



Derek Heafey
Manager, Environmental

Questa Mine
Chevron Mining Inc
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November 1, 2013

Mr. Holland Shepherd
Mining and Minerals Division
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Financial Assurance for Modification of Mining Act Permit # TA001RE – Surface Drilling Project

Dear Mr. Shepherd:

As we have discussed, Chevron Mining Inc. (CMI) proposes to modify the Questa Mine's Mining Act Permit # TA001RE to include a long-term surface drilling project. The project will include the drilling of approximately 273 boreholes for the purpose of further determining the extent and grade of the molybdenum-bearing ore body currently being mined.

CMI anticipates that surface disturbances associated with this project will total 17 acres, primarily in the form of drill pads and access roads. The calculated reclamation costs for the project were submitted to MMD for review. Based on that review, CMI understands that MMD agreed that CMI would provide two separate forms of financial assurance (FA) for the project: (1) FA of \$3,102,659 to cover the costs of reclaiming 25 boreholes at a time (CMI would complete plugging of the preceding 25 drill holes, re-grade and seed the drill pads, and provide evidence of doing so to MMD before initiating drilling of the next 25 drill holes), and (2) separate FA of \$1,926,876 to address O&M costs associated with erosion control, re-vegetation maintenance and road up-keep for a 12-year period before release. The reclamation seed list and performance standards would remain the same as specified in Permit # TA001RE, revision #96-2.

I have attached the required \$1,000.00 permit modification fee. Upon notification that this proposal is acceptable to the MMD, CMI will immediately pursue the acquisition of the required financial instruments.

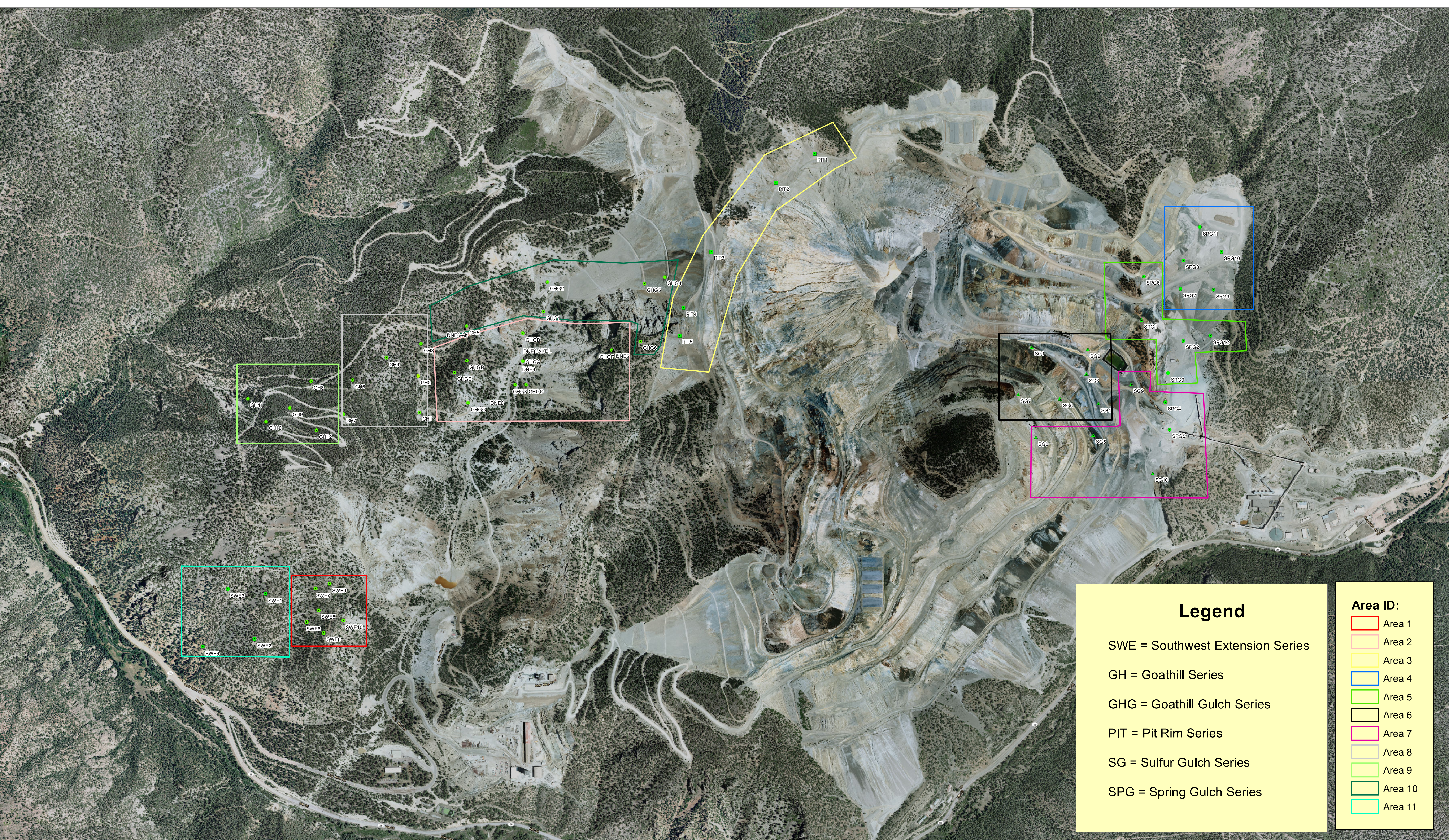
If you have any questions or need additional information, please contact me at (505) 586-7638.

Sincerely,

Derek Heafey
Environmental Manager

Cc: Phil Howard, CMI
Bill Sharrer, CMI
Jerry Schoeppner, NMED
Joe Vinson, MMD

Attachments

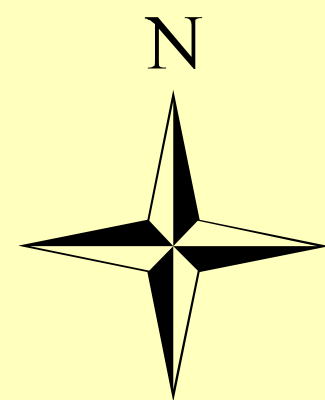


Legend

SWE = Southwest Extension Series
 GH = Goathill Series
 GHG = Goathill Gulch Series
 PIT = Pit Rim Series
 SG = Sulfur Gulch Series
 SPG = Spring Gulch Series

Area ID:

- Area 1
- Area 2
- Area 3
- Area 4
- Area 5
- Area 6
- Area 7
- Area 8
- Area 9
- Area 10
- Area 11



1,000
 Feet

Future Surface Drilling Locations

By: Jeff Schoenbacher, Senior Environmental Engineer

Date: 2/15/2013



Drilling Westward of Pit

Tentative Hole Number/Site Number	Approximate Area Center (Northing)	Approximate Area Center (Easting)	Pad Area (sq.ft.)	Repair Existing Mine Roads (ft. length, 12ft wide)	New Road (ft. length, 12ft.wide)	Comments
Site GHG A GHGA-1 GHGA-2 GHGA-3	50,073	24,860	10,000	0	0	Regular maintenance on principal route to Narrows.
Site GHG B GHGB-1 GHGB-2	52,075	25,231	10,000	257	0	Ancillary route to Narrows
Site GHG C GHGC-1 GHGC-2	52,121	24,540	10,000	233	0	Existing mine drill road
Site GHG D GHGD-1 GHGD-2 GHGD-3	51,309	24,873	10,000	498	0	Existing mine drill road
Site GHG E GHGE-1 GHGE-2 GHGE-3	51,153	24,718	10,000	636	0	Existing mine drill road
Site GHG F GHGF-1 GHGF-2	53,271	24,999	10,000	2,459	0	Existing mine drill road
Site GHG G GHGG-1	51,352	24,302	10,000	0	0	Existing mine road
Site GHG1 GHG1-1 GHG1-2 GHG1-3	52,351	25,520	10,000	514	0	Ancillary route to Narrows
Site GHG2 GHG2-1 GHG2-2 GHG2-3	52,402	25,909	10,000	0	0	Regular maintenance on principal route to Narrows.

Site GHG3	51,971	24,535	10,000	0	0	Regular maintenance on principal route to Narrows.
GHG3-1						
GHG3-2						
GHG3-3						
Site GHG4			10,000	0	0	Existing mine rock pile road
GHG4-1	53,962	25,973				
GHG4-2						
GHG4-3						
GHG4-4						
Site GHG5	53,680	25,878	10,000	0	0	Existing mine rock pile road
GHG5-1						
GHG5-2						
GHG5-3						
GHG5-4						
Site GHG6	53,634	25,118	10,000	0	0	Existing mine drill road - See DDH09 and DDH10, above
GHG6-1						
GHG6-2						
GHG6-3						
GHG6-4						
Site GH1	50,706	24,177	10,000	0	0	Regular maintenance on principal route to Narrows.
GH1-1						
GH1-2						
GH1-3						
Site GH2	50,685	24,662	10,000	0	0	Regular maintenance on principal route to Narrows.
GH2-1						
GH2-2						
GH2-3						
Site GH3	50,714	25,079	10,000	0	0	Regular maintenance on principal route to Narrows.
GH3-1						
GH3-2						
GH3-3						
GH3-4						
Site GH4	50,260	24,898	10,000	736	0	Existing mine drill road
GH4-1						
GH4-2						

Site GH10-1							
Site GH10-2							
Site GH10-3							
Site GH10-4							
Site GH10-5							
Site GH11	48,415	24,360	10,000	2,042	0	Existing mine drill road	
Site GH11-1							
Site GH11-2							
Site GH11-3							
Site GH11-4							
Site GH11-5							
Site GH12	49,328	23,940	10,000	0	0	Regular maintenance on principal route to survey monument on top of Goat Hill.	
Site GH12-1							
Site GH12-2							
Site GH12-3							
Site GH12-4							
Site SWE5	49,367	21,538	10,000	4,734	1,585	Repairs to existing road as well or new road possible	
SWE5-1							
SWE5-2							
SWE5-3							
SWE5-4							
Site SWE1	48,650	21,756	10,000	1,725	0	Most covered by SWE 5 work	
SWE1-1							
SWE1-2							
SWE1-3							
SWE1-4							
Site SWE2	48,498	21,161	10,000	0	0	Covered by SWE 5 work	
SWE2-1							
SWE2-2							
SWE2-3							
Site SWE3	48,145	21,822	10,000	1,665	0	Most covered by SWE 5 work	
SWE3-1							
SWE3-2							
SWE3-3							
SWE3-4							

Site SWE4	47,813	21,052	10,000	2,202	920	920 ft. of new road plus repairs to existing mine drill road
SWE4-1						
SWE4-2						
SWE4-3						
SWE4-4						
Site SWE6	49,202	21,373	10,000	577	967	Most covered by SWE 5 work.
SWE6-1						
SWE6-2						
SWE6-3						
SWE6-4						
Site SWE7	49,295	21,785	10,000	951	0	Most covered by SWE 5 work.
SWE7-1						
SWE7-2						
SWE7-3						
SWE7-4						
Site SWE8	49,416	21,246	10,000	589	0	Most covered by SWE 5 work.
SWE8-1						
SWE8-2						
SWE8-3						
SWE8-4						
Site SWE9	49,504	21,876	10,000	1,255	0	Most covered by SWE 5 work.
SWE9-1						
SWE9-2						
SWE9-3						
SWE9-4						
Site SWE10	49,682	21,411	10,000	358	200	Most covered by SWE 5 work.
SWE10-1						
SWE10-2						
SWE10-3						
SWE10-4						

Total =	350,000	22,249	3,672		
Area =		266,988	44,064		
Acres=	8.03	6.13	1.01	15.18	1 acre = 43,560 sq. ft.

Total acres = 15.18

Drilling Adjacent to Pit Area - Sulfur Gulch and Spring Gulch

Tentative Hole Number/Site Number	Approximate Area Center (Easting)	Approximate Area Center (Northing)	Pad Area (sq.ft.)	Repair Existing Mine Roads (ft. length, 12ft wide)	New Road (ft. length, 12ft.wide)	Comments
Pit 1	55,961	27,618	10,000	0		Mine disturbance area.
Pit 1-1						
Pit 1-2						
Pit 1-3						
Pit 1-4						
Pit 1-5						
Pit 2	55,442	27,234	10,000	0		Mine disturbance area.
Pit 2-1						
Pit 2-2						
Pit 2-3						
Pit 2-4						
Pit 2-5						
Pit 3	54,584	26,316	10,000	0		Mine disturbance area.
Pit 3-1						
Pit 3-2						
Pit 3-3						
Pit 3-4						
Pit 3-5						
Pit 4	54,217	25,573	10,000	0		Mine disturbance area.
Pit 4-1						
Pit 4-2						
Pit 4-3						
Pit 4-4						
Pit 4-5						
Pit 5	54,155	25,195	10,000	0		Mine disturbance area.
Pit 5-1						
Pit 5-2						
Pit 5-3						
Pit 5-4						
Pit 5-5						
SG1	58,856	25,046	10,000	0		Mine disturbance area.
SG1-1						

	SG1-2 SG1-3 SG1-4 SG1-5					
SG2		59,578	25,015	10,000	0	Mine disturbance area.
	SG2-1 SG2-2 SG2-3 SG2-4					
SG3		59,567	24,685	10,000	0	Mine disturbance area.
	SG3-1 SG3-2 SG3-3 SG3-4					
SG4		59,736	24,297	10,000	0	Mine disturbance area.
	SG4-1 SG4-2 SG4-3 SG4-4					
SG5		59,660	23,873	10,000	0	Mine disturbance area.
	SG5-1 SG5-2 SG5-3 SG5-4					
SG6		59,222	24,354	10,000	0	Mine disturbance area.
	SG6-1 SG6-2 SG6-3 SG6-4					
SG7		58,665	24,416	10,000	0	Mine disturbance area.
	SG7-1 SG7-2 SG7-3 SG7-4					
SG8		58,901	23,845	10,000	0	Mine disturbance area.
	SG8-1 SG8-2 SG8-3 SG8-4					
SG9		60,174	24,549	10,000	0	Mine disturbance area.

	SG9-1					
	SG9-2					
	SG9-3					
	SG9-4					
SG10		60,455	23,363	10,000	0	Mine disturbance area.
	SG10-1					
	SG10-2					
	SG10-3					
	SG10-4					
SPG1		60,307	60,868	10,000	0	Mine disturbance area.
	SPG1-1					
	SPG1-2					
	SPG1-3					
	SPG1-4					
	SPG1-5					
SPG2		60,868	25,128	10,000	0	Mine disturbance area.
	SPG2-1					
	SPG2-2					
	SPG2-3					
	SPG2-4					
	SPG2-5					
SPG3		60,665	24,693	10,000	0	Mine disturbance area.
	SPG3-1					
	SPG3-2					
	SPG3-3					
	SPG3-4					
	SPG3-5					
SPG4		60,613	24,307	10,000	0	Mine disturbance area.
	SPG4-1					
	SPG4-2					
	SPG4-3					
	SPG4-4					
	SPG4-5					
SPG5		60,684	23,944	10,000	0	Mine disturbance area.
	SPG5-1					
	SPG5-2					
	SPG5-3					
	SPG5-4					
SPG-6		60,330	25,994	10,000	0	Mine disturbance area.
	SPG6-1					
	SPG6-2					

	SPG6-3					
	SPG6-4					
	SPG6-5					
SPG7		60,826	25,820	10,000	0	Mine disturbance area.
	SPG7-1					
	SPG7-2					
	SPG7-3					
	SPG7-4					
SPG8		60,862	26,211	10,000	0	Mine disturbance area.
	SPG8-1					
	SPG8-2					
	SPG8-3					
	SPG8-4					
	SPG8-5					
SPG9		61,289	25,809	10,000	0	Mine disturbance area.
	SPG9-1					
	SPG9-2					
	SPG9-3					
	SPG9-4					
	SPG9-5					
SPG10		61,374	26,309	10,000	0	Mine disturbance area.
	SPG10-1					
	SPG10-2					
	SPG10-3					
	SPG10-4					
	SPG10-5					
SPG11		61,089	26,638	10,000	0	Mine disturbance area.
	SPG11-1					
	SPG11-2					
	SPG11-3					
	SPG11-4					
	SPG11-5					
SPG12		61,229	25,197	10,000	400	Mine disturbance area and road repair.
	SPG12-1					
	SPG12-2					
	SPG12-3					
	SPG12-4					
	SPG12-5					
			Total =	270,000		
			Acres =	6.20	0.01	

AREA 3 F2

	Pit 1					55,961	27,618	10,000	0	Mine disturbance area.
25 Drillholes	Pit 1-1	3	4000	1500	2500					
	Pit 1-2	3	4000	1500	2500					
	Pit 1-3	3	4000	1500	2500					
	Pit 1-4	3	4000	1500	2500					
	Pit 1-5	3	4000	1500	2500					
	Pit 2					55,442	27,234	10,000	0	Mine disturbance area.
	Pit 2-1	3	4000	1500	2500					
	Pit 2-2	3	4000	1500	2500					
	Pit 2-3	3	4000	1500	2500					
	Pit 2-4	3	4000	1500	2500					
	Pit 2-5	3	4000	1500	2500					
	Pit 3					54,584	26,316	10,000	0	Mine disturbance area.
	Pit 3-1	3	4000	1500	2500					
	Pit 3-2	3	4000	1500	2500					
	Pit 3-3	3	4000	1500	2500					
	Pit 3-4	3	4000	1500	2500					
	Pit 3-5	3	4000	1500	2500					
	Pit 4					54,217	25,573	10,000	0	Mine disturbance area.
	Pit 4-1	3	4000	1500	2500					
	Pit 4-2	3	4000	1500	2500					
	Pit 4-3	3	4000	1500	2500					
	Pit 4-4	3	4000	1500	2500					
	Pit 4-5	3	4000	1500	2500					
	Pit 5					54,155	25,195	10,000	0	Mine disturbance area.
	Pit 5-1	3	4000	1500	2500					
	Pit 5-2	3	4000	1500	2500					
	Pit 5-3	3	4000	1500	2500					
	Pit 5-4	3	4000	1500	2500					
	Pit 5-5	3	4000	1500	2500					
Total linear feet				37500	62500					
Volume (cu ft)				2512.5	2125					
Total Drillhole Volume (cu ft)				4637.5						

AREA 4 Spring Gulch 1

	SPG7					60,826	25,820	10,000	0	Mine disturbance area.
25 Drillholes	SPG7-1	4	4000	1500	2500					
	SPG7-2	4	4000	1500	2500					
	SPG7-3	4	4000	1500	2500					
	SPG7-4	4	4000	1500	2500					
	SPG8					60,862	26,211	10,000	0	Mine disturbance area.
	SPG8-1	4	4000	1500	2500					
	SPG8-2	4	4000	1500	2500					
	SPG8-3	4	4000	1500	2500					
	SPG8-4	4	4000	1500	2500					
	SPG8-5	4	4000	1500	2500					
	SPG9					61,289	25,809	10,000	0	Mine disturbance area.
	SPG9-1	4	4000	1500	2500					
	SPG9-2	4	4000	1500	2500					
	SPG9-3	4	4000	1500	2500					
	SPG9-4	4	4000	1500	2500					
	SPG9-5	4	4000	1500	2500					
	SPG10					61,374	26,309	10,000	0	Mine disturbance area.
	SPG10-1	4	4000	1500	2500					
	SPG10-2	4	4000	1500	2500					
	SPG10-3	4	4000	1500	2500					
	SPG10-4	4	4000	1500	2500					
	SPG10-5	4	4000	1500	2500					
	SPG11					61,089	26,638	10,000	0	Mine disturbance area.
	SPG11-1	4	4000	1500	2500					
	SPG11-2	4	4000	1500	2500					
	SPG11-3	4	4000	1500	2500					
	SPG11-4	4	4000	1500	2500					
	SPG11-5	4	4000	1500	2500					
Total linear feet				36000	60000					
Volume (cu ft)				2412	2040					
Total Drillhole Volume (cu ft)				4452						

AREA 5 Spring Gulch 2

	SPG1					60,307	60,868	10,000	0	Mine disturbance area.
25 Drillholes	SPG1-1	5	4000	1500	2500					
	SPG1-2	5	4000	1500	2500					
	SPG1-3	5	4000	1500	2500					
	SPG1-4	5	4000	1500	2500					
	SPG1-5	5	4000	1500	2500					
	SPG2					60,868	25,128	10,000	0	Mine disturbance area.
	SPG2-1	5	4000	1500	2500					
	SPG2-2	5	4000	1500	2500					
	SPG2-3	5	4000	1500	2500					

	SPG2-4	5	4000	1500	2500						
	SPG2-5	5	4000	1500	2500						
SPG3						60,665	24,693	10,000	0		Mine disturbance area.
	SPG3-1	5	4000	1500	2500						
	SPG3-2	5	4000	1500	2500						
	SPG3-3	5	4000	1500	2500						
	SPG3-4	5	4000	1500	2500						
	SPG3-5	5	4000	1500	2500						
SPG-6						60,330	25,994	10,000	0		Mine disturbance area.
	SPG6-1	5	4000	1500	2500						
	SPG6-2	5	4000	1500	2500						
	SPG6-3	5	4000	1500	2500						
	SPG6-4	5	4000	1500	2500						
	SPG6-5	5	4000	1500	2500						
SPG12						61,229	25,197	10,000	400		Mine disturbance area and road repair.
	SPG12-1	5	4000	1500	2500						
	SPG12-2	5	4000	1500	2500						
	SPG12-3	5	4000	1500	2500						
	SPG12-4	5	4000	1500	2500						
	SPG12-5	5	4000	1500	2500						
Total linear feet						37500	62500				
Volume (cu ft)						2512.5	2125				
Total Drillhole Volume (cu ft)						4637.5					

AREA 6 Sulphur Gulch

	SG1					58,856	25,046	10,000	0		Mine disturbance area.
25 Drillholes	SG1-1	6	4000	1500	2500						
	SG1-2	6	4000	1500	2500						
	SG1-3	6	4000	1500	2500						
	SG1-4	6	4000	1500	2500						
	SG1-5	6	4000	1500	2500						
SG2						59,578	25,015	10,000	0		Mine disturbance area.
	SG2-1	6	4000	1500	2500						
	SG2-2	6	4000	1500	2500						
	SG2-3	6	4000	1500	2500						
	SG2-4	6	4000	1500	2500						
SG3						59,567	24,685	10,000	0		Mine disturbance area.
	SG3-1	6	4000	1500	2500						
	SG3-2	6	4000	1500	2500						
	SG3-3	6	4000	1500	2500						
	SG3-4	6	4000	1500	2500						
SG4						59,736	24,297	10,000	0		Mine disturbance area.
	SG4-1	6	4000	1500	2500						
	SG4-2	6	4000	1500	2500						
	SG4-3	6	4000	1500	2500						
	SG4-4	6	4000	1500	2500						
SG6						59,222	24,354	10,000	0		Mine disturbance area.
	SG6-1	6	4000	1500	2500						
	SG6-2	6	4000	1500	2500						
	SG6-3	6	4000	1500	2500						
	SG6-4	6	4000	1500	2500						
SG7						58,665	24,416	10,000	0		Mine disturbance area.
	SG7-1	6	4000	1500	2500						
	SG7-2	6	4000	1500	2500						
	SG7-3	6	4000	1500	2500						
	SG7-4	6	4000	1500	2500						
Total linear feet						37500	62500				
Volume (cu ft)						2512.5	2125				
Total Drillhole Volume (cu ft)						4637.5					

AREA 7 Spring/Sulphur Gulch

	SG5					59,660	23,873	10,000	0		Mine disturbance area.
25 Drillholes	SG5-1		4000	1500	2500						
	SG5-2		4000	1500	2500						
	SG5-3		4000	1500	2500						
	SG5-4		4000	1500	2500						
SG8						58,901	23,845	10,000	0		Mine disturbance area.
	SG8-1		4000	1500	2500						
	SG8-2		4000	1500	2500						
	SG8-3		4000	1500	2500						
	SG8-4		4000	1500	2500						
SG9						60,174	24,549	10,000	0		Mine disturbance area.
	SG9-1		4000	1500	2500						
	SG9-2		4000	1500	2500						
	SG9-3		4000	1500	2500						
	SG9-4		4000	1500	2500						
SG10						60,455	23,363	10,000	0		Mine disturbance area.
	SG10-1		4000	1500	2500						
	SG10-2		4000	1500	2500						
	SG10-3		4000	1500	2500						
	SG10-4		4000	1500	2500						

SPG4					60,613	24,307	10,000	0		Mine disturbance area.
	SPG4-1	4000	1500	2500						
	SPG4-2	4000	1500	2500						
	SPG4-3	4000	1500	2500						
	SPG4-4	4000	1500	2500						
	SPG4-5	4000	1500	2500						
SPG5					60,684	23,944	10,000	0		Mine disturbance area.
	SPG5-1	4000	1500	2500						
	SPG5-2	4000	1500	2500						
	SPG5-3	4000	1500	2500						
	SPG5-4	4000	1500	2500						
	Total linear feet				37500	62500				
	Volume (cu ft)				2512.5	2125				
	Total Drillhole Volume (cu ft)				4637.5					

AREA 8 Deep NE Extension 1

GH1					50,706	24,177	10,000	0	0	Regular maintenance on principal route to Narrows.
	25 Drillholes									
	GH1-1	5000	2000	3000						
	GH1-2	5000	2000	3000						
	GH1-3	5000	2000	3000						
	GH1-4	5000	2000	3000						
	GH1-5	5000	2000	3000						
GH2					50,685	24,662	10,000	0	0	Regular maintenance on principal route to Narrows.
	GH2-1	5000	2000	3000						
	GH2-2	5000	2000	3000						
	GH2-3	5000	2000	3000						
	GH2-4	5000	2000	3000						
GH3					50,714	25,079	10,000	0	0	Regular maintenance on principal route to Narrows.
	GH3-1	5000	2000	3000						
	GH3-2	5000	2000	3000						
	GH3-3	5000	2000	3000						
	GH3-4	5000	2000	3000						
GH4					50,260	24,898	10,000	736	0	Existing mine drill road
	GH4-1	5000	2000	3000						
	GH4-2	5000	2000	3000						
	GH4-3	5000	2000	3000						
	GH4-4	5000	2000	3000						
GH6					49,809	24,602	10,000	0	0	Regular maintenance on principal route to survey monument on top
	GH6-1	5000	2000	3000						
	GH6-2	5000	2000	3000						
	GH6-3	5000	2000	3000						
	GH6-4	5000	2000	3000						
GH7					49,693	24,147	10,000	0	0	Regular maintenance on principal route to survey monument on top
	GH7-1	5000	2000	3000						
	GH7-2	5000	2000	3000						
	GH7-3	5000	2000	3000						
	GH7-4	5000	2000	3000						
	Total linear feet				50000	75000				
	Volume (cu ft)				3350	2550				
	Total Drillhole Volume (cu ft)				5900					

AREA 9 Deep NE Extension 2

GH8					49,251	24,593	10,000	0	0	of Goat Hill.
	25 Drillholes									
	GH8-1	5000	2000	3000						
	GH8-2	5000	2000	3000						
	GH8-3	5000	2000	3000						
	GH8-4	5000	2000	3000						
	GH8-5	5000	2000	3000						
GH9					48,976	24,235	10,000	0	0	of Goat Hill.
	GH9-1	5000	2000	3000						
	GH9-2	5000	2000	3000						
	GH9-3	5000	2000	3000						
	GH9-4	5000	2000	3000						
	GH9-5	5000	2000	3000						
GH10					48,653	24,058	10,000	818	0	Existing mine drill road
	GH10-1	5000	2000	3000						
	GH10-2	5000	2000	3000						
	GH10-3	5000	2000	3000						
	GH10-4	5000	2000	3000						
	GH10-5	5000	2000	3000						
GH11					48,415	24,360	10,000	2,042	0	Existing mine drill road
	GH11-1	5000	2000	3000						
	GH11-2	5000	2000	3000						
	GH11-3	5000	2000	3000						
	GH11-4	5000	2000	3000						
	GH11-5	5000	2000	3000						
GH12					49,328	23,940	10,000	0	0	of Goat Hill.
	GH12-1	5000	2000	3000						
	GH12-2	5000	2000	3000						
	GH12-3	5000	2000	3000						

