

State of New Mexico
Energy, Minerals and Natural Resources Department

Michele Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary Designate

Ben Shelton
Acting Deputy Secretary

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



February 14, 2025

Ken Balser
The Peloton Group, LLC
2684 Cinnabar Road
Colorado Springs, CO 80921

**RE: Exploration Permit Renewal Conditional Approval
Peloton Group Drolte Hole, Permit No. SI057EM-R1
Sierra County, New Mexico**

Dear Mr. Balser:

The New Mexico Mining and Minerals Division (“MMD”) received a letter on January 6, 2025, from The Peloton Group, LLC, (“Permittee”) requesting renewal of MMD Permit Number SI057EM (“Permit”) for the Peloton Group Drolte Hole project located in Sierra County, New Mexico, issued February 13, 2024.

During inspection of the permit area on January 17, 2025, MMD noted that several boreholes had been uncovered in the area surrounding the existing mine shaft. The inspection revealed that at least one borehole is directly connected to the underground workings and is being used by Peloton as a conduit for a power cable. Upon review of the original permit application package (“PAP”), there was no mention of the existence of boreholes on site as part of the reclamation plan, but further review of a site map provided by Peloton personnel during a prior site inspection shows the location of at least three of these boreholes. While MMD cannot determine if these were existing boreholes or new construction, they are still disturbances being used by Peloton outside the scope of the original approved reclamation plan for the site.

Given the existence of boreholes at the site, MMD requests that the Permittee submit an application for a modification to Permit No. SI057EM to include the identified boreholes as part of the site reclamation plan and an estimate for their plugging and abandonment to be added to the overall financial assurance held for this site. This application should include the five boreholes identified onsite and any other boreholes the Permittee has knowledge of and plans to use for exploration activities at the site. Please submit this application within 60 days of the date of this letter. The fee for a modification is \$250 which should be provided with the application for the modification.

The renewal of this permit is conditionally approved contingent on the submittal of the aforementioned permit modification application. The permit number designated for the renewal

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is SI057EM-R1. The Permittee is authorized to conduct mineral exploration and reclamation operations only on those lands specifically designated and authorized as the permit area as described in the Permit and renewal. The maximum authorized disturbance is 0.27 total acres within the permit area.

Sincerely,

A handwritten signature in black ink, reading "Albert Chang". The signature is written in a cursive, flowing style.

Albert Chang, Director
Mining and Minerals Division

enc: Permit No. SI057EM-R1

cc: Mine File (SI057EM)