

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



By Electronic Transmission

Jeffrey Lewellin
Mining Environmental Compliance Section Team Leader
Groundwater Quality Bureau
New Mexico Environment Department
P.O.Box 5469
Santa Fe, NM 87502-5469

February 4, 2016

Re: Request for comments, Regular Existing Mine Permit Application, Southwest Resources, Inc.,
Section 11/12 Mine, Permit Application No. MK046RE

Dear Mr. Lewellin:

Per your request, this correspondence formalizes the New Mexico Mining and Minerals Division's (MMD's) recent electronic transmission of text and attachments to your agency regarding New Mexico Mining Act Part 5 - Existing Mining Permit Application MK046RE, as discussed below, which was submitted on Tuesday, February 02, 2016, 2:17 PM. You verbally acknowledged receipt of the e-mail, posed additional questions and requested this letter on Wednesday, February 3, 2016, 8:09 AM, followed by your e-mail of the same date.

The New Mexico Mining and Minerals Division ("MMD") has received and reviewed the Cover Letter and accompanying Technical Memorandum and two related survey reports from Permits West, Inc. ("PWI"), environmental contractor for the applicant, Southwest Resources, Inc. ("SRI"), dated December 31, 2015. The documents are in support of ongoing permitting of the inactive Section 12 uranium mine at Ambrosia Lake in McKinley County, New Mexico. The document was electronically transmitted to you via the above-referenced e-mail and is not attached herein.

NMED-MECS has previously reviewed and commented on other materials relating to this application, per correspondence dated May 8, 2014 and September 15, 2015, providing MMD and the permit applicant with technical comments and recommendations for advancing the project's environmental compliance status.

PWI communicated to MMD that this new material supplements the project's original application, and it responds to questions, comments and suggestions from NMED-MECS's prior response. SRI requested it be forwarded for your agency's continuing review after MMD's review. MMD requests your next stage of review and comment be provided to MMD within sixty (60) days following receipt of this letter. The permit application may be viewed on the MMD website at: <http://www.emnrd.state.nm.us/MMD/MARP/MK046RE.html> If you have further questions, please contact me at (505) 476-3491 or by e-mail at: MichaelW.Coleman@state.nm.us

Sincerely,

Michael W. Coleman, LRP, Permit Lead
Cc: Mine File MK046RE

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Alan S. Cuddy
Hydrology Bureau
Office of the State Engineer
P.O. Box 25102
Santa Fe, NM 87504-5102

Re: Request for comments, Regular Existing Mine Permit Application, Southwest Resources, Inc., Section 11/12 Mine, Permit Application No. MK046RE

Dear Mr. Cuddy:

The New Mexico Mining and Minerals Division ("MMD") has received and reviewed the attached Cover Letter and accompanying Technical Memorandum and two related survey reports from Permits West, Inc. ("PWI"), the environmental contractor for the applicant, Southwest Resources, Inc. ("SRI"), dated December 31, 2015. The documents are in support of ongoing permitting of the presently inactive Section 12 uranium mine at Ambrosia Lake in McKinley County, New Mexico.

The NM OSE previously reviewed and commented on materials relating to this application, per e-mail correspondence dated March 17, 2014. OSE provided MMD and the permit applicant with technical comments and recommendations to better address groundwater conditions, water supply, and other issues.

PWI communicated to MMD that this new material supplements the project's original application, and that it will respond to questions, comments and suggestions provided by OSE's prior comments and concerns. SRI requested it be forwarded for your agency's continuing review after MMD's review. MMD requests your next stage of review and comment be provided to MMD within sixty (60) days following receipt of this letter.

As a reminder, the permit application may be viewed on the MMD website at:
<http://www.emnrd.state.nm.us/MMD/MARP/MK046RE.html>

If you have further questions, please contact me at (505) 476-3491 or by e-mail at:
MichaelW.Coleman@state.nm.us

Sincerely,

Michael W. Coleman, LRP, Permit Lead
Cc: Mine File MK046RE