

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Erin Taylor**  
Acting Cabinet Secretary

**Benjamin Shelton**  
Deputy Cabinet Secretary

**Drew Roybal-Chavez**  
Deputy Director  
Mining and Minerals Division



March 6, 2026

Mr. Ken Balsler  
The Peloton Group, LLC  
2684 Cinnabar Road  
Colorado Springs, CO 80921

**RE: Issuance of Permit Renewal No. SI057EM-R2, Peloton Group Drolte Hole Project, Minimal Impact Exploration Project, Sierra County, New Mexico, Permit No. SI057EM**

Dear Mr. Balsler,

The New Mexico Mining and Minerals Division (“MMD”) received a letter on January 6, 2026, from The Peloton Group, LLC, (“Permittee”) requesting renewal of Minimal Impact Exploration Permit No. SI057EM (“Permit”) for the Peloton Group Drolte Hole project located in Sierra County, New Mexico.

In the request for renewal, the Permittee confirms that there are no changes to the amount of proposed disturbance in the permit area, reaffirms the Permittee’s commitment to perform work in compliance with the Permit, and confirms that the Permittee does not request to make any changes to the language of the Permit. As such, this letter acknowledges the renewal of the Permit as detailed in the enclosed Permit No. SI057EM-R2. The Permittee is authorized to conduct mineral exploration and reclamation operations only on lands specifically designated and authorized as the permit area in the Permit and the enclosed renewal. The maximum authorized disturbance is 0.27 total acres within the permit area.

This permit renewal is valid until March 2, 2027, which is one year from the date of the MMD Director’s signature. Please note that requests for permit renewal should be issued at least 30 days before the expiration of the permit.

Sincerely,

Kevin Barnes, Permit Lead  
Mining Act Reclamation Program (MARP)  
Mining and Minerals Division

enc: Permit No. SI057EM-R2

cc: David “DJ” Ennis, MARP Program Manager  
Corey Durr, U.S. Bureau of Land Management  
Mine File (SI057EM)

**RENEWAL OF PERMIT NUMBER SI057EM-R2  
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 received on January 6, 2026, 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) NMAC of the New Mexico Mining Act Rules, 19.10 NMAC (“the Rules”).
2. The Peloton Group, LLC, (“Permittee”) has paid the permit application renewal fee in the amount of \$500.00, as determined by 19.10.2.201(M) NMAC.
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 Irrevocable Standby Letter of Credit No. 378, issued by the First National Bank Colorado, on January 8, 2024, in the amount of \$8,900.00 that is jointly held by the State of New Mexico, Energy, Minerals, and Natural Resources Department, Mining and Minerals Division (“MMD”) and the United States Department of the Interior, 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.
6. The Permittee has provided, as part of the original permit application package, a signed statement indicating that the Permittee agrees to comply with the reclamation requirements of the permit, Part 3 of the Rules, and the Act and allows the MMD 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. The Permittee shall comply with all requirements, obligations and conditions and shall conduct mining and reclamation operations at the Peloton Group – Drolte Hole exploration project only as described within the Permit and Renewal.
2. 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

RENEWAL OF PERMIT NUMBER SI056EM-R1  
PELTON GROUP – DROLTE HOLE EXPLORATION PROJECT  
PAGE 2

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.

3. 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.
4. 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. The BLM's authorization to conduct operations is administered through the BLM Notice-level operations under 43 CFR 3809.300, which has been serialized as NMNM145851 and is valid until January 14, 2028.
5. The Permit is issued pursuant to the Act and the Rules. The 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 the Permittee's compliance with such other laws. It is the Permittee's sole responsibility to investigate and comply with the requirements of such other laws.
6. 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, the 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.
7. This permit renewal is valid for one year from the date of the MMD Director's signature, per 19.10.4.405(A)(1) NMAC.

All other provisions and modifications for exploration and reclamation contained within the Bella Group Lode Exploration Project, 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:   
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Ben Shelton, Deputy Secretary  
Energy, Minerals and Natural Resources Department

Date: 3/2/26