#### **BEFORE THE NEW MEXICO MINING COMMISSION**

# IN THE MATTER OF THE PETITION FOR REVIEW OF THE DIRECTOR'S ACTION DATED JANUARY 31, 2012, PERMIT REVISION 10-1 TO PERMIT NO. CI002RE

# THE MULTICULTURAL ALLIANCE FOR A SAFE ENVIRONMENT and AMIGOS BRAVOS,

**Petitioners.** 

### **MEMORANDUM OPINION AND ORDER**

THIS MATTER came before the New Mexico Mining Commission (the "Commission") upon the petition filed by The Multicultural Alliance for a Safe Environment and Amigos Bravos (collectively the "Petitioners") on March 30, 2012. Both the Mining and Minerals Division of the New Mexico Energy Minerals and Natural Resources Department ("MMD") and Rio Grande Resources Corporation ("RGR") filed responsive pleadings. In accordance with the Commission's regulations, the Commission held a hearing on June 26, 2012. Prior to the hearing, the parties agreed to limit the hearing before the Commission to the arguments of counsel on the merits of the petition and whether the Commission should grant the relief requested by Petitioners.<sup>1</sup>

## Proceedings

In their petition, Petitioners allege that during the public participation hearing held on August 17, 2011 on RGR's application for renewal of its stand-by permit the Director acting as the hearing officer improperly prohibited Petitioners from presenting testimony concerning the groundwater contamination at the Mount Taylor Mine and RGR's unwillingness to conduct interim reclamation measures, the Mine's economic viability

<sup>&</sup>lt;sup>1</sup> In addition to the arguments of counsel, the Commission also heard public comment both in support of and in opposition to the Petition.

during the stand-by period, and the adequacy of RGR's financial assurance for reclamation. Petitioners argued that the Director should have reviewed RGR's financial assurance at the time it reviewed RGR's application for renewal of its stand-by permit, should have conducted an independent environmental review of RGR's application, and should have evaluated the economic analysis provided by RGR.

Petitioners contend that the Director's actions in not allowing testimony on each of these issues violated NMSA 1978, § 69-36-7(K), and 19.10.9 NMAC, the public participation provisions of the Mining Act and the Commission's regulations respectively, and ran afoul of the New Mexico Supreme Court's decision in <u>Colonias</u> <u>Developmental Council v. Rhino Environmental Services</u>, 2005-NMSC-024, 138 N.M. 133. Petitioners therefore asked the Commission to hold public hearings: (1) to review the adequacy of RGR's financial assurance for reclamation and close-out plan for the Mount Taylor Mine; (2) determine whether the Mount Taylor Mine will be economically viable during the standby period; and (3) determine whether RGR will meet all environmental standards and laws during the standby period. See Petition For Review of the Director's Action, Dated January 31, 2012, Permit Revision 10-1 to Permit No. CI002RE (the "Petition"), p. 22.

In response to Petitioners' arguments, MMD posited that the Commission should not grant the relief requested by Petitioners because the Director acted reasonably and in accordance with the public participation provisions of the Mining Act and the Commission's rules in not allowing some of Petitioners' testimony. MMD argued that the distinguishable facts in the <u>Rhino</u> decision – hearing officer's determination that non-

technical quality of life issues were not relevant to permitting a landfill in a poor, minority border community - made the application of the court's reasoning to the case at hand inapposite.

MMD argued that the Director did not find that the Mount Taylor Mine would be economically viable during the stand-by period and the language of the Mining Act and the Commission's rules does not require him to make such a finding. The Act and the rules require only that a mine owner or operator provide an analysis of the economic viability of each unit proposed for stand-by status. In addition, MMD argued, the Director did not rely on secret information; RGR had a statutory right to designate portions of the economic analysis confidential. MMD further argued that the Director's reliance on the New Mexico Environment Department's determination that RGR had demonstrated that all applicable federal and state environmental standards would be met during the period of stand-by status was appropriate. Lastly, MMD argued that the standby permit regulations do not require that financial assurance be reviewed or revised before or at the time a stand-by permit is renewed, and there is no requirement for a hearing on financial assurance anywhere in the regulations. Nonetheless, the Director required an update of Mount Taylor Mine's closeout plan and financial assurance be submitted within 180 days of approval as a condition of RGR's stand-by permit renewal.

In turn, RGR argued that the regulations governing stand-by permits identify the findings the Director must make in order to grant a permit for stand-by status. While an existing mining operation is not eligible for stand-by status until its closeout plan is approved and financial assurance posted, the regulations do not require reviewing or

revisiting financial assurance or closeout plans before a stand-by permit is renewed. RGR also argued that the Director acted in accordance with 19.10.9.905(A)(2) NMAC by not allowing Petitioner's witness to spend time on the Mine's closeout plan or financial assurance because no findings relating to these matters are required by the stand-by permit rule. With respect to the Director's acceptance of NMED's determination that the Mine would meet all applicable environmental standards during the period of stand-by status, RGR called the Commission's attention to 19.10.13.1303(A), directing coordination among agencies to avoid duplicative or conflicting requirements.

In rebuttal to MMD's and RGR's arguments, Petitioners stated that what they are seeking is procedural relief – to put their views, data and analysis on the record regarding the economic viability analysis of the Mount Taylor Mine during the period of stand-by status, financial assurance, and compliance with environmental standards.

After considering the Petition and responsive pleadings, the argument of counsel, public comment, and listening to portions of the audio recording of the August 17, 2011 public hearing on RGR's application for renewal of standby status, the Commission in open session announced its decision denying the Petition.

## **Discussion**

The issues raised by Petitioners' appeal require the Commission to review the rules governing applications for renewal of standby status, 19.10.7 NMAC, financial assurance, 19.10.12 NMAC, and public participation, 19.10.9 NMAC, in order to determine whether Petitioners are entitled to the relief requested.

1. <u>Stand-by Permit Requirements</u>

Rule 701 of the Commission's regulations dictates the information a mine operator must provide and the findings the Director must make before approving an application for a permit revision for stand-by status. 19.10.7.701 NMAC. An existing or new mining operation may apply for stand-by status when it needs to suspend reclamation pursuant to an operational permit for a period greater than 180 days. Id. Stand-by status will not be granted until the public participation requirements are met, a closeout plan has been approved and financial assurance has been provided for an existing mine, and an operational permit has been approved and financial assurance has been provided for a new mine. See 19. 10.7.701(G) NMAC. An initial permit for standby status may be granted for a maximum five-year term and may be renewed for no more than three additional five-year terms. See 19.10.7.701(J).

Rule 701(B) sets forth the information an applicant must submit. It requires an applicant, in relevant part, to "describe how applicable federal and state environmental standards and regulations will be met during the duration of standby status and provide to the Director a written determination from the Secretary of the Environment Department stating that the permittee has demonstrated that the operation will be expected to achieve compliance with all applicable air, water quality and other environmental standards of the Environment Department during standby status if carried out as described," and "provide an analysis of the anticipated future economic viability of the units proposed for standby status." 19.10.7.701(B)(3) and (6) NMAC.

Once submitted, Rule 701(F) provides that :

An application for a permit revision for standby status will be approved if the permittee has paid the permit revision fee pursuant to 19.10.2 NMAC, and the Director finds: (1) that the permittee agrees to take measures to reduce, to the extent practicable, the formation of acid and other toxic drainage and to prevent releases that cause federal or state environmental standards to be exceeded;

(2) that the permittee agrees to meet applicable federal and state environmental standards and regulations during the period of standby status, and the Secretary of the Environment Department has indicated environmental standards of that Department are expected to be met during the term of standby status;

(3) that the permittee agrees to stabilize waste and storage units, leach piles, impoundments and pits during the term of standby status;

(4) that the permittee agrees to comply with the applicable requirements of the Act, 19.10 NMAC and the permit during the term of standby status; and

(5) that the permittee has provided an analysis of the economic viability for each unit proposed for standby status.

# 19.10.7.701(F) NMAC.

a. Financial Assurance

Rule 701 clearly states that stand-by status shall not be granted for an existing or

new mine operation until a closeout plan has been approved and financial assurance

provided. 19.10.7.701(G) NMAC. Rule 701 contains no language, however, requiring

the Director to consider or adjust the amount of financial assurance before renewal of

stand-by status.

Rule 1206, governing adjustments to the amount of financial assurance, states in

relevant part:

In the event that the approved permit is revised or modified, the director shall review the financial assurance for adequacy, and if necessary, shall require adjustment of the financial assurance to conform to the permit as revised or modified.

19.10.12.1206(D) NMAC. This provision does not appear to mandate that the Director consider or adjust the amount of financial assurance at any time certain before or after the

revision or modification of an approved permit or renewal thereof. It also does not require a public hearing before the amount of financial assurance is adjusted.

In the instant case, MMD permitted the Mount Taylor Mine as an existing mine on July 28, 1995. It approved a closeout plan and financial assurance for the Mount Taylor Mine on December 18, 1998. MMD approved RGR's application for permit revision for stand-by status for the Mount Taylor Mine on October 12, 1999 and renewed the Mine's stand-by status on July 27, 2005.<sup>2</sup> RGR submitted an application for renewal of the Mount Taylor Mine's stand-by status on June 16, 2010. There were no substantial changes to the stand-by permit outlined in the renewal application.<sup>3</sup> MMD approved the Mine's stand-by status on January 31, 2012. As a condition of this permit renewal for stand-by status, MMD has required RGR to submit to MMD within 180 days of the renewal (i) an updated reclamation cost estimate for the Mount Taylor Mine for the purpose of updating financial assurance, and (ii) an updated closeout plan, upon which the reclamation cost estimate shall be based, for MMD's approval. See § 8.BB, Permit Revision 10-01 to Permit CI002RE Mount Taylor Mine.<sup>4</sup> The Director's decision to require updated reclamation cost estimates and closeout plans as conditions of an approved permit for renewal of stand-by status was reasonable and in accord with Rules 701 and 1206.

<sup>&</sup>lt;sup>2</sup> See MMD Response to March 30, 2012 Petition of the Multicultural Alliance for a Safe Environment and Amigos Bravos, p. 4.

<sup>&</sup>lt;sup>3</sup> June 26, 2012 Hearing Transcript, p. 60, lines 18-23.

<sup>&</sup>lt;sup>4</sup> Exhibit A to the Petition.

#### b. Economic Viability

Rule 701 requires an applicant for a permit revision for stand-by status, among other things, to "provide an analysis of the anticipated future economic viability of the units proposed for stand-by status." 19.10.7.701(B)(6) NMAC. It then requires MMD approval of the application for permit revision for stand-by status if the permittee has paid the permit revision fee and the Director makes certain findings, including "that the permittee has provided an analysis of the economic viability for each unit proposed for stand-by status." 19.10.7.701(F)(5) NMAC.

Upon reviewing RGR's application for renewal of stand-by status for the Mount Taylor Mine, MMD found that "[RGR] has provided an analysis of the economic viability of the Mount Taylor Mine, as required by 19.10.7.701.G NMAC." See § 3.DD, Permit Revision 10-01 to Permit CI002RE Mount Taylor Mine. Rule 701 does not require that the Director or, on appeal, the Commission "determine whether the Mount Taylor Mine will be economically viable during the standby period," as Petitioners request. See Petition, p. 22. The Director did as Rule 701 directs him to do.

RGR's analysis of the economic viability of the Mount Taylor Mine contained information that RGR designated as confidential, pursuant to NMSA 1978, § 69-36-10. The Director subsequently asked RGR to substantiate its claim that public disclosure of the information designated as confidential could harm RGR's competitive position after receiving a public records request from Petitioners' attorney to inspect the economic analysis. RGR provided the requested substantiation and, though not required, the Director gave Petitioners the oppportunity to respond to RGR's claim of confidentiality.

Upon reviewing RGR's substantiation and Petitioners' response, the Director determined that the information designated as confidential by RGR was not subject to disclosure and denied Petitioners' request to inspect the economic analysis provided by RGR. See Exhibit C to Petition. The Commission finds that the Director acted reasonably and in accordance with NMSA 1978, § 69-36-10 in denying Petitioner's request to review information designated by RGR as confidential.

# c. Environmental Standards

Rule 701 also requires an applicant for a permit revision for stand-by status to "describe how applicable federal and state environmental standards and regulations will be met during the duration of standby status and provide to the Director a written determination from the Secretary of the Environment Department stating that the permittee has demonstrated that the operation will be expected to achieve compliance with all applicable air, water quality and other environmental standards of the Environment Department during standby status if carried out as described." 19.10.7.701(B)(3) NMAC. It directs that an application for permit revision for stand-by status will be approved if the Director finds, among other things "that the permittee agrees to meet applicable federal and state environmental standards and regulations during the period of standby status, and the Secretary of the Environment Department has indicated environmental standards of that Department are expected to be met during the term of standby status." 19.10.7.701(F)(2) NMAC.

On May 27, 2011, the Secretary of the Environment Department ("NMED") issued a written determination that RGR, as the applicant for the Mount Taylor Mine,

"has demonstrated that during stand-by status the operation will be expected to achieve compliance with all applicable air, water quality and other environmental standards if carried out as described [New Mexico Mining Act] permit application for stand-by status and all applicable state and federal air, water quality and other environmental permits. See Determination Pursuant to New Mexico Mining Act, NMSA 1978, sec. 69-36-7(E)(3), and New Mexico Mining Act Rule 701.B.3 for Stand-by Status.<sup>5</sup>

In the cover letter to NMED's determination, NMED explained that following NMED's September 1, 2010 comment letter to MMD, wherein NMED concluded that it could not provide a written determination that environmental standards will be met over the five-year period proposed for stand-by status, "RGRC submitted supplemental Stage 1 and revised Stage 2 Abatement Plans which NMED recently approved to address characterization of the retention pond and un-reclaimed waste rock pile and implementation of the selected remedial alternative to address alluvial groundwater contamination associated with RGRC's former sewage lagoon. NMED therefore is in agreement with granting the Standby request for a period of 5 years while abatement activities proceed and has provided a written determination." See May 27, 2011 letter from David Martin to Joe Lister re: NMED Determination for Mt. Taylor Standby Request.<sup>6</sup> Based on NMED's written determination, the Director found that "[RGR] agrees to meet applicable federal and state environmental standards and regulations during the period of standby status, and the Secretary of the Environment Department has

<sup>&</sup>lt;sup>5</sup> Exhibit 7 to MMD's Response to the March 30, 2012 Petition of the Multicultural Alliance for a Safe Environment and Amigos Bravos.

<sup>&</sup>lt;sup>6</sup> Id.

indicated that environmental standards are expected to be met during the term of standby status, as required by 19.10.7.701.F.3 NMAC." See § 3.AA Permit Revision 10-01 to Permit CI002RE Mount Taylor Mine.<sup>7</sup>

Petitioners argued that the Director violated the Mining Act and the

Commission's rules because he failed to take into account the environmental

consequences of RGR's standby permit application and did not conduct an independent

environmental impact inquiry as, Petitioners contend, he is obligated to do under the

Mining Act. The Commission disagrees.

Section 69-36-7(E) authorizes the Commission to adopt regulations that require

new and exisiting mining operations to obtain and maintain permits for stand-by status.

NMSA 1978, § 69-36-7(E) (1993). It states in part:

The regulations shall require that before a permit for standby status is issued or renewed an owner or operator shall:

(1) identify the projected term of standby status for each unit of the new or existing mining operation;

(2) take measures that reduce, to the extent practicable, the formation of acid and other toxic drainage to prevent releases that cause federal or state environmental standards to be exceeded;

(3) meet applicable federal and state environmental standards and regulations during the period of standby status;

(4) stabilize waste and storage units, leach piles, impoundments and pits during the term of standby status;

(5) comply with applicable requirements of the New Mexico Mining Act and the regulations adopted pursuant to that act; and

<sup>&</sup>lt;sup>7</sup> Exhibit A to the Petition.

(6) provide an analysis of the economic viability of each unit proposed for standby status;

Id. In accordance with the statute, the Commission adopted Rule 701, which as stated earlier, includes a provision that "an application for permit revision for stand-by status will be approved if the Director finds, among other things "that the permittee agrees to meet applicable federal and state environmental standards and regulations during the period of standby status, and the Secretary of the Environment Department has indicated environmental standards of that Department are expected to be met during the term of standby status." 19.10.7.701(F)(2) NMAC. Neither Section 69-36-7 of the Act nor Rule 701 require that the Director conduct an independent review.

In addition, both the statute and rule contemplate that MMD will coordinate with other agencies involved in regulating activities related to mining operations to avoid duplicative and conflicting administration of the permitting process and other requirements. See NMSA 1978, § 69-36-7(J) (1993) and 19.10.13.1302 NMAC. MMD's reliance on NMED's determination that the Mount Taylor Mine site is expected to achieve compliance with environmental standards in order to find that "RGR agrees to meet applicable federal and state environmental standards and regulations during the period of standby status, and the Secretary of the Environment Department has indicated that environmental standards are expected to be met during the term of standby status, as required by 19.10.7.701.F.3 NMAC," was reasonable and not a violation of its regulatory duties, as all significant environmental concerns at issue at the Mount Taylor Mine are currently being addressed by the Stage 1 and Stage 2 Abatement Plans

administered by NMED. See March 13, 2012 letter from David L. Mayerson, NMED Permit Lead, to Joe Lister, RGR, Mine Manager.<sup>8</sup>

## 2. <u>Public Participation</u>

The Commission's rules governing public participation provide that the Director shall take no action on certain applications, including applications for stand-by status, until the applicant has complied with the requirements for notice and opportunity for public hearing. See 19.10.9.901 NMAC. The rules provide that any interested person may request within thirty days of the publication of notice of application that the Director conduct a public hearing on the application. See 19.10.9.904 NMAC. The rules further provide that the Director may act as the hearing officer and, in that capacity, "shall have the authority to take all measures necessary for the maintenance of order and the efficient, fair and impartial consideration of issues arising in hearings including but not limited to: (1) taking, admitting or excluding evidence, examining witnesses and allowing post-hearing submissions; (2) making such orders as may be necessary to preserve decorum and to protect the orderly hearing process ...." 19.10.9.905(A) NMAC. Any interested person may testify at the hearing by indicating their desire to do so on the signin sheet before the hearing begins. Any person testifying is subject to cross-examination on the subject matter of his or her direct testimony, and any person attending the hearing may conduct such cross-examination as may be required for full disclosure of matters at issue at the hearing. 19.10.19.905 (C) NMAC. The hearing officer may limit crossexamination to avoid harassment, intimidation, needless expenditure of time or undue

<sup>&</sup>lt;sup>8</sup> Exhibit 9 to MMD's Response.

repetition. Id. Finally, the rules provide that any interested person may submit a written statement containing data, views or arguments to the hearing officer for inclusion in the record. 19.10.9.905(E) NMAC.

In accordance with these rules, Petitioners requested that the Director conduct a public hearing on RGR's application for renewal of its stand-by permit and a hearing was held on August 17, 2011. The tentative agenda for the public hearing indicates that the hearing officer, following an explanation of the hearing procedures, had reserved the first hour of the hearing for a presentation by MMD regarding the application process, questions regarding the MMD application process, and a presentation by RGR regarding its application. The agenda also anticipated cross-examination of expert witnesses, public testimony, public comments and questions regarding RGR's presentation. The sign-in sheets for the August 17, 2011 hearing show that sixteen persons had indicated their desire to testify during the public hearing. At the start of the hearing, the Director acting as the hearing officer advised all persons present that he was limiting the hearing to four hours (00:01:30 - 00:01:42) and keeping the record open after the hearing for post-hearing submissions (00:02:24 - 00:02:37).

Upon listening to the audio recording of the August 17, 2011 hearing, the Commission does not agree with Petitioners' contention that the Director improperly prohibited Petitioners from presenting testimony concerning the areas of concern identified by Petitioners. Mr. Jim Kuipers was allowed to testify, over RGR's objection, concerning matters the Director would review on the stand-by application (02:38:17). Mr. Kuipers was not allowed to testify concerning the amount of financial assurance

because RGR's financial assurance had been approved in 1998 and was the subject of a different rule (02:37:00). Later in the hearing, the Director explained that the public and any interested party would have the opportunity to revisit the Mine's financial assurance and closeout plan at some future time when RGR petitioned MMD for a permit revision to resume operations at the Mount Taylor Mine site (02:58:05).

The Director did not prohibit Petitioners from presenting testimony concerning the groundwater contamination at the Mount Taylor Mine or RGR's unwillingness to conduct interim reclamation measures. Petitioners had the opportunity to cross-examine Dr. Allan Kuhn regarding the Stage 1 and Stage 2 Abatement Plans, and the characterization of the zone of contamination and elevated concentration of nitrates in the alluvium (01:31:29 - 01:37:11). Mr. Kuipers testified briefly about his concerns with NMED's determination that environmental standards would be met during the stand-by period, the need for updating the closeout plan, and the need to revise the design of the waste rock pile to address existing conditions (02:48:42 - 02:50:30).

After RGR objected to Mr. Kuipers' testimony regarding the closeout plan on the grounds that the closeout plan, like financial assurance, had been previously approved and was not the subject of the hearing, Petitioners sought clarification from the Director about whether he was restricting or disallowing any testimony regarding the source of groundwater contamination, ways to remediate any groundwater contamination, including any source or potential source, and the cost of that remediation, including the current bonding or financial assurance (03:02:15 - 03:02:55). The Director responded that he was not.

"No, what I'm saying is that I think you can make these points, comments, in submissions. What I'm trying to get away from here is opening up this hearing to universal things. I really want to keep the scope of this hearing to what is required by the rules." (03:02:57 - 03:03:15).

And, at several times during the hearing, the Director informed all those in attendance that the hearing record would remain open following the conclusion of the hearing for submission of post-hearing submittals.

With respect to economic viability, Petitioners had the opportunity to crossexamine Doug Irving regarding the economic viability of the mine during the stand-by period (01:37:21 - 01:44:11), but otherwise did not call any witnesses to testify concerning the Mine's economic viability.

## **Conclusion**

The Commission finds that the Director's actions during the August 17, 2011 public participation hearing on RGR's application for renewal of stand-by status for the Mount Taylor Mine site were reasonable and lawful under the authority granted to the hearing officer by Rule 905 to take all measures necessary for the maintenance of order and for the efficient, fair and impartial consideration of issues arising in hearing, including making such orders as to protect the orderly hearing process, and to avoid the needless expenditure of time. Several times during the course of the hearing the Director informed all those in attendance that he wanted to keep the scope of the hearing on those matters that the Director was required to consider to arrive at a decision on RGR's application for renewal of stand-by status. Petitioners were not the only interested

persons who wished to present testimony or provide public comment at the hearing. A number of persons had indicated on the sign-in sheet that they wished to be heard. The Director took reasonable steps to ensure that all those wishing to testify or present public comment would be able to do so by not allowing any interested person to monopolize the hearing. And, at the close of the hearing, the Director informed all those in attendance that the hearing record would remain open until September 1, 2011 for post-hearing submissions.

Because Rules 701 and 1206 do not require the Director to review or adjust financial assurance before approval, or conduct a hearing concerning any adjustment to financial assurance, the Commission finds that the Director's decision to disallow testimony on financial assurance during the public participation hearing was reasonable and proper, given the number of persons who wished to testify at the hearing, the right of interested persons under Rule 905(E) to submit written statements containing data, views or argument for inclusion in the record, and the opportunity all interested persons would have to revisit RGR's financial assurance and closeout plan upon an application for permit revision to resume mining operations.

The Director informed Petitioners that while he was limiting discussion at the hearing regarding the source and remediation of any groundwater contamination and the cost of that remediation, relative to the current bonding, he would allow Petitioners to raise these issues in post-hearing submissions. Again, at the close of the hearing, the Director announced that the hearing record would remain open until September 1, 2011 for written comment and testimony.

Rule 701 does not impose upon the Director the duty to conduct an independent environmental impact inquiry of RGR's application for renewal of stand-by status. Both the Mining Act and the Commission's regulations contemplate that MMD will coordinate with other agencies involved in regulating activities related to mining operations to avoid duplicative and conflicting administration of the permitting process and other requirements. The Commission therefore finds the Director's reliance on NMED, the lead agency in New Mexico for the implementation and enforcement of federal and state environmetal standards, and its determination that the Mount Taylor Mine site was expected to achieve complaince with all applicable federal and state environmental standards during the period of stand-by status, was both reasonable and lawful under the Mining Act and the Commission's regulations.

Rule 701 does not require the Director to determine the economic viability of the Mine during the standby period. It requires RGR to submit an analysis of the anticipated economic viability of the Mine while on stand-by status for MMD review. The rule requires MMD approval of RGR's application for renewal of stand-by status if the Director finds that RGR has provided an analysis of the Mine's anticipated economic viability during the stand-by period. The Commission finds the Director acted in accordance with Rule 701 in approving RGR's application for stand-by status upon finding, among other things, that RGR had provided an analysis of the Mine's economic viability during the period of stand-by status. The Commission further finds that the Director acted in accordance with Section 69-36-10 of the Mining Act when he declined to disclose information designated by RGR as confidential and contained in its analysis

of the Mount Taylor Mine's anticipated economic viability during the period of stand-by status.

Finally, the Commission notes that the subject of August 17, 2011 public participation was RGR's second application for renewal of stand-by status, which application made no significant changes to its previously approved application for standby status and relates to maintaining the current level of inactivity. In the event RGR decides to resume operations, a public hearing necessarily will be held to allow the public to query and RGR to address its compliance with environmental standards, financial assurance and closeout plan at theMount Taylor Mine Site.

# Order

Based on the foregoing findings, the New Mexico Mining Commission therefore finds that the Petition for Review of the Director's Action, Dated January 31, 2012, Permit 10-1 to Permit CI002RE, filed by the Multicultural Alliance for a Safe Environment and Amigos Bravos is not well taken and is hereby DENIED.

# **NEW MEXICO MINING COMMISSION**

By:

Doug Bland, Chairperson

Dated: July 23, 2012