

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mining and Minerals Division



VIA ELECTRONIC MAIL

October 25, 2021

Mr. Pat Siglin, Exploration Manager, North America
Comexico, LLC
242 Linden St.
Fort Collins, CO 80524

RE: Comments on Final Hydrogeologic Resources Report and Final Biological Resources Report, Tererro Exploration Project, Permit No. SF040ER, Comexico LLC

Dear Mr. Siglin,

On September 9, 2021, the New Mexico Mining and Minerals Division (“MMD”) received via email a Final Hydrogeologic Resources Report (“Final Hydro Report”) dated August 2021 from Mr. Juan Velasquez of Velasquez Environmental Management Services, Inc. (“VEMS”), on behalf of Comexico, LLC (“Comexico”) for the proposed Tererro (Jones Hill) Exploration Project (“Project”). The September 9, 2021 email from VEMS included a list of revisions made to the Final Hydro Report in response to the U.S. Forest Service, Santa Fe National Forest (“USFS”) comments.

On August 30, 2021, MMD received via email a Final Biological Survey Report (“Bio Report”) dated August 2021 from VEMS on behalf of Comexico for the proposed Project. MMD has reviewed the Hydro Report and the Bio Report and sent the Bio Report to the New Mexico Department of Game and Fish (“NMDG&F”) and the New Mexico State Forestry Division (“NMSFD”) for review. MMD sent the Hydro Report to the New Mexico Environment Department (“NMED”) and the New Mexico Office of the State Engineer (“NMOSE”) for review.

MMD has the following comments on the Hydro Report:

1. Section 7.5, Potential Direct and Indirect Impacts to Soils, page 30 of the Hydro Report states that, “Potential direct and indirect impacts to soils primarily could occur through loss of soil by erosion or through direct compaction in place due to project activities.” MMD requires mitigation of compaction at exploration drill sites and exploration access routes that will be revegetated by ripping or scarification of the compacted areas prior to placement of topsoil and seeding. Also, MMD requires the application of best management practices (BMPs) to

prevent erosion from disturbed pads and roads. BMPs must be applied during and after exploration activities have occurred. MMD is currently developing a Guidance for Soil and Cover Material Handling and Suitability for Part 5 Existing Mines (“Soils Guidance”) that may have application to the operation and reclamation of the Project. The Soils Guidance will likely be available in 2022.

2. Appendix E, Summary of Best Management Practices Protective of Hydrologic and Soil Resources, Table E1, Summary of RPM’s and BMP’s Protective of Hydrologic and Soil Resources, Number 24 and 29, makes commitments regarding the reclamation of drill pad sites, roads and other areas disturbed by the Project. Please see Comment Number 1, above.

MMD has received comments on the Bio Report from the NMDG&F and the NMSFD. In addition, MMD has received comments on the Hydro Report from NMED. The comments from these agencies may be viewed at:

<https://www.emnrd.nm.gov/mmd/mining-act-reclamation-program/pending-and-approved-exploration-applications/pending-exploration-applications-regular/sf040er-tererro-exploration-project/>

MMD is expecting to receive comments from the NMOSE on the Hydro Report in the near future and will forward the comments to Comexico for review and response.

Please respond within 30-days of receipt of this letter. Please contact me if you have any questions at (505) 216-8945 or at David.Ohori@state.nm.us.

Sincerely,



David Ohori, Permit Lead
Mining Act Reclamation Program (“MARF”)
Mining and Minerals Division (“MMD”)

cc: Holland Shepherd, Program Manager, MARF MMD
Jerry Schoepner, Director, MMD
Juan Velasquez, VEMS
Larry Gore, Geologist, USFS
Mine File (SF040ER)