

MEMORANDUM

OFFICE OF THE STATE ENGINEER

Hydrology Bureau

DATE: November 12, 2021

TO: David Otori, Permit Lead, Mining Act Reclamation Program ("MARF")/MMD

THROUGH: Ghassan Musharrafieh, Ph.D., P.E., Chief, Hydrology Bureau, Santa Fe *JRM*

FROM: Steve Acheampong, Ph.D., Senior Hydrologist, Hydrology Bureau, Santa Fe *sya*

SUBJECT: Comments on Amended Hydrogeologic Resources Report, Tererro (aka Jones Hill) Exploration Project, Permit No. SF040ER, Comexico, LLC, New World Minerals Limited.

I. Introduction & Conclusion

On October 14, 2021, the Hydrology Bureau of the Office of the State Engineer (OSE) received a request from the Mining and Minerals Division (MMD) of the Energy, Minerals and Natural Resources Department (EMNRD) of the State of New Mexico for comments on an Amended Hydrogeologic Resources Report for the Tererro Exploration Project in Santa Fe County. The report was prepared by SWCA Environmental Consultants (SWCA Environmental Consultants, 2021) for Comexico, LLC in fulfillment of the hydrology requirements under the National Environmental Policy Act (NEPA) permitting and permitting by other state or local agencies for their mineral exploration project in Northern New Mexico.

The Hydrology Bureau has reviewed the report and finds that concerns on hydrology related issues have been adequately addressed under the Best Management Practices in Appendix E of the report. Specifically, under Appendix E 6, Comexico would adhere to guidelines under the New Mexico Administrative Code 19.27.4 for drilling and plugging of wells and that all boreholes will be closed or abandoned. They would effectively mitigate drilling-related activities from causing additional erosion and downstream sedimentation of water courses, and that mud pits would be backfilled, and drill sites would be reclaimed.

II. Reference

SWCA Environmental Consultants, 2021, Hydrogeologic Resources Report for the Jones Hill Exploration Project in Santa Fe County, *Prepared for Comexico, LLC/New World Resources Limited*, SWCA Project No. 54128.01, August 2021.