

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



November 25, 2013

Mr. George Lotspeich
Southwest Resources, Inc.
4011 Mesa Verde NE
Albuquerque, NM 87110

RE: Permitting of the Section 11/12 Mine, Ambrosia Lake

Dear Mr. Lotspeich:

The Mining and Minerals Division (“MMD”) sent you a Director’s Order on October 25, 2013 regarding the permitting action that would be required to permit the Section 11/12 Mine at Ambrosia Lake as an active mining operation. MMD staff subsequently met with you on November 5 and 19, 2013 in order to discuss the permitting action. During the November 19 meeting, you said that if the Section 11/12 Mine must be permitted, permitting the mine into standby status would be your preference. You requested that I write a letter describing how that could be accomplished. Upon consideration of the pertinent regulations, I am able to provide the following suggestions as to how to proceed.

Under Part 7 of the Mining Act Rules, going into standby status is treated as a permit revision to an approved permit. Therefore, in the case of the Section 11/12 Mine, a Part 5 existing mining operation permit needs to be approved prior to approval of a permit revision to standby status. We believe that the two permitting actions could be submitted and processed nearly simultaneously, however, with the Part 7 permit decision being made immediately following an affirmative decision regarding the Part 5 permit. We believe that the public notice requirements for both actions could be combined, so long as the notifications clearly state the intentions of both permitting actions. Public hearings, if requested, could be scheduled so that the Part 7 – standby hearing followed immediately after the Part 5 – existing hearing.

A Part 7 Standby permit revision would need to address each of the requirements listed in 19.10.7.701.B and C NMAC. The standby permit application would also entail a \$5,000 permit application fee, in addition to the permit fee for the Part 5 permit application.

Please feel free to contact me at (505) 476-3416 or david.clark@state.nm.us as necessary.

Sincerely,


David L. Clark
Coal Program Manager