

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Director
Mining and Minerals Division
1220 So. Francis Dr.
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400

MINING INSPECTION REPORT

Name of Operator:	Comexico LLC
Name of Mine:	Tererro Exploration Project
Address:	242 Linden St., Fort Collins, CO 80524
Permit Number:	SF040ER
Commodity:	Copper/Gold <u> X </u> SURFACE <u> X </u> UNDERGROUND
Date of Inspection:	08/01/2019
Time of On-Site Inspection:	8:00 am -5:00 pm
Weather Conditions:	Sunny, 75-80°F
Purpose of Inspection:	Permitting Inspection
Lead Inspector:	David Otori
Present During Inspection:	MMD – David Otori, Holland Shepherd, Clint Chisler, Kevin Myers; NMDG&F – Ron Kellermueller, Matt Wunder; NMED – Jeff Lewellin, Alan Klatt; NMOSE – Steve Acheampong; NMSFD – Daniella Roth; USFS – Larry Gore; Santa Fe County – Jose Larranaga; Comexico – Pat Siglin
ENFORCEMENT ACTION TAKEN:	None
NOTICE OF VIOLATION:	# _____ YES: ___ NO: <u> X </u>
CESSATION ORDER:	YES: ___ NO: <u> X </u>
Time: On-Site:	<u> 9 </u> Permit Review: <u> 1 </u> Travel: <u> 2 </u> Report Writing: <u> 1.0 </u>
TOTAL INSPECTION TIME:	<u> 13 </u> HOURS
NOTE: This inspection was performed concurrently with the inspection of the Tyrone Mine proposed CSG cover material stockpile.	

INSPECTION REPORT
August 1, 2019
Tererro Exploration Project

PERMIT UPDATE:

The applicant, Comexico LLC (Comexico), submitted an application for a Part 4 regular exploration project to MMD on June 4, 2019. The original application proposed to drill up to 30 drill holes from 500 to 4,000 ft. deep on up to 30 drill pads on Santa Fe National Forest Land in the vicinity of Jones Hill on the west side of the Pecos watershed. The application provided a possible 84 drill pad locations, although Comexico's application is for no more than 30 drill holes and drill pads. Surface disturbance of approximately 2.1 acres is proposed for the 40 ft. x 60 ft. drill pads and for the modification of existing forest roads and new access routes to the drill pad locations. The application proposes to cross private lands in order to access the Santa Fe National Forest. Comexico amended its application on July 16, 2019 reducing the number of potential drill pad sites from 84 to 36, and identified 8 high interest proposed drill pad/ hole locations. Additionally, on August 6, 2019, Comexico further reduced the number of potential drill pad sites from 36 to 32, continuing the request for up to 30 drill holes on 30 drill pads and the 8 high interest drill pad/hole locations. MMD conducted this inspection in coordination with the state and federal agencies that MMD has requested comments on the application. Agency representatives of the NM Dept. of Game and Fish, NM Environment Dept., NM Office of the State Engineer, NM State Forestry Division, US Forest Service. Representatives of Santa Fe County also participated in the inspection. NM Div. of Cultural Affairs did not participate in the inspection.

INSPECTION NARRATIVE AND PHOTOS:

The agency staff, Comexico staff, and the MMD inspectors met at the USFS Ranger District office in Pecos at 9 am on August 1, 2019. From there travel to the proposed permit area was coordinated to minimize the number of vehicles that would drive over the forest roads. The first stop after traveling to the Santa Fe National Forest was the location of a water well that Comexico proposes to use for water for the exploration project. The well was accessed and a water depth measurement was taken. Depth to water was approximately 19 ft. below the top of the well casing (approx. 17.5 ft. below ground surface) as measured by MMD and NMOSE staff. The elevation of the well was approx. 8,800 ft. above MSL (taken by Garmin Etrex GPS).

The group traveled to each of 36 proposed drill pad locations (locations proposed as of July 16, 2019). A map of the proposed drill pad locations that were inspected is attached. Travel was by vehicle on USFS roads and by foot on former exploration and logging roads to minimize additional disturbance to the travel routes. Most proposed drill pad sites were easily accessible using the pre-existing forest roads and paths. See photos for a representative sample of the proposed drill pad locations. The proposed drill pad locations were marked at each corner of the proposed drill pad with pink flagging. Some of the proposed drill pad locations had evidence of previous exploration as evidenced by steel casing protruding from the ground (near DH10, DH14, DH15, DH16, DH19, and DH23). The former Jones Hill Mine was inspected located near DH03 (see photos). Water that was seeping out of the 2 mine portals was sampled by Comexico for electrical conductivity (EC). Results showed approx. 230 and 260 microS/cm.

The sites were vegetated with trees (fir, spruce, ponderosa pine); western wheatgrass, smooth brome, mullein (in previously disturbed area), typical vegetation that can be found at approx..9,000 elevation in the Sangre de Cristo mountains.

The inspectors exited the exploration area at 4:15 pm.

ACTION ITEMS:

MMD is expecting comments on the project from the other state agencies in September 2019. MMD is reviewing the application and reclamation cost estimate. Agency comments along with MMD comments will be sent to Comexico for their response during the technical review of the application. Comexico should provide copies of the NM Office of the State Engineer drilling permit applications and the plugging plan of operations to MMD. A public hearing will be held after the application is deemed technically complete.

PHOTOS:



Proposed Drill Site DH21



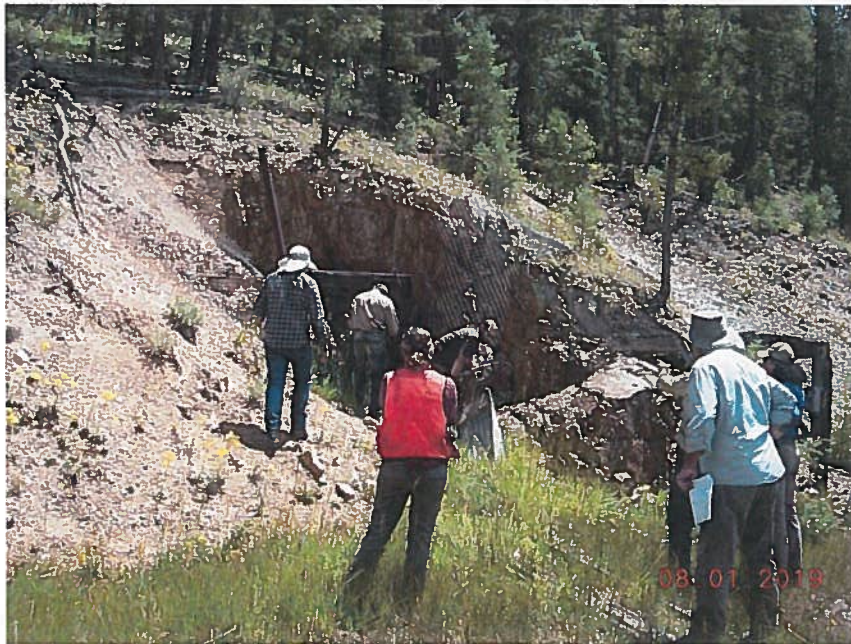
Proposed Drill Site DH14



Exposed Historic Drill Pipe near DH14



Proposed Drill Site DH23



Historic Jones Hill Mine Portal



Exposed Historic Drill Pipe near DH10



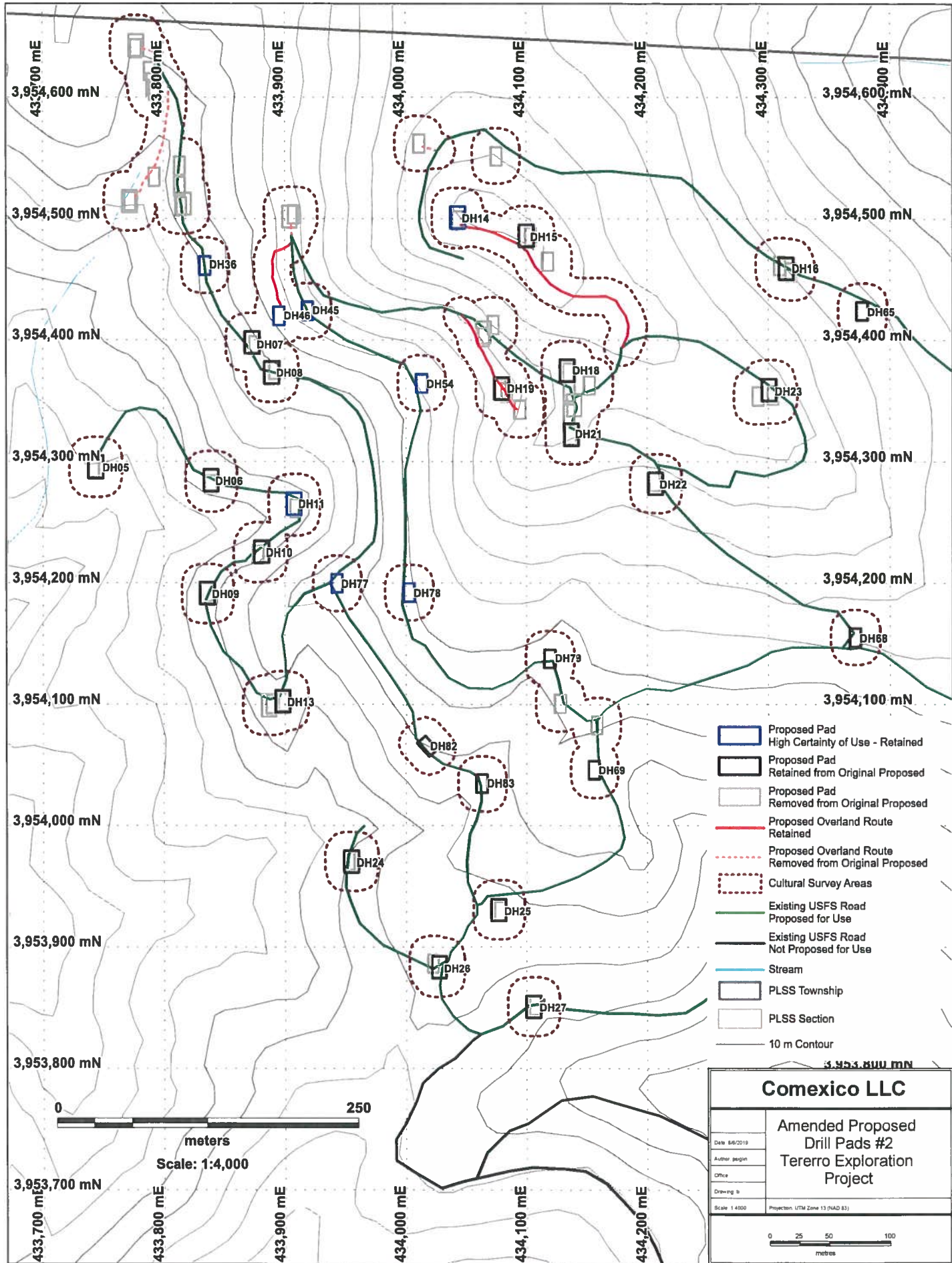
Proposed Drill Site DH11

Additional photos are located L:\MARP\Projects\Santa Fe\SF040ER---Tererro Exploration Project\Photos\2019-08-01.

MAINTENANCE ITEMS: None.

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED: None.

INSPECTOR'S SIGNATURE:  **DATE:** 9/10/19



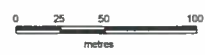
- Proposed Pad
High Certainty of Use - Retained
- Proposed Pad
Retained from Original Proposed
- Proposed Pad
Removed from Original Proposed
- Proposed Overland Route
Retained
- Proposed Overland Route
Removed from Original Proposed
- Cultural Survey Areas
- Existing USFS Road
Proposed for Use
- Existing USFS Road
Not Proposed for Use
- Stream
- PLSS Township
- PLSS Section
- 10 m Contour

Comexico LLC

Amended Proposed
Drill Pads #2
Tererro Exploration
Project

Date: 6/6/2019
Author: jagan
Office:
Drawing #: 1

Scale: 1:4000 Projection: UTM Zone 13 (NAD 83)



Scale: 1:4,000

Drill_Hole_Site	X_UTMn83z13_m_	Y_UTMn83z13_m_	Pad_Dimensions_ft_x_ft_	Status	Tree number	Notes re trees proposed for removal
DH01	433792	3954612	60 x 40	removed July 16, 2019		
DH02	433772	3954516	60 x 40	removed July 16, 2019		
DH03	433817	3954514	60 x 40	removed August 6, 2019		
DH04	433904	3954503	60 x 40	removed August 6, 2019		
DH05	433745	3954296	60 x 40	retained	14	12 conifers at to 2-3" DBH, 2 at 4" DBH
DH06	433839	3954285	60 x 40	retained	21	18 conifers, 2-3" DBH, 2 at 4" DBH and 1 at 5" DBH
DH07	433873	3954397	60 x 40	retained	2	2 conifers, up to 2" DBH
DH08	433889	3954374	60 x 40	retained	7	6 conifers, 2-3" DBH, 1 conifer at 6" DBH
DH09	433836	3954192	60 x 40	retained	14	14 conifers at 2" DBH
DH10	433880	3954226	60 x 40	retained	11	11 conifers, 2-3" DBH
DH11	433907	3954385	60 x 40	high certainty of use	40	40 conifers, 1-3" DBH
DH12	433887	3954100	60 x 40	removed July 16, 2019		
DH13	433898	3954103	60 x 40	retained	4	1 shrub at 7' diameter, 3 conifers at 3" DBH
DH14	434043	3954501	60 x 40	high certainty of use	0	0 trees
DH15	434099	3954486	60 x 40	retained	0	0 trees
DH16	434315	3954460	60 x 40	retained	0	0 trees
DH17	434065	3954407	60 x 40	removed July 16, 2019		
DH18	434134	3954376	60 x 40	retained	4	3 conifers, 2-3" DBH, 1 at 4" DBH
DH19	434080	3954361	60 x 40	retained	65	55 conifers including USFS road, overland route, and pad at sapling to 3" DBH, 7 at 3-4" DBH, 3 at 5" DBH
DH20	434139	3954347	60 x 40	removed July 16, 2019		
DH21	434136	3954324	60 x 40	retained	0	0 trees
DH22	434206	3954282	60 x 40	retained	3	3 conifers, 3" DBH
DH23	434301	3954359	60 x 40	retained	1	1 conifer, 4" DBH
DH24	433955	3953971	60 x 40	retained	5	5 conifers, 2-3" DBH
DH25	434077	3953931	60 x 40	retained	0	0 trees
DH26	434027	3953884	60 x 40	retained	0	0 trees
DH27	434106	3953852	60 x 40	retained	1	1 conifer, 3" DBH
DH28	433778	3954643	60 x 40	removed August 6, 2019		
DH29	433789	3954622	50 x 30	removed July 16, 2019		
DH30	433793	3954607	50 x 30	removed July 16, 2019		
DH31	433772	3954515	50 x 30	removed July 16, 2019		
DH32	433793	3954535	50 x 30	removed July 16, 2019		
DH33	433813	3954544	50 x 30	removed July 16, 2019		
DH34	433813	3954528	50 x 30	removed July 16, 2019		
DH35	433814	3954513	50 x 30	removed July 16, 2019		
DH36	433834	3954463	50 x 30	high certainty of use	0	0 trees
DH37	433907	3954506	50 x 30	removed July 16, 2019		
DH38	434011	3954562	50 x 30	removed August 6, 2019		
DH39	434075	3954552	50 x 30	removed July 16, 2019		
DH40	434043	3954499	50 x 30	removed July 16, 2019		
DH41	434103	3954486	50 x 30	removed July 16, 2019		

DH42	434118	3954466	50 x 30	removed July 16, 2019		
DH43	434072	3954413	50 x 30	removed July 16, 2019		
DH44	434064	3954403	50 x 30	removed July 16, 2019		
DH45	433919	3954425	50 x 30	high certainty of use	13	13 conifers, sapling to 3" DBH
DH46	433895	3954411	50 x 30	high certainty of use	34	34 conifers, sapling to 3" DBH
DH47	433875	3954397	50 x 30	removed July 16, 2019		
DH48	433891	3954377	50 x 30	removed July 16, 2019		
DH49	433742	3954296	50 x 30	removed July 16, 2019		
DH50	433840	3954282	50 x 30	removed July 16, 2019		
DH51	433836	3954195	50 x 30	removed July 16, 2019		
DH52	433877	3954225	50 x 30	removed July 16, 2019		
DH53	433909	3954263	50 x 30	removed July 16, 2019		
DH54	434013	3954365	50 x 30	high certainty of use	7	7 conifers, up to 2" DBH
DH55	434078	3954361	50 x 30	removed July 16, 2019		
DH56	434084	3954358	50 x 30	removed July 16, 2019		
DH57	434095	3954344	50 x 30	removed July 16, 2019		
DH58	434134	3954373	50 x 30	removed July 16, 2019		
DH59	434135	3954358	50 x 30	removed July 16, 2019		
DH60	434135	3954340	50 x 30	removed July 16, 2019		
DH61	434137	3954322	50 x 30	removed July 16, 2019		
DH62	434152	3954363	50 x 30	removed July 16, 2019		
DH63	434310	3954462	50 x 30	removed July 16, 2019		
DH64	434319	3954457	50 x 30	removed July 16, 2019		
DH65	434377	3954424	50 x 30	retained	5	5 conifers, saplings up to 1"
DH66	434291	3954355	50 x 30	removed July 16, 2019		
DH67	434303	3954355	50 x 30	removed July 16, 2019		
DH68	434371	3954156	50 x 30	retained	3	3 conifers, 2-3" DBH
DH69	434155	3954047	50 x 30	retained	0	0 trees
DH70	434078	3953930	50 x 30	removed July 16, 2019		
DH71	434107	3953851	50 x 30	removed July 16, 2019		
DH72	434022	3953887	50 x 30	removed July 16, 2019		
DH73	433953	3953971	50 x 30	removed July 16, 2019		
DH74	433889	3954101	50 x 30	removed July 16, 2019		
DH75	433899	3954102	50 x 30	removed July 16, 2019		
DH76	433777	3954641	50 x 30	removed July 16, 2019		
DH77	433543	3954201	50 x 30	high certainty of use	0	0 trees
DH78	434002	3954193	50 x 30	high certainty of use	25	25 conifers, sapling to 2" DBH
DH79	434118	3954140	50 x 30	retained	25	25 conifers, 2-3" DBH
DH80	434127	3954102	50 x 30	removed July 16, 2019		
DH81	434158	3954084	50 x 30	removed July 16, 2019		
DH82	434016	3954067	50 x 30	retained	6	6 conifers, 2"
DH83	434063	3954036	50 x 30	retained	60	57 conifers, 2-3" DBH, 3 at up to 4-5" DBH
DH84	434207	3954283	60 x 40	removed July 16, 2019		