

**PERMIT NO. TA029EM
CREEK TUNNEL EXPLORATION PROJECT
MINIMAL IMPACT EXPLORATION OPERATION**

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

Permit No. TA029EM (Permit) is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

Whose correct address is: Steven Jackman
P.O. Box 1401
Rancho de Taos, NM 87557

(Permittee) for the Creek Tunnel Exploration Project, located in Taos County, New Mexico. The Permittee is authorized to re-open a historic adit and associated mine workings. The Permittee is authorized to conduct activities within the already disturbed Permit Area which includes the mine entrance area, staging area, all waste rock/overburden storage areas, and roads associated with the project. Permittee is not authorized to create any new land disturbance.

Section 1. **STATUTES AND REGULATIONS**

- A. This Permit is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended).
- B. This Permit is subject to all applicable regulations of the New Mexico Mining Act (Act), New Mexico Mining Act Rules (Rules (§19.10.1 through §19.10.15 New Mexico Administrative Code (NMAC)) and any other regulations which are now or hereafter in force under the Act; and all such regulations are made a part of this Permit by this reference.

Section 2. **PERMIT APPLICATION PACKAGE**

The minimal impact exploration Permit Application Package (PAP) for Permit TA029EM is dated July 1, 2024. Any correspondence subsequently submitted to MMD, by the Permittee or its representatives, can be found at MMD offices within the Division's files, and is titled *Creek Tunnel Exploration Project TA029EM* or similar.

The PAP is comprised of the following documents:

- A. *Subpart 3 Minimal Impact Exploration Permit Application* dated July 1, 2024 (Application).
- B. *Email Response to MMD and Agency Comments*, dated February 19, 2025
- C. Financial Assurance in the amount of \$8,900.00 in the form of an Irrevocable Letter of Credit No. 289 issued by Centinel Bank of Taos, dated April 17, 2025

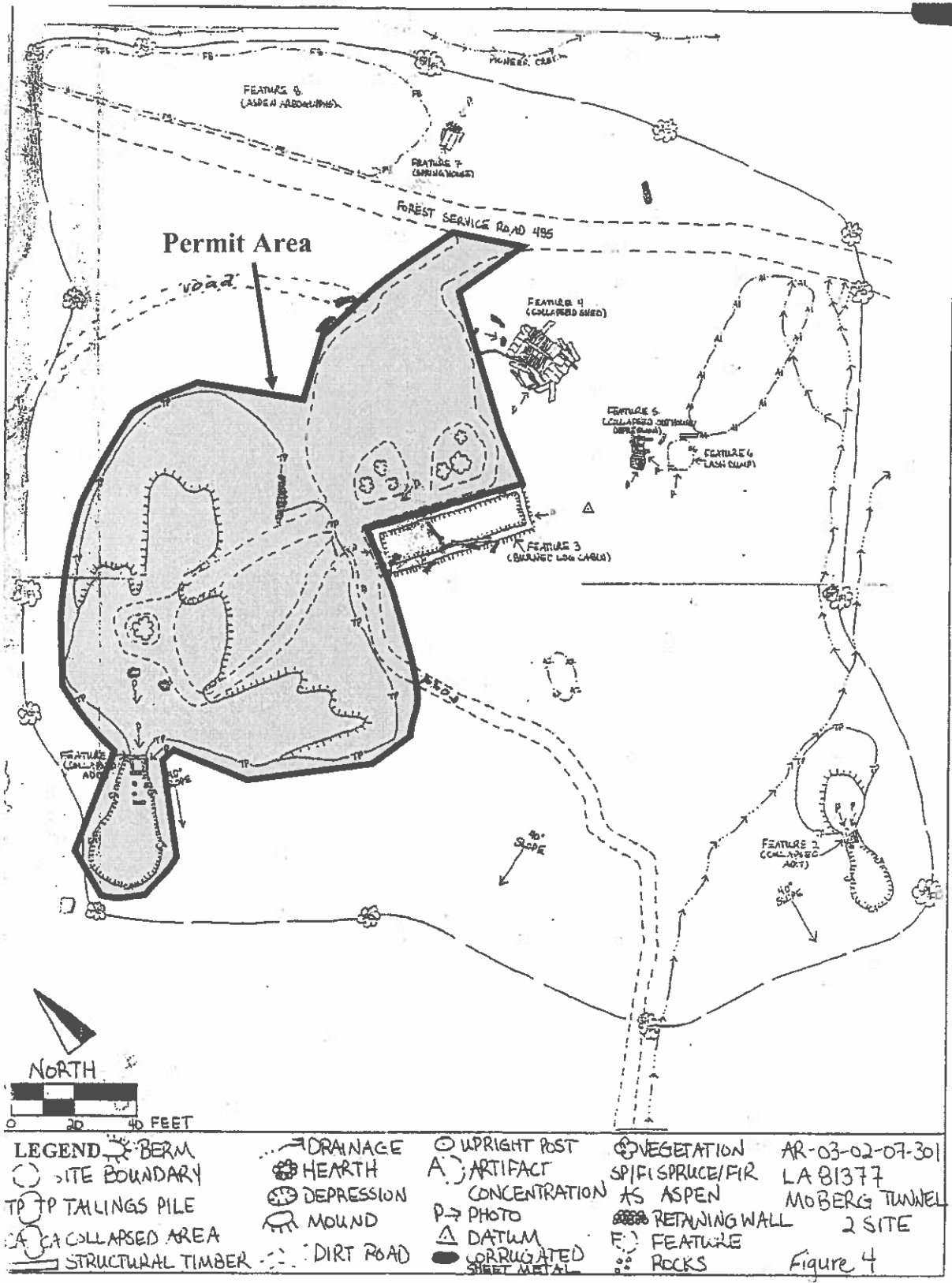
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- D. *New Mexico Environment Department (NMED) NOI*, dated October 1, 2024 and associated email chain acting as Amendment to NOI.
- E. *United States Forest Service (USFS) Notice of Intent (NOI)*, dated April 4, 2025
- F. *Response to USFS NOI Comments*, dated April 28, 2025
- G. Acknowledged USFS NOI, dated April 23, 2025
- H. *Email response to DRAFT Permit*, dated June 18, 2025

Section 3.

PERMIT AREA

- A. The Permittee is authorized to conduct mineral exploration and reclamation operations only on those lands that are specifically designated and authorized within the permitted area (Permit Area) and exploration activities shall be limited to the locations identified in the PAP and the map included in this permit.
- B. The Permit Area is located within US Forest Service Land; approximately 1.5 miles SW of Red River, NM off of Forest Service Rd. 485 adjacent to Pioneer Creek in Section 2 Township 28 N Range 14 East. UTM: 36.619867N / 105.341786W. The Permit Area consists of an access road, mine portal entrance, waste rock pile, and staging area.
- C. The Permittee is authorized to conduct activities within the already disturbed Permit Area and is not authorized to create any new land disturbance pursuant to §19.10.3.302 A. NMAC.



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Section 4. **FINDINGS OF FACT**

The Permit Application Package

- A. The PAP is complete and demonstrates that the proposed operation will meet the performance and reclamation standards and requirements of Subsection D, Paragraphs 1-6 of §19.10.3.302 NMAC.
- B. The PAP provides that the proposed operation meets the standards of a "Minimal impact mining operation," addressed in §19.10.1.7.M(2) NMAC, and in §19.10.3.302 NMAC, and does not fall within the exclusions in §19.10.1.7.M(2) NMAC. MMD and the other agencies reviewed the minimal impact designation pursuant to §19.10.3.302.G NMAC.
- C. The Permittee has paid the initial permit application fee of \$500 as required by §19.10.2.201.F NMAC.
- D. The proposed operation and reclamation, as described in the PAP and this Permit, will meet the requirements of reclamation, as identified in §19.10.1.7.R(1) NMAC of the Rules. The reclamation plan, subject to the conditions in the Permit, demonstrates that the reclamation of the disturbed areas within the Permit Area will result in a condition that allows for the establishment of a self-sustaining ecosystem within the Permit Area that is appropriate for the life zone of the surrounding areas.
- E. The term of the Permit is governed by Subsections A, C and D of §19.10.4.405 NMAC. The permit term shall be one year from the date of the Director's signature on this Permit.

Right-To-Enter / Property Access Information

- F. 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 the basis on which the Permittee has a right to enter the property to conduct mining, exploration 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.
- G. As stated in the PAP, the Forest Service controls the surface estate within the Permit Area. The Permittee has satisfactorily demonstrated its right to access to conduct mineral exploration and reclamation pursuant to §19.10.304.D(1) NMAC through documentation provided to MMD.

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General Information Regarding the Permittee

- H. The Permittee is not in violation of the terms of another permit issued by the Director or in violation of a substantial environmental law or substantive regulation at another mining operation, has not forfeited or had forfeited financial assurance in connection with another mining, reclamation, or exploration permit, and has not demonstrated a pattern of willful violations of the Act, the Rules or other New Mexico environmental statutes.
- I. The Permittee has signed and certified a statement, provided within the PAP, that the Permittee agrees to comply with the requirements of this Permit, the Rules, and the Act, and allows the Director to enter the Permit Area for the purpose of conducting inspections.

MMD's Request for Comments to the Agencies and Tribes

- J. MMD provided the cooperating agencies (New Mexico Environment Department, Department of Game & Fish, State Forestry Division, State Historic Preservation Office, and the Office of the State Engineer) with a copy of the PAP pursuant to §19.10.3.302.G NMAC and requested comments from the agencies on August 13, 2024. Coordination of this project also occurred with the USFS through their NOI process.
- K. MMD provided the Permittee with comments provided by the cooperating agencies on January 21, 2025.
- L. In addition to the consultation with NMED required by §19.10.3.302.G NMAC, the Permittee has submitted a Ground Water Quality Bureau Notice of Intent to Discharge and has conducted required water testing.
- M. The submitted USFS NOI was acknowledged on April 23, 2025

Financial Assurance

- N. The Permittee has provided financial assurance in the amount of \$8,900.00 in the form of an Irrevocable Letter of Credit No. 289 issued by the Centinel Bank of Taos on April 17, 2025.

Section 5. **COMPLIANCE REQUIREMENTS**

- A. This 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 this Permit. MMD does not, by issuing this 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.

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- B. Since the Permit Area is on USFS property, the expiration, or termination, of the Permittee's authorization to conduct operations on the property automatically suspends the Permittee's authority to continue mining operations on the property. Such suspension does not include reclamation operations by the Permit issued under §19.10.3 NMAC.
- C. The Permit does not grant or create any water rights. Nor does MMD, by issuing this 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.

Section 6. **AGENCY RIGHT OF ENTRY**

- A. The Permittee shall allow the authorized representatives of the Director, without advanced notice, upon presentation of appropriate credentials, and without delay:
 - 1) To enter upon, or through, any mineral exploration or reclamation operation at any time, as provided for in §19.10.3.302.I(3) NMAC, for the purpose of conducting inspections during exploration, and reclamation, and to determine if the Permittee is in compliance with the permit requirements and conditions; and
 - 2) at reasonable times, and without delay, have access to and copies of any records associated with permitting and compliance required by the Act, §19.10. NMAC or the Permit.
- B. In the event that the USFS terminates or otherwise prevents or impedes access to the Permit Area by the authorized representatives of the Director, the Director will notify the Permittee. The Permittee shall immediately cease all mining operations within the Permit Area and will not resume mining operations until such authorized representatives' access to the Permit Area has been restored.

Section 7. **PERMIT COVERAGE**

- A. This permit shall be binding on any person or persons conducting mining, exploration and reclamation operations under this Permit.

Section 8. **ENVIRONMENTAL COVERAGE**

- A. The Permittee shall take all necessary steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the Permit, the Rules or the Act.

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Section 9. **COMPLIANCE WITH THE PERMIT APPLICATION PACKAGE**

- A. The Permittee shall exploration mining and reclamation operations only as described in the approved PAP and any other modifications approved by the Director, pursuant to §19.10.4.406 NMAC. The Permittee shall comply with any and all conditions that are incorporated in the PAP and this Permit.
- B. Where the PAP is ambiguous or in apparent conflict with the provisions outlined in this Permit, the language of this Permit will supersede the PAP.

Section 10. **GENERAL OBLIGATIONS AND CONDITIONS**

Description of Project/Authorized Disturbances

- A. The Permittee is authorized to conduct activities within the already disturbed Permit Area under this Permit including: all disturbance associated with the re-opening and cleaning out of the historic adit, the new portal, waste rock removed and placed on the waste rock pile, access road, and staging area including the CONEX box on-site.
- B. To the extent possible, Permittee shall avoid removing or damaging standing live or dead trees and woody vegetation.
- C. The Permittee is not authorized to create any new land disturbance
- D. The permittee shall notify the agencies when the restoration of the historic adit reaches the point of the first collapse (about 100 ft. in). This material cannot be removed without authorization from the agencies.
- E. The permittee must comply with all requirements set forth by NMED in the NOI process regarding notification and water sampling.

Best Management Practices to be Performed

- F. The Permittee shall implement erosion-control measures, or Best Management Practices (BMP's), in a manner that prevents direct impacts to surface water and ephemeral watercourses that are designed, constructed and maintained using professionally recognized standards (e.g., Natural Resource Conservation Service Standards, or the BLM *Gold Book*) for surface disturbances during the exploration project and reclamation activities as needed for erosion control, spill prevention and the avoidance or damage to ephemeral watercourses in the area. Placement of water bar structures or other appropriate measures should be taken to reduce head-cutting adjacent to roads and to prevent roadways from channelizing surface flow.

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- G. Erosion control measures or any other BMP's that are damaged or ineffective shall be repaired, replaced or redesigned, as necessary, within 24 hours, or as soon as reasonably possible, following discovery of damage. The Permittee shall commit to using a variety of erosion-control measures, as needed, if erosion control problems develop.
- H. A minimum setback of 100 feet away from any watercourse within the Permit Area is required. *(Watercourse means any channel having definable beds and banks capable of conducting generally confined runoff from adjacent lands. During floods water may leave the confining beds and banks but under normal flows water is confined within the channel. A watercourse may be perennial, intermittent, or ephemeral.)*
- I. The current small stream of water exiting the entrance to the mine shall be diverted away from the entrance and allowed to naturally seep into the ground. If at any time the volume of this water increases to the point where it no longer can naturally seep into the ground and runs off site, the permittee shall immediately contact MMD, NMED, and the USFS.
- J. No drilling and no storage of fuels or chemicals shall take place within any watercourse that is in the Permit Area. No excavation or filling shall take place within any watercourse until the required permits or consultations are obtained from the U.S. Army Corps of Engineers. A copy of such approval shall be provided to MMD when obtained.
- K. Appropriate spill clean-up materials, such as absorbent pads, shall be available on-site at all times during road construction, site preparations, and drilling activities to address potential spills. Drop cloths or plastic tarps will be placed and secured under rigs while drilling, in addition to any other immobilized, staged, or temporarily stored equipment parked for durations extending longer than 48 hours, to contain any spill or leakage from the drill rig and any other related equipment.
- L. The Permittee shall report all spills immediately to the New Mexico Environment Department (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) 428-6000. For non-emergencies after hours, call (866) 428-6535 or (505) 428-6535 (voicemail, 24 hrs. /day). For emergencies only, call (505) 827-9329 (24 hrs. /day) to contact the New Mexico Department of Public Safety.
- M. All heavy equipment to be used within the Permit Area shall be thoroughly pressure washed and/or steam cleaned prior to introducing any equipment into the Permit area in order to help prevent the introduction of non-native species to the Permit Area. This cleaning shall remove all soil, seed, vegetative matter or other debris that could contain or hold seed or plant parts. Any heavy equipment that subsequently operates outside this Permit Area shall be treated the same as during the initial mobilization onto the Permit Area. Equipment shall be considered free of soil, seed and plant debris when a visual inspection does not detect such material.

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Cultural and Paleontological Resource Preservation Requirements

- N. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the Permittee, or by any personnel working on the Permittee's behalf, shall immediately report any such findings to the Historic Preservation Division. The Permittee shall suspend all operations in the immediate area of such discovery until authorization to proceed is issued by the Historic Preservation Division. An evaluation of the discovery will be made by the Historic Preservation Division to determine appropriate actions to prevent the loss of significant cultural or scientific values. The Permittee shall be responsible for the cost of evaluation and any decision as to the proper mitigation measures to be made by the Historic Preservation Division after consulting with the Permittee.
- O. The Permittee is obligated to comply with procedures established in Section 18-6-11.2 of the Cultural Properties Act, NMSA and §4.10.11 NMAC to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the Permittee shall immediately halt the disturbance and contact the Office of the Medical Investigator and the local law enforcement agency pursuant to Section 18-6-11.2 of the Cultural Properties Act and the Department of Cultural Affairs within 24 hours for instructions. The Permittee shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the Department of Cultural Affairs in consultation with Indian Tribes.

Reclamation and Revegetation Requirements

- P. Reclamation of disturbed areas shall occur concurrently, or directly after the completion of operations as weather and field conditions allow. Pursuant to §19.10.3.302.K NMAC, all lands, including overland access routes or terrain damaged in gaining access to or clearing the disturbed areas, or lands where vegetation is substantially disturbed or whose natural state has been substantially disturbed as a result of the exploration activities, shall be restored as nearly as possible to their original condition and reseeded and mulched utilizing an appropriately certified weed-free, pure live seed mixture of native grasses beneficial to livestock and wildlife. The approved USFS seed list can be found below.

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Common Name	Genus species	Rate lbs/ac
Grasses		
Junegrass	Koeleria macrantha	3
western wheatgrass	Pascopyrum smithii	3
Arizona fescue	Festuca Arizonica	3
mountain muhly	Muhlenbergia montana	3
Forbs		
beardtongue	Penstemon barbatus/jamesii	2
Indian paintbrush	Castilleja miniata	2

16 PLS lbs/ac

- Q. In the absence of a renewal for this permit all disturbed areas associated with this project shall be reclaimed. These areas include:
- 1) All disturbance associated with the re-opening of the historic adit. Timbers and tunnel infrastructure shall remain on the site. Material from the waste rock pile may be used to bury the portal and contour the hillside. The previously existing hillside above and around the adit area shall be restored to the approximate original condition and grade that existed prior to disturbance from this project.
 - 2) The waste rock/ore pad area shall be reclaimed in place and as much as feasible and restored to a natural grade that blends with the surrounding area. This includes all outslopes and top areas.
 - 3) The access road shall be reclaimed, ripped, seeded, and barricaded with large rocks or other materials to prevent future off road vehicle access.
 - 4) The lower staging area shall be reclaimed and seeded to blend into the natural landscape. The CONEX box shall be removed from the site.
- R. Where salvageable topsoil is present upon areas to be disturbed, all soil and overburden material shall be stripped, stockpiled and protected for later use during reclamation. Any salvaged topsoil material that is suitable as a plant growth medium, shall be spread over the surface of each drill site, including any other heavily compacted areas, then raked, disked or deep-scarified prior to seeding, to prepare a suitable seedbed for seed germination and root growth. The approved seed mixture shall be broadcast sown immediately after site re-contouring and seedbed preparation has been completed and while the soil surface is still friable. After the seed mix has been sown, the soil shall be dragged with a chain or harrow or raked into the surface using hand tools, to cover the seed. Each reclaimed site shall be mulched with certified weed-free straw, or other mulching materials approved by MMD, and then crimped or tacked in place. Reclaimed areas not seeded before or during

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the summer, shall be seeded in late fall to maximize the probability of successful revegetation. Within any areas prohibitive to ripping or scarification, the seed shall be hand- or broadcast sown immediately after site re-contouring and seedbed preparation at an application rate double that of the rate prescribed by the MMD, and then raked into the soil and mulched.

- S. Prior to obtaining or excavating any borrow material for use as a backfilling material and/or for use in surface reclamation activity, the Permittee must first provide MMD with the source location and estimated quantity of this borrow material, including a reclamation plan for the proposed borrow area, for review and approval prior to its excavation or use during surface reclamation. Any borrow source excavation areas approved by MMD, shall be reclaimed, upon completion of excavation materials within the borrow area, then graded and re-contoured for positive drainage, and reseeded, as prescribed in this Permit.
- T. Following the revegetation and reclamation activities, monitoring shall be conducted by the Permittee to assure successful establishment of vegetation and stabilization of the site. Revegetated areas that have not become established by the end of the growing season shall be mitigated by reseeding, mulching, grading, and/or application of waterbars, or other BMP's, to prevent erosion and site degradation.
- U. The Permittee shall notify MMD at least 30 days prior to initiating any reclamation approved pursuant to this Permit. The site will be considered reclaimed and eligible for release of financial assurance, once the following criteria have been met:
 - 1) The Permittee has established a uniform, self-sustaining vegetative cover on disturbed areas, similar in life form to the pre-disturbance vegetation.
 - 2) No significant erosion is evident on reclaimed areas.
- V. All lands to be disturbed shall be addressed under the performance and reclamation standards and requirements of §19.10.3.302 NMAC and in accordance with the reclamation plan provided in the PAP and this Permit. The Permittee is obligated to complete reclamation of all disturbed areas upon completion of exploration activities.

Changes, Modifications, or Revisions to the Permit

- W. Any changes, modifications or amendments to the approved Permit shall be approved prior to implementation pursuant to §19.10.3.302.J and §19.10.4.406 NMAC.

Financial Assurance

- X. The Permittee shall maintain financial assurance, after approval of this Permit, in the approved amount of \$8,900.00.

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Project Completion Timeline/Termination Report Requirements

- Y. Unless this Permit is renewed, the Permittee shall reclaim all exploratory disturbance, including mine entrance area, staging area, all waste rock/overburden storage areas, and roads associated with the project, within one (1) year of date of permit issuance.
- Z. The Permittee shall submit a termination report, pursuant to §19.10.4.407 NMAC, at the conclusion of the exploration operation, unless the Permittee has applied for renewal of the exploration permit or applied for a mining operation permit. The termination report shall contain, at a minimum:
 - 1) A description of the reclamation measures utilized by the Permittee.
 - 2) Evidence of the seed mix (seed tags from bags) and its application rate utilized by the Permittee.
 - 3) Photographs of the reclaimed areas, including any BMP's utilized by the Permittee during exploration.

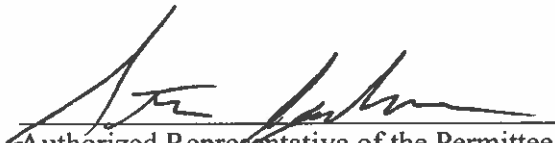
Section 11. CONCLUSIONS OF LAW

- A. The Director concludes the project meets the requirements of a "Minimal Impact Mining Operation" addressed in §19.10.1.7.M(2) NMAC. The operation authorized by this Permit is eligible as a minimal impact operation, and the Permittee is authorized to operate a minimal impact exploration operation, pursuant to §19.10.1.7.M(2) NMAC and §19.10.3.302.A NMAC.
- B. The PAP is complete, accurate and complies with the requirements of the Act and §19.10.3.302 NMAC.
- C. The Director has jurisdiction over the Permittee and the subject matter of this Permit and process.
- D. The Permittee is permitted to conduct exploration and reclamation operations within the Permit Area upon the condition that the Permittee complies with the requirements of the Rules, Act, and this Permit, and upon the submission of such termination reports and fees as may be required under §19.10.3 NMAC and §19.10.2 NMAC.

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CERTIFICATION

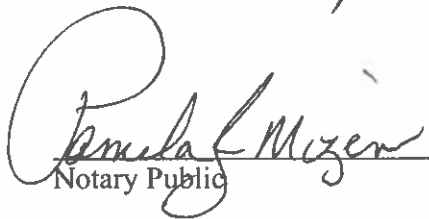
I certify that I have read, understand and will comply with the requirements of the Permit. I further certify that I am not in violation of the Act or §19.10 NMAC. I also agree to comply with the performance and reclamation standards and requirements of the Permit, the Rules, and the Act, and allow the Director to enter the Permit Area without delay for the purpose of conducting inspections during exploration and reclamation.


Authorized Representative of the Permittee

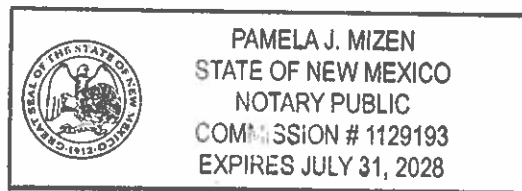
Owner
Title

Creek Tunnel Mine
Company Name

Subscribed and sworn to before me this 9 day of July, ~~2023~~ ²⁰²⁵


Notary Public

My Commission Expires July
31, 2028



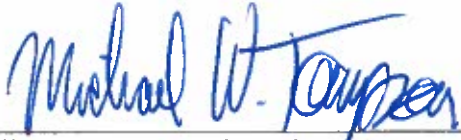
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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that Permit No. TA029EM is approved. Steven Jackman is authorized to conduct mining, exploration drilling and reclamation operations at the Creek Tunnel Exploration Project in Taos County, New Mexico. The Permit may not be transferred without approval by the Director. The Permit is subject to all conditions set out in the Director's Findings of Fact, Conditions and Conclusions of Law.

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

By:

A handwritten signature in blue ink, appearing to read "Michael W. Thompson", written over a horizontal line.

Mike Thompson, Acting Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date:

A handwritten date in blue ink, "July 14, 2025", written over a horizontal line.