

**PERMIT REVISION 96-1 TO PERMIT NO. SF001RE**  
**SAN PEDRO MINE SITE**  
**EXISTING MINING OPERATION**

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



Permit Revision 96-1 to Permit No. SF001RE is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

San Pedro Mining Corporation  
1019 8<sup>th</sup> Street, Suite 305  
Golden, Colorado 80401

(Permittee) for the San Pedro Mine Site, located in Santa Fe County New Mexico.

This permit revision incorporates the Closeout Plan for the San Pedro Mine into Permit No. SF001RE. The following sections of Permit No. SF001RE are added or revised to read as follows:

**Section 1**                      **Permit Application Package**

- A. The Permit Application Package (PAP) is comprised of the following documents:
- 1.) *Site Assessment San Pedro Mine New Placers Mining District Santa Fe County, June 28, 1994.*
  - 2.) *Permit Application San Pedro Mine New Placers Mining District Santa Fe County, December 28, 1994.*
  - 3.) *Design Limits Report San Pedro Mine New Placers Mining District Santa Fe County, New Mexico, October 31, 1995*
- B. The Permit Revision Package (PRP) is comprised of the following documents:
- 1.) *Closeout Plan San Pedro Mine New Placers Mining District, Santa Fe County, New Mexico, June 14, 1996.*
  - 2.) *San Pedro Mine Closeout Plan Response, SF001RE, final revision submitted December 29, 1999.*

**Section 2.**                      **Permit Area and Design Limits**

- A. The permit area is comprised of all or portions of Sections 21, 22, and 27, Township 12 North, Range 7 East, Santa Fe County, New Mexico (NMPM). The permit area and design limits are delineated on a map entitled "San Pedro Mine Topographic Map Showing Permit

Area and Surface Disturbance,” dated October, 1996 in the *Design Limits Report San Pedro Mine New Placers Mining District Santa Fe County, New Mexico* of the Permit Application Package (PAP). The following units identified are identified in the above document and on the map entitled “San Pedro Mine Topographic Map Showing Permit Area and Surface Disturbance,” dated October, 1996:

1. Open Pits, including roads (2.4 acres)
2. Tailings Impoundment (4.9 acres)
3. Waste Dumps (2.0 acres)
4. Plant Site, including roads (18.7 acres)

The actual acreage requiring reclamation is identified in the revised Closeout Plan, *San Pedro Mine Closeout Plan Response, SF001RE*, dated November 9, 1999. The mine units and related acreages are provided in the plan as follows:

1. Swan, Home and Apex Pits (2.5 acres)
2. Swan Dump (1.2 acres)
3. Plant Site (Crusher and Mill facilities) (4.4)
4. Tailings Impoundment (5.0 acres)
5. New Mine Portal (.1 acre)

**Section 3.**                      **FINDINGS OF FACT**

- A. The Permit Application and Closeout Plan are complete and contain all of the information as required by  $\square$ 503.F.1 and  $\square$ 506.J.1 of the Rules.
- B. The Permittee has provided written information stating the name and official business address of the Permittee and its agent for service of process, as required by  $\square$ 503.F.2 of the Rules.
- C. The Permittee has provided the required signature and certification, as required by  $\square$ 503.F.3 of the Rules.
- D. The Permittee has paid the revision application fee in the amount of \$1,500, as required by  $\square$ 503.F.4 of the Rules.
- E. Public notice for the closeout plan was given, as required by Subpart 9, and  $\square$ 506.J.1 of the Rules.
- F. The approved post-mining land uses (PMLU) for the permit area are residential and self-sustaining ecosystem/wildlife habitat. The PMLU uses are discussed in Section 1 entitled “Proposed Reclamation and Post Mine Land Use,” of the Closeout Plan.

- G. The Permittee has provided satisfactory financial assurance to complete the closeout plan in the amount of \$74,145 as required by 506.J.2. The financial assurance instrument is in the form of a third party guarantee.
- H. 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, as required by 506.J.5 of the Rules.
- I. The Permittee has submitted a notarized statement signed by the applicant that he agrees to comply with the performance and reclamation standards and requirements of the permit, Subpart 5 and the Act and allows the Director to enter the permit area without delay for the purpose of conducting inspections during mining and reclamation, as required by 503.F.6 and 506.J.6 of the Rules.
- J. According to § 506.B, a proposed closeout plan or a proposed closeout plan for a portion of the mine shall include a detailed description of how the permit area will be reclaimed to meet the requirements of Section 69-36-11B(3) for the Act and the performance and reclamation standards and requirements of Subpart 5. Reclamation of the permit area and the performance and reclamation standards of Subpart 5 are addressed as follows:
- 1.) The basic components of the reclamation work include:
    - a. Plugging of the mine adits and portals in accordance with plans submitted to MMD,
    - b. Removal of trash and other waste materials,
    - c. Demolition of mill structures, salvage removal and in-place burial of concrete structures,
    - d. Topsoil or growth media placement,
    - e. Final slope regrading for stabilization,
    - f. Revegetating the disturbed areas with a seed mix and mulch as approved by New Mexico Mining and Minerals Division of Energy, Minerals and Natural Resources Department (MMD).
    - g. Capping and stabilization of tailings facility.

The Closeout Plan dated November 9, 1999 and letter dated December 29, 1999 contain further specifics on reclamation requirements.

- 2) The mill tailings impoundment will be regraded and covered to achieve a self-sustaining ecosystem. The pond out slopes will be regraded to 3 (horizontal) to 1 (vertical) slopes, or less. Where practicable windblown tailings will be scraped up from the margins of the impoundment and placed back onto the interior of the

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pond. The tailings will be capped with a layer of topsoil then revegetated. Established vegetation will be left on areas of the tailings, which are already stable.

- 3.) The cover over the tailings will consist of 12" of topdressing material over 18" to 24" of amended tailings. The overall cover thickness will range from 2' to 3'. Amended tailings will consist of a mixture of topdressing material, compost, zeolites and tailings. If the Carnahan tailings are moved to the tailings facility, they will be covered with 3' of San Pedro tailings, and covered with an additional of 3' of soil and amended tailings. The cover over the Carnahan tailings will have a minimum depth of soil cover of 12" inches over 2' of amended tailings.
- 4.) Portions of the tailings will may be used for backfilling the old mill facility and the Swan Pit.
- 5.) The tertiary processing plant, flotation mill and mill building, and generators will be removed and the foundations will be buried. The core storage building will be removed. The office and shop buildings are to remain. The road and parking areas around the office and shop will remain as part of the residential PMLU.
- 6.) Up to 6" of topdressing will be applied over regraded materials in the mill site area to provide for a suitable rooting medium for plants.
- 7.) The Swan pit will be backfilled, and up to 6" of topdressing will be applied and reseeded.
- 8.) The Apex pit will be reseeded.
- 9.) The Spanish No. 2 Tunnel, Home Tunnel and Swan mine openings will be closed with bat gratings. The New Mine Adit will be closed by backfilling the portal starting 15' to 20' behind the entrance. The Main Mine Portal will remain, but will be gated and locked.
- 10.) The mine and mill access roads will remain at the site to support the residential PMLU.
- 11.) Berms preventing access to the road used for hauling topdressing to the San Pedro Mine from San Lazarus Gulch will be re-established.
- 12.) Erosion control structures will be properly designed, constructed and maintained in accordance with the operator's Stormwater Spill Prevention Plan. The operator will report to MMD and NMED's Surface Water Quality Bureau (SWQB) concerning erosion maintenance and repair activities occurring at the site, during

the post-closure phase.

- 13.) Revegetation on areas to conform with a self-sustaining ecosystem PMLU at the site will be evaluated for cover, density and diversity. Cover must meet a standard of 70% of the reference area, density must meet a standard of 60% of the reference area, and diversity must meet a standard of 50% of the reference area.
- 14.) Vegetation on reclaimed areas will be evaluated annually for general success or failure. Ocular evaluation will be conducted during years one and two of the post-closure period. Sampling will be performed in years 3 and 6 and in years 11 and 12. The last two years will be used to verify the success of the revegetation efforts relative to financial assurance release. Sampling will be performed using the methodology described in the permittee's Closeout Plan response letter dated December 29, 1999.
- 15.) The operator has designated two different post-mine land uses for the site, one is residential the other is self-sustaining ecosystem/wildlife habitat. The conditions for the implementation of each PMLU are discussed under Section 1 of the Closeout Plan.

**Section 6.**                    **PERMIT COVERAGE**

This permit shall be binding on any person or persons conducting closeout/reclamation operations under this permit. This permit does not provide for mining operations.

**Section 7**                    **COMPLIANCE WITH THE PERMIT**

The Permittee shall conduct reclamation operations only as described in the approved PAP, PRP and permit and any revisions or modifications approved by the Director. The Permittee shall comply with any and all conditions that are incorporated into the PAP and PRP.

**Section 8.**                    **CONDITIONS**

This permit is subject to the following conditions:

- A. The Permittee may be subject to enforcement action according to Subpart 11 of the Mining Act Rules for failing to conduct reclamation and closeout operations as described in the Closeout Plan or for failing to submit any of the following:
  1. annual reports as required by §509;
  2. annual fees as required by §202;

- B. The Permittee shall evaluate the adequacy of the financial assurance approved as a part of the permit every two years, beginning April 30, 2002. This evaluation to MMD shall be provided with the annual report due every April 30<sup>th</sup>.
- C. The Permittee shall notify MMD 30 days prior to performing any further reclamation activities upon closure of the mine.
- D. The Permittee will propose a reference area for MMD approval within one year after Closeout Plan approval. The reference area will be monitored as described in the Closeout Plan.
- E. The Permittee will inspect reclaimed areas for excessive erosion. Areas with excessive erosion will be restabilized as necessary. A report of measures taken to mitigate any immediate damage, and a corrective action plan, addressing any major repairs, will be submitted to MMD and SWQB within 30 days of inspection. MMD and SWQB will approve the corrective action plan.
- F. The Permittee will inspect erosion control structures for damage and effectiveness. Damaged devices will be repaired or redesigned, as necessary. A report of measures taken to mitigate any immediate damage, and a corrective action plan, addressing any major repairs, will be submitted to MMD and SWQB within 30 days of inspection. MMD and SWQB will approve the corrective action plan.
- G. After the steps to achieve closeout, described in the Closeout Plan have been completed, a joint inspection involving The Permittee, MMD and Santa Fe County/Land Use Dept. staff will be conducted to evaluate the reclamation work and establish that the work has been completed as described in the Closeout Plan.
- H. The Permittee shall provide certification and documentation on the Third Party Guarantee by February 15, 2000 in accordance with Section 1208.D.2 of the Rules. Additionally, the Permittee shall provide evidence by February 15, 2000 that the guarantor as well as its successors and assignees are bound jointly and severally liable for litigation costs pursuant to Section 1208.D.6 of the Rules.

**Section 10**

**CONCLUSIONS OF LAW**

- A. The Director has jurisdiction over the Permittee and the subject matter of this proceeding.
- B. The PAP is complete, accurate and complies with the requirements of the New Mexico Mining Act (the Act) and §502 and §503 of the New Mexico Mining Act Rules.

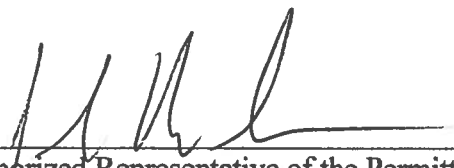
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- C. The PRP is complete, accurate and complies with the requirements for closeout plans of the Act and §505, §506 and §507.A of the New Mexico Mining Act Rules.
- D. The Permittee, San Pedro Mining Corporation, is permitted to conduct reclamation/closeout operations at the San Pedro Mine Site in Santa Fe 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.

**Certification**

**I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individuals responsible for obtaining the information, I believe the submitted information is true, accurate, and complete.**

**I certify that I have read, understand and will comply with the requirements of this Permit Revision. 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.**

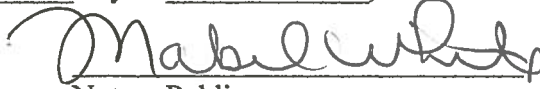
  
\_\_\_\_\_  
Authorized Representative of the Permittee

Vice President  
Title

St. Cloud Min. Co. as Agent for  
Company San Pedro Min. Co.

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Subscribed and sworn to before me this 31 day of December, 1999

  
Notary Public

My Commission Expires

August 30, 2003


**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Revision 96-1 of the San Pedro Mine Permit, incorporating the closeout plan and allowing San Pedro Mining Corporation to conduct closeout and reclamation operations in Hidalgo County, New Mexico, is approved.

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:   
Douglas M. Bland, Director  
Mining and Minerals Division  
Energy, Minerals and Natural  
Resources Department

DATED: 12/31/99