittee, some of which are actively being used as part of the underground exploration.
6. The Permittee has provided, as part of the permit application package, a signed statement indicating that Permittee agrees to comply with the reclamation requirements of the permit, Part 3 of the Rules, and the Act and allows the Director to enter the permit area, without delay, for the purpose of conducting inspections during exploration and reclamation.
7. Pursuant to 19.10.3.302.G NMAC, the Director shall consider comments from cooperating agencies in making a determination of eligibility for minimal impact status.
8. Pursuant to the definition of “minimal impact mining operation” in 19.10.1.7.M(2)(b) NMAC, the Director finds that the project continues to meet the standards of a minimal impact mining operation.

**Conditions and Obligations:**


1. Permittee shall submit an application for permit modification for plugging and abandonment of known boreholes in the permit area. The application for permit modification shall be submitted within 60-days of the approval date of this conditional approval.
2. The Permittee shall comply with all requirements, obligations and conditions and shall conduct mining and reclamation operations at the Peloton Group – Drolte Hole project only as described within the Permit and renewal.

RENEWAL OF PERMIT NUMBER SI057EM-R1  
PELTON GROUP – DROLTE HOLE EXPLORATION PROJECT  
PAGE 2

3. The Permit does not grant or create any property rights. Nor does MMD, by issuing this Permit 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.
4. The Permit does not grant or create any water rights. Nor does MMD, by issuing the 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.
5. Since the permit area is located on public lands administered by the BLM, the expiration, or termination, of the BLM's authorization to conduct operations on the property automatically suspends the permittee's authority to continue mining operations on the property, although not necessarily reclamation operations required by the Permit.
6. The Permit 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 the Permit. MMD does not, by issuing the Permit 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.
7. At the end of the project, the Permittee shall file a termination report based on the requirements of 19.10.4.407 NMAC. If the Permittee decides to continue exploration activities beyond the expiration date of this Permit renewal, Permittee shall file the renewal application at least 30 days before the date of expiration in accordance with 19.10.4.405.C(2) NMAC.
8. This permit renewal is valid until February 13, 2026, which is one year from the date of the previous expiration of the permit term [19.10.4.405.A(1) NMAC].

All other provisions and modifications for exploration and reclamation contained within the Pelton Group – Drolte Hole, Permit Number SI057EM, remain unchanged.

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

By:   
Albert Chang, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

Date: 2/21/2025