

**BRIE I MINE
PERMIT MODIFICATION 20-1 TO PERMIT NO. MK039MN
MINIMAL IMPACT NEW MINING OPERATION**

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

This Modification 20-1 (“Modification 20-1”) to Permit No. MK039MN (“Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Miocene, LLC
Whose correct address is: 100 Fillmore Street, Suite 500
Denver, CO 80206

(“Permittee”) for the Brie I Mine, McKinley County, New Mexico.

Modification 20-1:

1. Approves the partial release of approximately 13.6 acres within the Section 12, Township 19 North, Range 6 West as being reclaimed, except for revegetation, and transfers the existing Financial Assurance (“FA”) into future disturbance within the Brie Mine design limit;
2. Holds a total of \$188,991.44 for existing and future disturbance at this site. The table in Appendix 1 on page 6 of this modification summarizes the FA required and held by MMD for this site.

In order to accomplish the approval contemplated by this Modification 20-1, the following subparagraphs are added to Permit No. MK039MN:

Section 1 (20-1). STATUTES AND REGULATIONS

- A. Modification 20-1 is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2020) (“Act”) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (“NMAC” or “Rules” or “Regulations”).
- B. Modification 20-1 is subject to the Act, the Rules, 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 (20-1). PERMIT APPLICATION PACKAGE

- A. The permit application package for Modification 20-1 (“20-1 PMP”) consists of a written request from the Permittee, received by MMD on November 24, 2020, for the release of approximately 13.6 acres within the Section 12, Township 19 North, Range 6 West and

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includes a map of the reclaimed area and a brief description of the reclamation work performed.

- B. On February 19, 2021, the Permittee stated that the site was scarified and reseeded on February 11, 2021. The correspondence also included the seed mix and application rate used by the Permittee.
- D. MMD received Amendment Sequence No. 006 to Irrevocable Letter of Credit (“ILOC”) No. S324078, dated January 26, 2021, which increased the amount of this ILOC by \$6,528.00 to a total amount of \$143,391.44.

Section 4 (20-1). FINDINGS OF FACT

The Permit Application Package

- A. The Permittee has paid the permit modification fee of \$250.00 as required by §19.10.2.201 of the Rules.
- B. The application for permit modification has been reviewed in accordance with §19.10.6.608 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.6.608 of the Rules.
- C. Pursuant to §19.10.6.608.D and §19.10.9 of the Rules, the proposed change does not require public notice nor the opportunity for public hearing.
- D. Pursuant to §19.10.6.608.D(1) of the Rules, the proposed changes would not have a significant environmental impact.
- E. Pursuant to §19.10.6.608.D(2) of the Rules, 20-1 PMP was accompanied by sufficient information for the Director to determine whether any of the factors listed in §19.10.6.608 NMAC are present.

MMD's Request for Comments to the Agencies and Tribes

- F. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.6.608.D(3) NMAC.

Agency Comments and Site Inspection

- G. An inspection and evaluation of the acreage requested for partial FA release was not able to be conducted by MMD due to travel restrictions associated with the COVID-19 pandemic.

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However, Permittee provided photographs and aerial photographs of the reclamation for agency review.

Financial Assurance

- I. The Permittee has provided FA to cover the costs of reclamation as required by §19.10.3.304.J(3) NMAC. The FA was transferred from the release of approximately 13.6 acres of reclamation, minus \$6,528.00 for vegetative success on the 13.6 acres, to cover the design limit of thirty (30) acres of future mining disturbances and to allow for future exploration activities to be conducted.
- J. The total amount of FA for this project is \$188,991.44, which has been determined by MMD to be sufficient to meet the requirements of the Act, Rules, and the Permit. The table in Appendix 1 of this permit modification summarizes the FA required and held by MMD for this project.
- K. The financial assurance instruments for the Brie I Mine, Permit No. MK039MN, are in the form of:
 1. Irrevocable letter of credit (“ILOC”) number S323650, issued by KeyBank on May 5, 2015, in the amount of \$45,600.00; and
 2. Amendment Sequence No. 006 to ILOC number S324078, issued by KeyBank on January 26, 2021, increasing the ILOC by \$6,528.00 to a total amount to \$143,391.44.

Section 11 (20-1).

CONCLUSIONS OF LAW

- A. The request for permit modification is complete and accurate and complies with the requirements of the Act and §19.10.3.304 NMAC.

All other provisions, modifications, and revisions for mining and reclamation contained in the Brie I Mine Permit, Permit No. MK039MN, remain unchanged.

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CERTIFICATION

I certify that I have read, understand and will comply with the requirements of the Permit, this Permit Modification, the Act and the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and/or as otherwise required by law.

[Signature]
Authorized Representative of the Permittee

Manager - Mine Technical Services
Title

Miocene, LLC
Company

Subscribed and sworn to before me this 24th day of February, 2021

[Signature]
Notary Public

My Commission Expires

April 19, 2021




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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 20-1 to the Brie I Mine, Permit No. MK039MN, located in McKinley County, New Mexico. The approval releases 13.6 acres of reclamation and holds \$188,991.44 in total FA for a design limit of up to thirty (30) acres and revegetation of approximately 19.21 acres of reclamation.

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

By: 

Jerry Schoeppner, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date: 3/16/2021

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Appendix 1 – Table Showing Calculated Financial Assurance

Surface Disturbance

Total Design Limit Acres:	30
1 st Acre:	\$8,900.00
Next 29 Acres:	\$142,100.00
Subtotal:	\$151,000.00
TOTAL: With five year escalation at 2.5%:	\$170,842.64

Boreholes

Number	Depth (ft)	\$ Per Foot	Cost
20	20	\$6.00	\$2,400.00

Revegetation Failure @ 5%/year of \$800 per acre

Acres	Years	\$ Per Acre	Cost	Notes
13.6	12	\$480	\$6,528.00	Mod 20-1, release of 13.6 acres
7.15	12	\$480	\$3,432.00	Mod 19-1, release of 7.15 acres
5.45	12	\$480	\$2,616.00	Mod 16-4, release of 5.45 acres
2.4	12	\$480	\$1,152.00	Mod 14-2, release of 2.4 acres
<u>4.21</u>	12	\$480	<u>\$2,020.80</u>	Mod 13-2, release of 4.21 acres
19.21			\$15,748.80	

GRAND TOTAL:	\$188,991.44	ILOC S324078 \$143,391.44
		ILOC S323650 \$45,600.00