

**PERMIT NO. MK010MN
U-MATE MINE
MINIMAL IMPACT NEW MINE**

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

This Permit No. MK010MN is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

U-Mate International, Inc.
PO Box 4131
Scottsdale, AZ 85261

(Permittee) for the U-MateMine, located in McKinley County, New Mexico.

Section 1. STATUTES AND REGULATIONS

This Permit is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (Repl. Pamp. 1993)

This permit is subject to all applicable regulations of the New Mexico Mining Act (Act), New Mexico Mining Act Rules 1-13 (Subparts) 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. MINING AREA

The Permittee is authorized to conduct mining and reclamation operations only on those lands that are specifically designated and authorized as the permit area and secured by adequate financial assurance. The permit area encompasses portions of Township 15 North, Range 19 West in McKinley County, New Mexico as delineated in the Permit Application Package (PAP) on the attached map.

All lands to be disturbed will be addressed under the performance and reclamation standards and requirements of §304 provided in the PAP and will be secured by the financial assurance provided.

Section 3. **FINDINGS OF FACT**

- A. The PAP is complete and demonstrates the proposed operation will comply with the performance and reclamation standards and requirements of the Act and §304 of the New Mexico Mining Act Rules.
- B. The Permittee has paid the permit fee in the amount of \$250.00.
- C. The Permittee has provided satisfactory financial assurance to complete the proposed closeout plan in the amount of \$8,844.00. The financial assurance instrument is in the form of a certificate of deposit held with Norwest Bank in Albuquerque.
- D. The applicant, the operator or owner or any persons or entities directly controlled by the applicant, operator, owner or any persons or entities that directly control the applicant, operator or owner:
 - 1. are not currently in violation of the terms of another permit issued by the Division or in violation of any substantial environmental law or substantive regulation at a mining operation in the United States, which violation is unabated and is not the subject of appeal, and have not forfeited or had forfeited financial assurance required for any mining, reclamation or exploration permit in the United States; and
 - 2. have not demonstrated a pattern of willful violations of the Act or other New Mexico environmental statutes.
- E. The Secretary of Environment has provided a written determination stating that the permit applicant has demonstrated that the activities to be permitted or authorized will be expected to achieve compliance with all applicable air, water quality and other environmental standards if carried out as described in the reclamation plan.

Section 4. **COMPLIANCE REQUIREMENTS**

The Permittee shall comply with the statutes and regulations in Section 1 and with the applicable regulatory and permitting requirements. The issuance of this permit does not relieve the permittee from the responsibility of complying with other state and federal requirements and standards.

Section 5. **AGENCY RIGHT OF ENTRY**

The Permittee shall allow the authorized representatives of the Director without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay:

- A. to enter as provided for in §§304.J.5, and 1101.E.1; and
- B. to be accompanied by one or more citizens for the purpose of conducting an inspection in accordance with §1210.B when the inspection is in response to a complete financial assurance release application.

Section 6. **PERMIT COVERAGE**

This permit shall be binding on any person or persons conducting mining and reclamation operations under this Permit.

Section 7. **ENVIRONMENTAL COVERAGE**

The Permittee shall take all necessary steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the Permit, the Rules or the Act.

Section 8. **COMPLIANCE WITH THE PERMIT APPLICATION PACKAGE**

The Permittee shall conduct mining and reclamation operations only as described in the approved PAP and any revisions or modifications approved by the Director pursuant to §608. The Permittee shall comply with any and all conditions that are incorporated in this PAP.

Section 9. **GENERAL OBLIGATIONS AND CONDITIONS**

Each permit issued by the Director is subject to the following General Obligation and Condition:

- A. The Permittee shall maintain a permit until financial assurance is released under Subpart 12. The term of the permit is governed by §607.

Section 10. **CONCLUSIONS OF LAW**

- A. The Director has jurisdiction over the Applicant Permittee and the subject matter of this proceeding.
- B. The Permittee, U-Mate International, Inc., is permitted to conduct mining and reclamation operations at the U-Mate Mine in McKinley County, New Mexico, upon the condition that the Permittee complies with the requirements of the Order, the Act, the Permit Conditions and requirements imposed by this Decision, and upon the submission of such annual reports and fees as may be required under §610 and Subpart 2.

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Permit Application of U-Mate International, Inc. to conduct mining and reclamation operations at the U-Mate Mine in McKinley County, New Mexico, is approved. The Permit may not be transferred without approval by the Director. The Permit is subject to all conditions set out in the Director's Findings of Fact, General Obligations and Conditions and Conclusions of Law, and Order.

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

Mining and Minerals Division

The State of New Mexico

BY:



Kathleen A. Garland, Director
Mining and Minerals Division
Energy, Minerals and Natural
Resources Department

DATED:

January 9, 1998

I certify that I have read, understand and will comply with the requirements of the Permit. I also agree to comply with the performance and reclamation standards and requirements of the permit, the Rules, and the Act, and allow the Director to enter the permit area without delay for the purpose of conducting inspections during mining and reclamation.

Juan Jones
Authorized Representative of the Permittee

President
Title

U-Mate International Inc.
Company

Subscribed and sworn to before me this 30th day of December, 1997

Tara L. Miller
Notary Public

My Commission Expires
_____, 19____

