



Derek Heafey
Environmental Manager

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CERTIFIED MAIL RETURN RECEIPT

October 15, 2012

Mr. Holland Shepherd
Mining Act Reclamation Program
Mining and Minerals Division
1220 So. St. Francis Dr.
Santa Fe, New Mexico 87505

RE: APPLICATION FOR MODIFICATION TO SUBSIDENCE AREA DESIGN LIMITS– PERMIT TA001RE, REVISION 05-1 SUBSIDENCE DUE TO UNDERGROUND MINING OF THE SOUTHWEST EXTENSION TO THE GOATHILL ORE ZONE

Dear Mr. Shepherd:

Permit Revision 05-01, dated April 4, 2006, to Permit TA001RE for Chevron Mining Inc.'s (CMI) Questa Mine amended the approved design limits for the subsidence area. Section 3.C, Table 1 of Revision 05-01 identifies design limit areas for the surface subsidence from underground mining and the underground workings.

CMI intends to begin mining the Southwest Extension to the Goathill Ore Zone, which is included in the subsidence zone. The Southwest Extension is a relatively small ore zone adjacent to and west of the existing Goathill underground workings. Drawing No. 1 (attached) illustrates the location of the proposed mining area. Upon review of the proposed operations, it appears that the amended limits in Permit Revision 05-01 may not sufficiently reflect the area to be mined and the expected surface subsidence from that mining. CMI believes that a minor increase in those limits is necessary to accommodate the projected expansion.

CMI projects that the underground workings associated with mining the Southwest Extension should be expanded by approximately 12 acres. Additionally, based on the predictive subsidence model developed by Agapito (2004, Predictive Subsidence Modeling and Field Verification, Questa Mine), CMI projects that mining of the Southwest Extension will likely result in an increase to the maximum extent of the zone of relaxation by approximately 11 acres.

To accommodate this mining activity, CMI requests that the Mining and Minerals Division (MMD) modify Permit TA001RE, Revision 05-1 to incorporate projected surface subsidence that could potentially result from the expansion of underground mining to the Southwest Extension to Goathill Ore Zone by increasing the design limit area for the underground workings design limit to 307 acres and for the surface subsidence from underground mining to 1077 acres. The modification was discussed during a meeting with CMI and the MMD on September 20, 2012.

This submittal includes updates to Table 1 (below) and Drawing No. 1 referenced in Section 3 of the permit.

Mr. Shepherd
MMD
October 15, 2012

Table 1. Subsidence Design Limits Areas

Subsidence Area	Predicted Model Design Limit Area (acres)
Surface Subsidence from underground workings design limits (Note: <i>underground workings design limit included within surface subsidence area</i>)	1077
Underground workings design limits	307

With the potential to increase subsidence-related disturbance, the requested modification will result in a modest increase in the financial assurance necessary to meet the requirements of §19.10.12 NMAC. CMI will complete closure cost calculations for the expansion and provide the required financial assurance in the near future. No other changes to CMI's Operation or Closure/Closeout Plan are anticipated as part of this modification request.

Included with this request to modify the permit is the \$1000 fee required for the modification per §19.10.2.201 Subpart H. CMI appreciates your consideration of this issue. Should you have any questions or need additional information regarding this modification, please contact me at (575) 586-7638.

Sincerely,



Derek Heafey

cc: Phil Howard, CMI
Bill Sharrer, CMI
Mr. Joe Vinson, MMD



Chevron Mining Inc.
 P.O. BOX 6518
 ENGLEWOOD, CO 80155-6518

62-20/311
 Citibank N.A.
 One Penn's Way
 New Castle DE 19720

NO. 00601929

22040126 DATE 10/09/12 AMOUNT \$*****1,000.00

PAY ONE THOUSAND AND 00/100 *****
 Void if not cashed in 180 days.

TO NM MINING & MINERALS DIVISION
 THE 1220 SOUTH ST. FRANCIS DRIVE
 ORDER OF SANTA FE NM 87505

Chevron
 AUTHORIZED SIGNATURE

⑈00601929⑈ ⑆031100209⑆ 38707685⑈

Chevron Mining Inc.

P.O. BOX 6518
 ENGLEWOOD, CO 80155-6518

Stub 1 of 1
 Check Date: 10/09/12

NO. 00601929

303/930-3600

INVOICE NO.	DATE	DESCRIPTION	GROSS	DEDUCTIONS	AMOUNT PAID
10/08/12	10/08/12	Mining Act Permit#TA001RE	1,000.00		1,000.00
			----- 1,000.00	-----	----- 1,000.00