

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Fernando Martinez, Director  
Mining and Minerals Division



7008 0500 0001 4875 0481

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

February 14, 2013

Mr. Joe Griego, Operations Manager  
CR Minerals Company, LLC  
P.O. Box 708  
Ohkay Owingeh, NM 87566

**RE: Transmittal of Documents: Permit Modification 12-1 to Permit No. RA004RE, and Amended Financial Assurance; Rocky Mountain Mine, CR Minerals Company, LLC**

Dear Mr. Griego:

The Director of the New Mexico Mining and Minerals Division ("MMD") has signed Permit Modification 12-1 to Permit No. RA004RE for the Rocky Mountain Mine. In addition, MMD has approved Amendment No. 2 to Irrevocable Standby Letter of Credit No. NTS650105 ("ILOC") as part of the financial assurance for the Rocky Mountain Mine. A copy of the modification document and the amended ILOC is attached for your records. MMD will retain the signed originals of these documents in our files.

Please contact me at 505-476-3437 or David Otori of my staff at 505-476-3432 or at [david.ohori@state.nm.us](mailto:david.ohori@state.nm.us), if you have any questions in this matter.

Sincerely,

Holland Shepherd, Program Manager  
Mining Act Reclamation Program ("MARF")  
Mining and Minerals Division

Enclosures

cc: David R. Otori, Permit Lead, MARF  
Mark Juszi, President, CR Minerals, LLC  
Fernando Martinez, Director, MMD  
Tim Holman, Permits West  
Mine File (RA004RE)

**PERMIT MODIFICATION 12-1 TO PERMIT NO. RA004RE  
ROCKY MOUNTAIN MINE  
EXISTING MINING OPERATION**

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

Permit Modification 12-1 to Permit No. RA004RE is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

CR Minerals Company, LLC  
P.O. Box 708  
Ohkay Owingeh, NM 87566

whose correct address is:

(“Permittee”) for Rocky Mountain Mine, located in Rio Arriba County, New Mexico.

This permit modification releases a partial amount of the financial assurance required for the reclamation of the Rocky Mountain Mine pursuant to the approved closeout plan. The amount of the financial assurance released is \$37,838.00. This amount represents the cost of earthwork consisting of re-grading 17.95 acres of overburden stockpiles located in the West Pit area of the permit area at the Rocky Mountain Mine.

The following sections of Permit No. RA004RE are added to read as follows:

**Section 2 (12-1).                      PERMIT APPLICATION PACKAGE**

- A.     The Permit Modification Package (“PMP”) is comprised of the following documents:
- 1)     *Rocky Mountain Mine Financial Assurance Reduction Request for Modification of Permit No. RA004RE*, dated October 10, 2012.
  - 2)     *Amendment to Irrevocable Standby Letter of Credit, No. NTS650105*, dated January 28, 2013.

**Section 4 (12-1).                      FINDINGS OF FACT**

The following subparagraphs are added to this section of Permit No. RA00RE:

- A.     The Permittee has filed an application for release of financial assurance, pursuant to 19.10.12.1210.A NMAC.

- B. The Permittee submitted the permit modification fee of \$1,000.00 on October 10, 2012 as required by 19.10.2.201.H NMAC.
- C. The Permittee has requested a reduction of the amount of financial assurance for the state of New Mexico or its contractor to reclaim or complete the closeout plan, pursuant to 19.10.12.1206.C NMAC.
- D. The Permittee has described the reclamation and closeout measures completed, and the modification application contains an estimate of the cost of reclamation that has not been completed, pursuant to 19.10.12.1210.A.2 NMAC.
- E. The Director has provided notice of the application to other government agencies, pursuant to 19.10.12.1210.A.4 NMAC.
- F. The Permittee has provided proof that the public notice of application has been provided in accordance with 19.10.9.902 and 19.10.9.903 NMAC.
- G. The Director conducted an inspection of the site on December 7, 2012, in accordance with 19.10.12.1210 NMAC.
- H. Pursuant to 19.5.505.B.1 NMAC, the Director has determined that the proposed modification will not have a significant environmental impact.
- I. The Director has consulted with the applicable state and federal agencies as required by 19.5.505.B.3 NMAC.
- J. The Permittee has adequate financial assurance in place for the remainder of the reclamation work to be completed, pursuant to 19.10.5.506.J.2 NMAC. The amount of the financial assurance being released is \$37,838.00, for the cost of earthwork consisting of re-grading 17.95 acres of overburden stockpiles and open pit located in the West Pit area of the permit area at the Rocky Mountain Mine. The total amount of financial assurance for the closeout plan was \$312,532.00 prior to approval of this permit modification. The total amount of financial assurance for the closeout plan at the Rocky Mountain Mine after approval of this permit modification is \$274,694.00. The financial assurance instrument is an Irrevocable Standby Letter of Credit, No. NTS650105, as amended, dated January 28, 2013, and is in a form acceptable to the Director.

**Section 9 (12-1).**

**GENERAL OBLIGATIONS AND CONDITIONS**

The conditions outlined in this section are required for the Permittee to meet the requirements of the New Mexico Mining Act ("Act") Rules ("Rules").

The following subparagraphs are added to this section of Permit No. RA00RE:

This Permit is subject to the following conditions:

**A. MONITORING AND MAINTENANCE**

- 1) The Permittee shall visibly inspect reclaimed lands and mine areas that have been regraded and covered, but not yet seeded, for signs of excessive erosion and shall mitigate erosion features to prevent further degradation of the site.

**B. REVEGETATION PLAN**

- 1) The Permittee shall seed and mulch all regraded and covered areas within one year of regrading and covering areas undergoing reclamation at the mine.

All other provisions, modifications, and revisions for mining and reclamation contained in the Rocky Mountain Mine Permit No. RA004RE, remain unchanged.

**CERTIFICATION**

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

Joe Griego  
Authorized Representative of the Permittee

Operation Manager  
Title

CR Minerals Co. LLC  
Company

Subscribed and sworn to before me this 7 day of February, 2013

Dalene Payne  
Notary Public

My Commission Expires

10 6, 2016

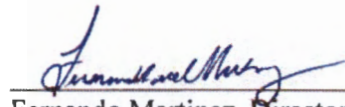
**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Modification 12-1 of Permit RA004RE, releasing a partial amount of the financial assurance the Rocky Mountain Mine in Rio Arriba 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, 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

By:



Fernando Martinez, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

DATED:

2/12/2013

**Amendment To  
Irrevocable Standby Letter Of Credit**

**Number :** NTS650105  
**Amendment Number :** 002  
**Amend Date :** January 28, 2013

**BENEFICIARY**

DIRECTOR MINING AND MINERALS DIV.  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPT.  
1220 SOUTH SAINT FRANCIS DRIVE  
SANTA FE, NEW MEXICO 87505

**APPLICANT**

CR MINERALS COMPANY, LLC  
US 84/US 285 NEW MEXICO, LLC  
P.O. BOX 708,  
SAN JUAN PUEBLO, NEW MEXICO 87566

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF THE ABOVE REFERENCED APPLICANT, WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT (THE "WELLS CREDIT") IN YOUR FAVOR AS FOLLOWS:

THE CURRENT AVAILABLE AMOUNT IS DECREASED BY USD 37,838.00 TO USD 274,694.00 .

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT IS TO BE ATTACHED TO THE ORIGINAL WELLS CREDIT AND IS AN INTEGRAL PART THEREOF.

Very Truly Yours,

**WELLS FARGO BANK, N.A.**

By: \_\_\_\_\_

*Authorized Signature*

  
BRIAN T. O'CONNELL  
VICE PRESIDENT

***The original of the Letter of Credit contains an embossed seal over the Authorized Signature.***





Please direct any written correspondence or inquiries regarding this Letter of Credit, always quoting our reference number, to **Wells Fargo Bank, National Association**, Attn: U.S. Standby Trade Services

*at either* One Front Street  
MAC A0195-212,  
San Francisco, CA 94111

*or* 401 Linden Street  
MAC D4004-017,  
Winston-Salem, NC 27101

Phone inquiries regarding this credit should be directed to our Standby Customer Connection Professionals  
1-800-798-2815 Option 1 (Hours of Operation: 8:00 a.m. PT to 5:00 p.m. PT)  
1-800-776-3862 Option 2 (Hours of Operation: 8:00 a.m. EST to 5:30 p.m. EST)

Consent to Amendment **002** on Standby Letter of Credit No. **NTS650105** is required to become effective.  
**Please date and sign below and return an originally signed copy to us at our office located:**

*at either* One Front Street  
MAC A0195-212,  
San Francisco, California 94111  
or Fax to 415-296-8905.

*or* 401 Linden Street  
MAC D4004-017,  
Winston-Salem, NC. 27101  
or Fax to 336-735-0950.

Amendment accepted in its entirety       Amendment rejected in its entirety

02 / 03 / 2013  
Date

[Signature]  
Authorized Signature - DIRECTOR MINING AND MINERALS DIV.

(505) 476-3435  
Telephone Number

Fernando Martinez  
Printed Name of Authorized Signer

