



560 North Park Avenue, Suite 300
Helena, Montana 59601
tel: 406-441-1400

October 31, 2019

Jennifer Johnson
Permit Lead
Mining Act Reclamation Program ("MARF")
New Mexico Mining and Minerals Division
Wendell Chino Building
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Sent Via E-Mail to JenniferE.Johnson@state.nm.us

Subject: Site Wide Closeout Plan Updated Application, Response to Closure Cost
Comments, Revision Application ~~16-1~~19-1, Permit No. SO001RE, Socorro
Mine and Mill

Dear Ms. Johnson:

On October 8, 2019, CDM Smith (on behalf of the Dicaperl Mineral Corporation (Dicaperl)) responded to the New Mexico Mining and Mineral Division (MMD) August 21, 2019 e-mail comments on the Dicaperl Site Wide Closeout Plan Update Application, Response to Closure Cost Comments, Permit Modification 16-1 Permit No. SO001RE, Socorro Mine and Mill. With this submittal, we are responding to your August 30, 2019 e-mail. Our responses below follow each of the bold requests provided in your August 30, 2019 e-mail.

We look forward to MMD's acceptance of our request and responses, approval of the revised application ~~16-1~~19-1, and release of the bonds associated with Dumps B, C, D, E, and F. Following MMD's review, we welcome the opportunity to discuss our requests and responses.

- 1. Request for FA release for the earthwork portion of dumps B-F. Please include the estimated cost for the earthwork portion (probably the same amount that is being put back into the cost estimate) that will be released.**

Our October 8, 2019 response included the reclamation cost estimates provided in "Closure Plan Revision for Socorro Mine and Mill, Existing Mine Permit, Dicaperl Mineral Corporation, Permit No. SO001RE, Third Edition, October 8, 1998". A summary of these total reclamation costs was previously provided and repeated in Table 1.



Table 1 Closure Costs for Dumps B, C, D, E, and F

Dump Description	Reclamation Cost Estimate	Reclamation Cost Estimate (Earthwork only)
Dump B	\$5,520	\$5,403
Dump C	\$17,798	\$15,570
Dump D	\$2,630	\$1,927
Dump E	\$27,337	\$25,698
Dump F	\$15,700	\$14,412
Total	\$68,985	\$63,010

The October 8, 1998 reclamation costs estimates includes costs for ripping, contouring, scraper, dozer, grader, water truck, seeding, supervision/overhead, and profit. We have added a column in Table 1 to reflect the reclamation cost estimate for earthwork, only by removing the seeding costs. We request the financial assurance (FA) release of \$63,010 for the earthwork portion of Dumps B-F.

2. Request for the permit boundary to change to the property boundary.

Our October 8, 2019 response confirmed Dicaperl's commitment to performing a survey of the plant property boundary by a New Mexico licensed surveyor. The survey will focus on delineating the permit boundaries, with emphasis on the west and southwest boundary. With this submittal, we are requesting that the permit boundary align with the property boundary.

3. Request for the change of the pit walls to 2:1 slopes and indicating the submittal of a slope stability analysis workplan within 30 days of revision application.

Our October 8, 2019 response reiterated Dicaperl's requirement for the mine quarry to maintain a 2H:1V slope configuration. With this submittal, we are requesting confirmation of MMD's acceptance for the 2H:1V slope configuration. We will commit to submitting a slope stability analysis workplan within 30 days of the revision application.

We look forward to working cooperatively to complete the closeout plan. If you have any questions regarding any of the materials contained within or if you have any further questions regarding this submittal, please do not hesitate to contact me at (406) 441-1475.



Jennifer Johnson
October 31, 2019
Page 3

Sincerely,

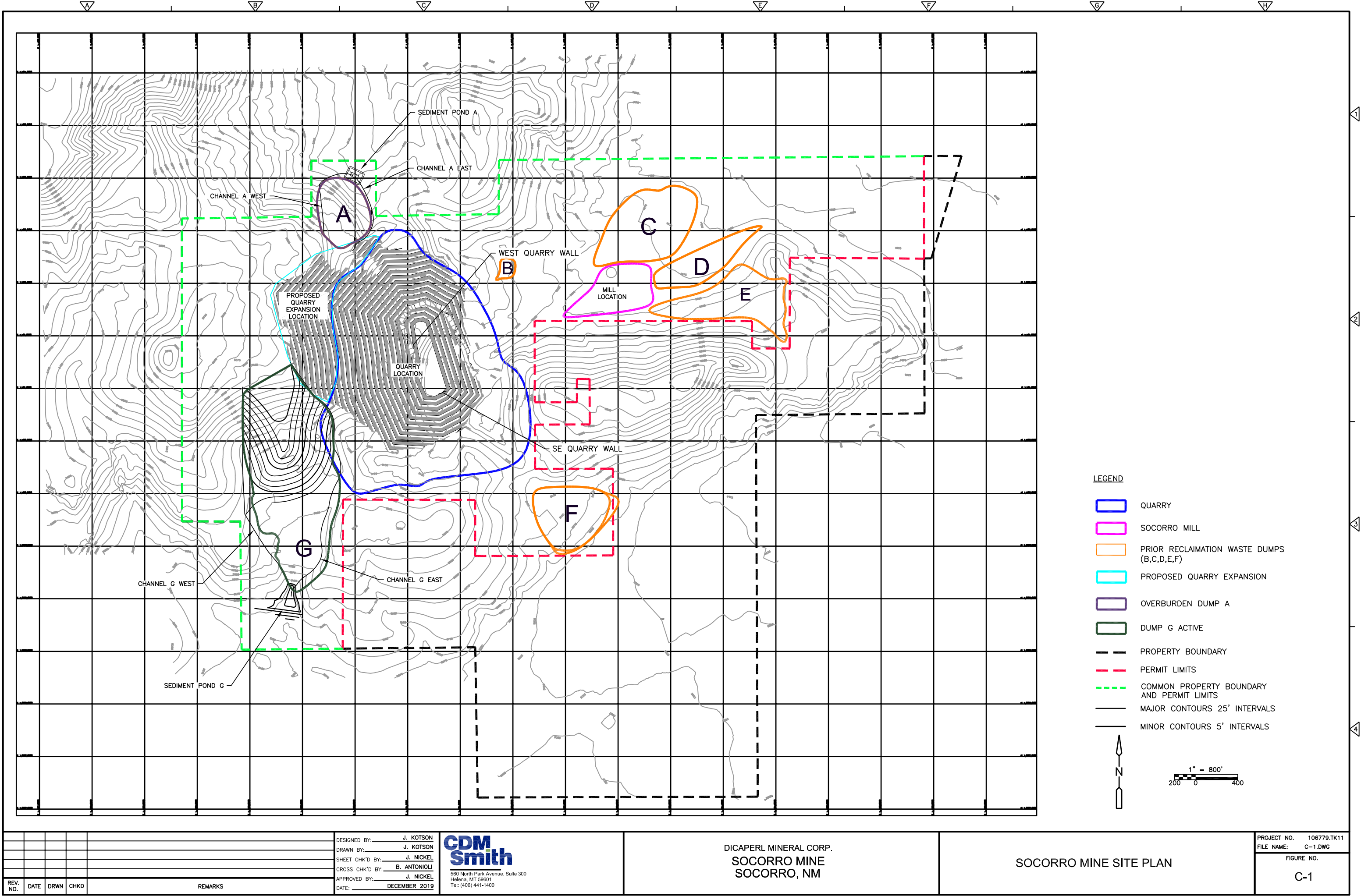
A handwritten signature in black ink, appearing to read "Jon Nickel".

Jon Nickel
CDM Smith, Inc

cc. Rocky Torgrimson
Allen Norris



P:\17413\106779\04 Design Services NM_Permit\12 Permitting\Socorro Mine\September 2019 Response\DWG\C1.DWG
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REV. NO.	DATE	DRWN	CHKD	REMARKS

DESIGNED BY: J. KOTSON
DRAWN BY: J. KOTSON
SHEET CHK'D BY: J. NICKEL
CROSS CHK'D BY: B. ANTONIOLI
APPROVED BY: J. NICKEL
DATE: DECEMBER 2019

CDM Smith
560 North Park Avenue, Suite 300
Helena, MT 59601
Tel: (406) 441-1400

DICAPERL MINERAL CORP.
SOCORRO MINE
SOCORRO, NM

SOCORRO MINE SITE PLAN

PROJECT NO. 106779.TK11
FILE NAME: C-1.DWG
FIGURE NO.
C-1

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Mining and Minerals Division
1220 St. Francis St.
Santa Fe, New Mexico 87505
Telephone: (505) 827-3400

MINING INSPECTION REPORT

Name of Operator:	Dicaperl Minerals Corporation
Name of Mine:	Socorro Mine
Address:	PO Box 1436 Socorro, NM 87801
Permit Number:	SO001RE
Commodity:	Perlite <input checked="" type="checkbox"/> Surface <input type="checkbox"/> Underground
Date of Inspection:	July 12, 2019
Time of On-Site Inspection:	~10:30 am – 2:00 pm
Weather Conditions:	Sunny, approx. 96°F
Purpose of Inspection:	Annual Inspection
Lead Inspector:	Jenn Johnson
Present During Inspection:	Dicaperl: Allen Norris (mine manager), David Ennis, Carmen Rose (MMD)
Enforcement Action Taken:	None
Notice of Violation: #	_____ Yes: ___ No: <input checked="" type="checkbox"/>
Cessation Order:	_____ Yes: ___ No: <input checked="" type="checkbox"/>
Time: On-Site:	<u>3.5</u> Permit Review: <u>2.0</u> Travel: <u>4.5</u> Report Writing: <u>2</u>
Total Inspection Time:	<u>12</u> Hours
Note:	The mine is active. Bring PPE and make prior arrangements with the mine manager before visiting the site.

INSPECTION REPORT

Regular Inspection

Socorro Mine

July 12, 2019

PERMIT UPDATE:

Modification 16-1 is still pending. Other issues about the closeout plan remain and were not addressed during this site visit.

INSPECTION NARRATIVE:

MMD met Allen Norris at the mine office where we received a history of perlite and the mine. Dumps B-F have been regraded and seeded since they will no longer be used for mining operations. The mine could apply for a partial FA release for the earthwork done on Dumps B-F. There is erosion on Dump E which is being monitored and BMPs have been implemented. It appears that vegetation is struggling to take hold on some of the dumps and interseeding has taken place. Vegetation success, erosion features, and the plan for managing salt cedars were discussed at the dumps. Salt cedars were observed on Dumps C and F. The operator mentioned they would try and spray the salt cedars this fall.

Dump B and both reference areas were not seen on this visit but will be during the next inspection.

The mill, bone yard, and pit were also seen during the site visit. As we were walking around the outside of the mill, Allen explained the milling process. While the mill is on native ground, there was a significant amount of perlite fines which will need to be removed upon final reclamation. There was some metal waste and parts in the bone yard which is across from the mill. Once in the pit the slopes were discussed. It was mentioned that how the slopes are being mined are not how they will be left at reclamation. Dump B and both reference areas were not seen on this visit but will be during the next inspection.

Back at the office MMD told Allen Norris that we plan on having a meeting with them and CDM Smith regarding questions for the closeout plan and cost estimate.

ACTION ITEMS:

MMD plans on having a meeting with Dicaperl and CDM Smith regarding modification 16-1 instead of submitting questions in writing to help expedite the approval process. The meeting is planned to take place in August.

PHOTOS:



Figure 1: Dump E benches with straw waddles - South



Figure 2: Dump E erosion feature - West



Figure 3: Dump D - NE



Figure 4: Lowland reference area from Dump C - East



Figure 5: Dump C - SE



Figure 6: Dump F - SE



Figure 7: Dump G - North



Figure 8: Quarry - NW



Figure 9: Highwall erosion - South



Figure 80: Dump A - NE

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED: N/A

INSPECTOR'S SIGNATURE: Jennifer Johnson **DATE:** July 31, 2019