

**PERMIT MODIFICATION 12-1 TO PERMIT NO. TA001RE
QUESTA MINE AND MILL
EXISTING MINING OPERATION**

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

This Modification 12-1 (“Modification 12-1”) to Permit No. TA001RE (as amended from time to time, “Permit”) is issued by the Director of the Mining and Minerals Division (“MMD”) of the New Mexico Energy, Minerals and Natural Resources Department to:

Chevron Mining Inc.

Whose correct address is: 116 Inverness Drive East, Suite 207
Englewood, Colorado 80112

(“Permittee”) for the Questa Mine and Mill, located in Taos County, New Mexico.

Permittee and the United States Environmental Protection Agency have entered into an Administrative Settlement Agreement and Order on Consent for Early Design Actions, effective October 19, 2012 (“AOC”) which implements the Statement of Work for Early Design Actions (“SOW”). The AOC and SOW include an obligation by Permittee to complete a remedial design pilot project for a Group 1 Waste Rock Pile (currently identified as the Goathill North Rockpile). The pilot project will also be designed to be a complete remediation project for the waste rock pile. The AOC recognizes that Permittee has established financial assurance for the reclamation of the waste rock pile under this Permit.


The purpose of this Modification 12-1 is to recognize and provide that a forfeiture of financial assurance under the AOC is an occurrence that will cause the Director to take action under 19.10.12.1211 NMAC to forfeit all or a portion of the financial assurance in connection with the Permit.

In order to accomplish the approval contemplated by this Modification 12-1, the following sections are added to the Permit:

“Section 1 (12-1). STATUTES AND REGULATIONS

- A. This Permit Modification 12-1 is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2009) (“Act”) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (“Rules” or “Regulations”).
- B. This Modification 12-1 is subject to the Act, the Rules and any other regulations that are now or hereafter in force under the Act.”

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“Section 4 (12-1).

FINDINGS OF FACT

- A. The \$1000.00 modification application fee was paid on August 3, 2012, pursuant to Subsection H of 19.10.2.201 NMAC.
- B. Pursuant to Subsection B.1 of 19.10.5.505 NMAC, the Director has determined that the proposed modification will not have a significant environmental impact.
- C. Pursuant to Subsection B.3 of 19.10.5.505 NMAC, the Director has consulted with the appropriate agencies in approving this modification.”

“Section 9 (12-1).

CONDITIONS

- A. If MMD receives from the United States Environmental Protection Agency (“EPA”) or its successor agency (i) a written request that MMD take action under the Rules to work a forfeiture of a specified amount of the financial assurance associated with the Permit and (ii) written certification that EPA has commenced a Work Takeover under the Administrative Settlement Agreement and Order on Consent for Early Design Actions, effective October 19, 2012 (“AOC”) that includes the completion of the remedial design pilot project for a Group 1 Waste Rock Pile (currently identified as the Goathill North Rockpile), then the Director shall take action pursuant to 19.10.12.1211 NMAC, as amended or recodified, to forfeit all or a portion of the financial assurance applicable to the reclamation of the Group 1 Waste Rock Pile identified in the AOC.
- B. If the Director receives an application for release of financial assurance for work performed pursuant to the AOC, the Director shall provide notice of the application to the EPA.“

“Section 10 (12-1).

CONCLUSIONS OF LAW

- A. The Director has jurisdiction over the Permittee and the subject matter of this Modification 12-1.
- B. This Modification 12-1 will not have a significant environmental impact, as that term is used in 19.10.5.505 NMAC.
- C. This Modification 12-1 requires neither public notice nor an opportunity for public hearing.
- D. All requirements under Title 19, Chapter 10, Part 5 NMAC have been met.

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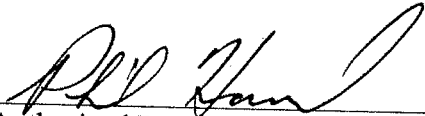
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- E. This Modification 12-1 does not change the amount of financial assurance required by or approved for this Permit.”

All other provisions contained in the Permit remain unchanged by this Modification 12-1.

CERTIFICATION

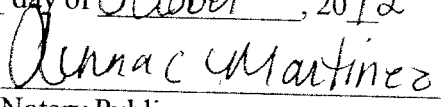
I certify that I have read, understand and will comply with the requirements of the Permit, this Permit Modification 12-1, the Act and the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and/or as otherwise required by law.


Authorized Representative of the Permittee

General Manager, Questa Mine
Title

CHEVRON MINING INC.
Company

Subscribed and sworn to before me this 10th day of October, 2012


Notary Public

My Commission Expires

July 10, 2012

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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 12-1 to Permit No. TA001RE.

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

By: John H. Ramirez for
Fernando Martinez, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

Date: 10.17.12