State of New Mexico Energy, Minerals and Natural Resources Department

Michele Lujan Grisham Governor

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Jerry Schoeppner, Director Mining and Minerals Division



May 21, 2020

Mr. Skyler Wildenstein Trustee for Southwest Resources Inc. 4011 Mesa Verde Rd. NE Albuquerque, NM 87110

Pete Domenici Jr. Domenici Law Firm 320 Gold Ave. SW Suite # 1000 Albuquerque, NM 87102

Comments on Draft Final Reclamation Plan, Southwest Resources Inc., Section 12 Mine, McKinley Co., NM, Permit Tracking No. MK046RE, received March 3, 2020

Greetings:

The New Mexico Mining and Minerals Division ("MMD") and the New Mexico Environment Dept ("NMED") has reviewed the Draft Final Reclamation Plan, Southwest Resources Inc., Section 12 Mine, McKinley Co., NM, Permit Tracking No. MK046RE, received March 3, 2020. Below are MMD and NMED comments regarding this submission.

MMD Comments

4.1.3 GPS Mapping

1. Please provide a draft engineering design/terrain model for earthwork 60 days prior to starting earthwork activities.

4.1.4 Shaft Video Survey

- 1. Please include selected photos of mine shaft video in Appendix A.
- 4.1.6 Reference Vegetation Survey and Appendix F.
 - 1. Please provide PLS/SqFt column in Table 3 of Appendix F.
 - 2. How will SRI defer grazing for the 2 growing seasons after planting? Will cattle be restricted from that specific pasture or will the seeded area be fenced off?

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3. MMD prefers the 1st choice of a reference area as opposed to the alternative reference area. The alternative seems to be in a location where cattle grazing has been concentrated near Ambrosia Lake in the past.

4.1.7 Mine Facilities Inventory

1. MMD will require copies of disposal manifests regarding the 12 resin loaded barrels found on site.

4.2 Reclamation

- 1. Has SRI consulted with the BLM regarding work that will be taking place east of the permit boundary on BLM land? This will need to be accomplished prior to work occurring on BLM land.
- 2. As a general note regarding Reclamation, all areas of the mine site that are reclaimed or disturbed (including borrow areas) will be required to meet vegetative standards agreed to by the operator and reflect the requirements found in §19.10.5.507 A. and §19.10.5.508 C, D, and E. Revegetation standards will be outlined as conditions in the Approval Letter.

4.2.2 Building Demolition

1. Confirm that building foundations will be busted/broken up prior to being covered with 2ft of clean loam soil.

4.2.5 Shaft and Vent Closure

- 1. Main Shaft and Vent Shaft Reclamation. Provide detailed plans for vent shaft plugging or cupula installation and reclamation in the Final Reclamation Plan. Please provide details for backfilling the main shaft and design of the plug/cap that will be placed over the main shaft. Address the possibility of bat cupula use on the open vent shaft.
- 2. Include photos of both vent shafts in Appendix A.
- 3. Describe how soil settling over the reclaimed shaft area will be dealt with to maintain positive drainage of the reclaimed shaft area.

4.2.6 Contaminated-Material Excavation

1. The draft engineering design should include detailed information regarding contaminated-material removal from areas designated on *Figure 3: Predicted Concentration of Radium 226*.

4.2.7 Repository Construction

1. Regarding Repository Construction, Borrow areas, and Site Grading. Provide a draft engineering design for review within 60 days of receiving this letter.

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2. Describe how compaction results of 90% dry density will be achieved regarding the radiological waste cover.

3.2.7.2 Repository Cover

- 1. Please provide MMD with the Engineering Design mentioned in the 2nd to last paragraph at least 60 days prior to this work beginning.
- 2. The Reclamation Plan, indicates that the results of the model, listed on Table 2, show that either the clay soil or the loam soil, or a combination of the two soils, can be used to attenuate radon to meet the 20 pCi/m²/s flux limit. Based on this information, SRI will use the soil that satisfies both the radon attenuation function and the growth medium function with the least amount of land disturbance and construction cost, which will likely be 3.0 feet of loam soil or 1.0 foot of clay topped by 2.0 feet of loam. Please provide more detail on which cover combination will be used and how the composite cover will be placed and compacted. MMD is concerned with plant root penetration below the 2 ft. of loamy soils if a densely packed clay layer is utilized below the loam.

4.2.8 Site Grading

- 1. Regarding final site grading. Provide a draft engineering design/grading plan for review within 60 days of receiving this letter.
- 2. Provide a description of how the access road will be reclaimed after the monitoring period is complete.
- 3. Please provide a detailed site drainage map for post-reclamation conditions. This drainage plan should prevent drainage of potential contaminated soils into Ambrosia Lake.

4.2.9 Vegetation

1. Please provide the Draft Final Vegetation Plan

4.2.10 Monitoring

1. Provide MMD with a detailed workplan for post reclamation radiological surveys.

NMED Comments

1. Please respond to and address the comments in NMED's May 6, 2020 Letter from the Mining Environmental Compliance Section and attached letters from the Air Quality Bureau and Surface Water Quality Bureau.

Per the *Director's Order of Abatement on Consent Section 12 Mine, McKinley County, New Mexico*, signed January 14, 2020 ("D.O."), SRI shall align all future submittals with the timelines specified in Sections 30 – 36 of the D.O. The Final Reclamation Plan will be due 60 days after SRI's receipt of these comments.

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Please contact MMD to set up a teleconference within the next three weeks to discuss the comments in this letter. Should you have any questions, comments, or require additional information concerning this letter or any enclosures, please contact me at (505) 467-9589, or via email at: clinton.chisler@state.nm.us.

Sincerely,

Clint Chisler – Permit Lead, MK046RE

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Mining Act Reclamation Program ("MARP")

New Mexico Mining and Minerals Division

Cc: Holland Shepherd, Program Manager, MARP/MMD

Dana David, Assistant General Counsel

Anne Maurer, Mining Act Team Leader, NMED Kurt Vollbrecht, MECS Program Manager, NMED

Mine File (MK046RE)

Attch: NMED Comment Letter, dated May 6, 2020