

RECEIVED

FOR MMD USE ONLY:

JUL 15 2024

REV. DATE: 5/18/09

PROJECT NAME: MINING & MINERALS DIVISION

PERMIT #: _____

DATE RECEIVED: _____

DATE APPROVED: _____

LEAD INSPECTOR: _____

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Director

**Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400**

**SUBPART 3
MINIMAL IMPACT NEW MINING OPERATIONS
PERMIT APPLICATION**

The following information is required under the New Mexico Mining Act (Sections 69-36-1 through 69-36-20, NMSA 1978) and associated rules. The Mining and Minerals Division of the Energy, Minerals and Natural Resources Department is the administrative agency through which this application is to be processed. See §304, Minimal Impact New Mining Operations, of the New Mexico Mining Act Rules for all regulations associated with Minimal Impact Mining operations.

Permit Application Requirements: (§304.A-C and §601)

- A minimal impact new mining operation will not be considered a minimal impact mining operation if it exceeds **10 acres of disturbed land**, except that pre-existing roads and reclaimed areas within the permit area will not be counted. Reclaimed, for this purpose means all financial assurance has been released, except the amount held to reestablish vegetation pursuant to §1204.
- Permit applications shall be submitted in ample time to have the permit issued before mining operations begin, and operations shall not begin until after the permit is issued.
- Six copies of the completed application need to be submitted.
- Confidential information needs to be **clearly** indicated and submitted separately.

- Check the "YES" or "NO" box for each of the following characteristics as related to the proposed minimal impact mining operation:

YES **NO**

- X Located in or having a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers, reservoirs or riparian areas.
- X Located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in an adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, section 75-6-1 NMSA 1978.
- X Located in an area designated as Federal Wilderness Area, Wilderness Study Area, Area of Critical Environmental Concern, or an area within the National Wild and Scenic River System.
- X Located in a known cemetery or other burial ground.
- X Located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties.
- X Having or expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10,000 mg/L, except exploratory drilling intersecting ground water may be performed as a minimal impact operation.
- X Expected to use or using cyanide, mercury amalgam, heap leaching or dump leaching in its operations.
- X Expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area.

Requiring a variance from any part of these Rules as part of the permit application.

IMPORTANT NOTES!

- If you have checked "YES" to any of the above boxes, the mining operation does not qualify as a minimal impact mining operation. Do not continue to fill out the remainder of this form.
- If you do meet the above requirements and have checked "NO" to all of the above boxes, continue filling out this application.
- Obtaining a Mining Act permit does not necessarily satisfy the obligation to obtain permits required by other governmental entities.
- PLEASE FILL IN ALL APPLICABLE INFORMATION AS COMPLETELY AS POSSIBLE.
- PLEASE PRINT OR TYPE ALL INFORMATION.

1. OPERATOR INFORMATION (§304.D.1)

LIST PROJECT NAME: Laughlin Peak Mine

NAME OF APPLICANT: Uinta Basin Sand LLC
(Soon to be Natural Pozzolan Resources LLC)

ADDRESS: 6602 Ilex Circle, Naples, FL 34019
(Soon to be 1308 Lake Street, fort worth, TX 76102)

PHONE#: 239 825-2332 (Soon to be 817-231-8738)

NAME OF OWNER (if different from applicant's name and address):

ADDRESS: Same

PHONE#: Same

NAME OF ON-SITE CONTACT OR OPERATOR'S REPRESENTATIVE:

Gregory L. Hunt

ADDRESS: 16577 Columbine Lane, Cedaredge, CO 81413

PHONE#: 979 260-0448

2. RIGHT TO ENTER INFORMATION (§304.D.1)

- A. Describe or provide evidence for the basis of the applicant's right to enter the property to conduct the mining and reclamation:

NM SLO (State Land Office) is owner of record of both the surface and mineral estate of the leased property and has issued Mineral Lease HA-340-0 which provides access to the surface and mineral estate.

EXHIBIT-A (Approval Letter for Rule-5 Mineral Lease HA-340-0) is evidence of applicant's right to enter the property to conduct mining and reclamation.

- B. List the names and addresses of surface and mineral ownership within the proposed permit area:

1. **Surface Owner(s):**

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
NM SLO (State of New Mexico, commissioner of Public Lands)	310 Old Santa Fe Trail, P.O. Box 1148 Santa Fe, NM 87504	505-827-5760

2. **Mineral Owner(s):**

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
SAME	SAME	SAME

- C. List the author(s), title(s), date(s) and report number(s) of any cultural resource survey report(s) submitted to the agency(ies) or landowner(s) listed above:

Ron Winters (Principle Investigator/Responsible Archaeologist) Conducted the following seven (7) Surveys:

1. Bulk Sampling (five acre)
 - a. An Archaeological Inventory of Approximately Five Acres for a Proposed State Mineral Lease NM SLO (CC NM) in Colfax County, New Mexico
 - b. April 16, 2023
 - c. NMCRIS No. 153266
2. Drilling & Access Routes
 - a. An Archaeological Inventory of 43.06 Acres, for a Proposed NM State Mineral Lease (CC NM) 21 Drill Site Locations, in Colfax County, New Mexico
 - b. June 27, 2023
 - c. NMCRIS No. 153266
3. Haul Road
 - a. An Archaeological Inventory of Approximately 72.60 Acres for a Proposed Haul Road Within Mineral Lease SLO-HA-340-0, in Colfax County, New Mexico
 - b. January 12, 2024
 - c. NMCRIS No. 154666
4. Face-Ups
 - a. An Archaeological Inventory of 10.96 Acres, for Proposed Face-Up Operations at Two Locations Within Mineral Lease SLO-HA340-0, Colfax County, New Mexico
 - b. February 20, 2024
 - c. NMCRIS Number 154902
5. Haul Road
 - a. An Archaeological Inventory of Approximately 72.60 Acres for a Proposed Haul Road Within Mineral Lease SLO-HA-340-0, in Colfax County, New Mexico
 - b. January 12, 2024
 - c. NMCRIS No. 154666
6. Haul Road on ROW (Support for the Lease)
 - a. An Archaeological Inventory of Approximately 12.12 Acres for a Proposed ROW Road to Access Mineral Lease SLO-HA-340-0
 - b. February 2, 2024
 - c. NMCRIS Number 154749
7. Entire 1,000 acre Mineral Lease_SLO-HA-340-0 (Class-III, pedestrian survey of 100% of Lease)
 - a. Field Work Completed, Final Report Due 20 July 2024.

3. MAPS (§304.D.2)

A. Provide a legal description of the site [Township(s), Range(s) and Section(s)]:

EXHIBIT-A Rule-5 Mineral Lease: HA-340-0 Approval Letter

B. Provide a topographic map(s) of at least 1 inch = 2,000 feet (or appropriate for the

size of disturbance) showing the areas of land to be disturbed by the proposed mining and reclamation. Identify general area shown on the map(s) by Township, Range and Section(s). If the area to be mined contains the following features, show them on the map(s):

EXHIBIT-B Topographic Map with the following features

1. **Boundary of the proposed permit area** with the existing and proposed area of disturbance
 - Mining Pits=Black Outline on Map (proposed disturbance)
 - Haul Road=Orangish-Red Lines on Map (proposed disturbance, now completed)
2. Previously disturbed areas (existing)
 - Limited to undeveloped roads (shown on map, dirt stock tank water structures (not show on map)
3. Perennial, intermittent and ephemeral streams; springs; wetlands; riparian areas; lakes and reservoirs
 - Ephemeral Streams, one dirt stock tank (shown on map) one shallow well with windmill, no other water features within Lease Boundary
4. Proposed and existing roads and other access routes
 - Haul Road is new disturbance (constructed May 2024)
5. Residences
 - No Residences within Lease Boundary
6. Support facilities
 - Mobil office planned, location to vary with time
7. Cemeteries, burial grounds; cultural resources listed or eligible for listing on either the National Register of Historic Places or the State Register of Cultural Properties
 - Refer to Cultural Resources Surveys
8. Pipelines
 - No Pipelines on Lease Boundary
9. Oil, gas, water and monitoring wells on and within two miles of the permit area
 - No know gas wells, or monitoring wells within two miles of Lease Boundary
10. Identify the location of shafts, adits, trenches, ponds, pits, quarries, stockpiles, waste dumps, etc.
 - No know existing shafts, adits, trenches, ponds, pits, quarries, or stockpiles or waste dumps within Lease Boundary.
 - Proposed pits & roads are shown on map and described above.

4. ENVIRONMENTAL PERMITS HELD FOR OTHER OPERATIONS (§304.D.3)

Provide a list of other environmental permits held for other mining operations within the United States and any violations issued for non-compliance with those permits.

NAMES OR TYPES OF ENVIRONMENTAL PERMITS:

Uintah Basin Sand LLC holds NO other mining permits anywhere. Likewise, Natural Pozzolan Resources LLC holds NO other mining permits anywhere.

LIST PERMIT VIOLATIONS: NUMBER, TYPE AND ISSUING AGENCY:

N/A

5. MINING DESCRIPTION (§304.D.4)

A. Type of mineral or minerals to be mined:

Volcanic Tephra and Pumice

B. Check the method of proposed mining: X Surface or Underground

C. Describe the sizes and volumes of the facilities to be used:

One, approximately 40 foot, Mobil office with XRD laboratory to be positioned near active mine pit

Plant Site/Staging Area:

How Many None Acreage

Pits or Quarries:

How Many: 1 or 2 Quarries at one time, moving with reclamation.

Acreage: 10 acres at one time W/ concurrent Reclamation.

Volume: (cu.yds.) up to 400,000

Stockpiles: Temporary Stockpiles of "Topsoil" only. No Stockpiles of "Salable Material"

How Many: 1-2 temporary at a time Acreage: ~0.5 Volume (cu.yds.): 25,000 avg.

Waste Dumps: Temporary Stockpiles of "Overburden" How Many: 1-2 at a time

Acreage: 1.5 - 3 Volume (cu.yds.): 75,000 typical

List the following for **New Haul Road(s)**:

Length (ft.) 13,098 Width (ft.) 25

Length (ft.) 2,494 Width (ft.) 25

Length (ft.) 8,732 Width (ft.) 10

List the following for extension or widening of **Existing Road(s)**:

The "New Haul Road" is an extension and a replacement of some segments of historic undeveloped roads along several stretch. This haul road existed at the time of this application; grading, culverts, cattle guards and gates were completed in May 2024. The road will receive a top coat of gravel in the near future.

Other Disturbances: Type: N/A

How Many N/A Acreage _____ Volume (cu.yds.) _____

TOTAL ACREAGE TO BE DISTURBED:

Haul Road (72.6 acres) + Open Pit Mining (10 acres unreclaimed at one time).

D. Describe the type of processing that will be conducted on site:

Screening with Grizzly & Shaker Screen if needed.

E. Describe the typical equipment to be used for the mining operations:

Dozer, Excavator, Loader, Haul Trucks capable of over the road travel

6. CHEMICAL USE (§304.D.4)

A. List all chemicals proposed to be used by the mining operation.

<u>Name:</u>	<u>Use:</u>
Diesel Fuel _____	Fuel for Equipment _____
Anti-Freeze _____	For Radiators of Mining Equipment _____
Motor Oil & other Lubricants _____	For Equipment Engines & Gears etc. _____
Magnesium Chloride _____	May be used for dust control on haul roads _____
No Chemicals used for processing _____	_____

7. GROUND WATER INFORMATION (§304.D.5)

A. Provide an estimate of depth to ground water and the total dissolved solids (T.D.S.) concentration.

Depth to ground water (ft.) ~ 100 T.D.S. concentration 1,450 mg/L

B. Describe the source of groundwater information:

Depth to groundwater estimate from personal communication with local rancher.

TDS concentration estimated by extrapolating from a nearby well, located approximately 2 miles east in Section 14, T28N, R26E. Data from 1946 analysis in Groundwater Report 1 – Geology and Ground-Water Resources of the Eastern Part of Colfax, County, New Mexico, Roy L. Griggs, 1948. Electronic Page 174. Geology and ground-water resources of the eastern part of Colfax County, New Mexico (nmt.edu)

Operator recognizes the need for water used as dust control. The best option is to drill a new GW (groundwater) well, and equip it with a solar powered pump and float valve system. The grazing lessee has expressed need for additional water sources to supply livestock and has suggested a location for a groundwater well that could be used for both dust suppression and stock watering (EXHIBIT-B).

Review of the OSE (Office of State Engineer) Website Ground Water Map shows the State Lease area falls within the Canadian River Groundwater Basin. Discussion with Greg Quartieri (OSE, 4-19-22) indicated the Canadian River Ground Water Basin is not over appropriated and is open for applications to appropriate ground water.

A groundwater well permit will be procured, in the name of the SLO, and a well will be drilled and completed to serve the need for both dust suppression with excess capacity being used for stock water.

C. Describe any dewatering activities to be conducted during mining operations:

No Dewatering Activities are Planned or Anticipated

8. PERFORMANCE STANDARDS (§304.D.7)

A. Provide a general description of how the mining and reclamation will be designed and operated using the most appropriate technology and best management practices:

The volcanic material is found in two, sub-horizontal, layered deposits, each 20 to 30 feet in thickness, both extending from the Laughlin Peak Volcano (Laughlin Peak) northward as part of the skirt shaped foothills of the Peak. The deposits are sub-horizontal, dipping 1-2 degrees northward, and as a result of erosion since emplacement, form a set of north facing

“finger ridges.” That is, the overall deposit has the general shape of a hand with the palm nearest the peak and the fingers, spread out, pointing northward. Erosion has cut drainages that are like the space between fingers. That same erosion exposes the two layers on the north facing ends of the ridges and overburden material becomes thicker southward toward the peak.

Mining will start on the south western part of the lease where material will be mined from outcrop by removing the thin veneer of topsoil, stacking the topsoil, in temporary piles between the ridges, and protecting it from erosion and other disturbances. Mining will proceed southward, toward the peak, requiring increase thickness of overburden to be removed (following removal of topsoil) and stacked on the opposite side of the ridge from the topsoil. As mining advances, the overburden will be replaced onto the finger ridge behind the current active mine, then covered with the protected topsoil and reseeded. The reclaimed areas will be fenced in approximately 10 acre increments. This “concurrent reclamation” will proceed maintaining a maximum of a 10 acre pit exposed at any one time.

- B. Provide a general description of how the mining and reclamation will be designed and operated to assure protection of human health and safety, the environment, wildlife, and domestic animals:

The volcanic material is loosely consolidated thus eliminating the requirement to drill and blast. Therefore explosives will not be used, eliminating one potential hazard from humans and animals.

The deposits are sub-horizontal and will be mined in benches. That is, topsoil and overburden volcanic material, will be placed in temporary stockpiles and as the salable material is mined, the advancing highwall will be maintained at no greater slope than the angle of repose, assumed to be approximately 60 degrees from horizontal. Maintaining the high wall at or flatter than the angle of repose reduces the potential for highwall failure that might endanger humans and or animals.

- C. Provide a general description of how the mining and reclamation will be designed and operated to safeguard the public from unauthorized entry into shafts, audits and tunnels and to prevent falls from highwalls or pit edges:

Signage will be placed to deter unauthorized access to the property. The haul road entry (intersection with HW 193) has a locked gate at the cattle guard that will be locked when mine personnel are absent.

- D. Provide a general description of how the mining and reclamation will be designed and operated so the disturbed area will not contribute suspended solids above background levels, or where applicable the Water Quality Control Commission's standards, to intermittent and perennial streams:

As described above (A.), due to the present geometry of N-S finger ridges separated by long narrow valleys (technically, “consequent ephemeral drainages”), there are long narrow strips of material to be mined separated by valleys of approximately equal areal extent. The actual present day drainage occupies the very bottom of each valley leaving the majority of the valley floor out of the path of ephemeral flow from headwaters of each drainage. The vegetation in the topsoil in the majority of the valley floor provides a natural mitigation to sediment loaded runoff reaching the active ephemeral drainage and becoming part of the sediment load moving downstream.

This geometry also provides an opportunity to place topsoil and overburden in temporary stockpiles in the valley floor away from both, mining of the salable material, and from the water flowing down the ephemeral drainage. Therefore, the source of water capable of reaching the stockpiles to cause erosion comes from direct precipitation onto the stockpile and from the overland flow from the side of the finger ridge above the stockpile. Therefore, the vulnerability of the stockpiles to being eroded and to contribute to the overall storm water sediment load is limited by the small “catchment footprint” and naturally mitigated by the vegetation in the topsoil separating the stockpiles from the bottom of the valley where the ephemeral drainage is active during a precipitation event.

To further protect sediment from reaching the active ephemeral drainage, a berm will be constructed around the perimeter of the finger ridge, immediately down slope from mining, to intercept, “catch” or slow down sediment running off of the area being mined. A berm will also be constructed the stockpiles to prevent overland flow from eroding the stockpiles and moving stockpiled material into the overland flow.

- E. Provide a general description of how the mining and reclamation will be designed and operated to control erosion:

As described above (D.) berms will be constructed below active mining and around stockpiles to prevent, or slow down, erosion from the disturbed ground from moving down the ephemeral drainages. Should experience demonstrate that these measures alone are inadequate to control erosion during the largest precipitation events, additional storm water drainage structures will be constructed. Specifically, storm water catchment/settlement ponds with, overflow/decant structures, will be constructed on the active ephemeral drainages themselves immediately downstream from the northern extent of mining. These structures should mitigate any erosional material that made it past the berms and was not mitigated by the vegetation in the valley floors.

9. RECLAMATION PLAN (§304.D.8)

The operation will be operated and reclaimed to a self-sustaining ecosystem appropriate for the life zone of the surrounding areas following closure unless conflicting with the approved post-mining land use.

- A. List adjacent land use other than mining (i.e. grazing):

Grazing by stock and wildlife is the only adjacent land use.

B. List the proposed post mining land use (i.e. wildlife):

Grazing by stock and wildlife

C. Describe how reclamation activities will avoid adverse impact to cultural resources:

A very substantial effort has been expended in surveying the cultural resources of the entire lease (7 studies) which have identified a very few locations that will be absolutely avoided by mining and other ground disturbing activities.

D. Describe any backfilling and grading operations to be performed after mining:

Concurrent reclamation will consist of returning the stored overburden (waste rock) to each ridge from whence it came, grading it to the approximate original contours, then spreading the topsoil on the graded overburden.

E. Describe what mitigation steps will be taken to reconstruct or protect the hydrologic balance of the site after mining:

Mining operations will not substantially, if at all, change the consequent ephemeral drainages. Mining will occur between the drainages and when mining is completed the drainages will remain intact and function as they always have.

F. Describe how topsoil or topdressing will be salvaged, stockpiled and distributed for the re-establishment of vegetation:

Please refer to A. Above.

G. Describe what kind of seed bed preparation will take place prior to seeding. What soil amendments will be added? Scarification of the seed bed needs to take place. Will this involve discing or ripping?

Seed bed preparation will consist of moving the topsoil from the protected temporary storage pile and spreading it evenly on top of the graded and contoured over-burden, or under-burden, of the mined area. This activity will leave the topsoil loose and ungraded, well prepared to be reseeded.

H. Describe in detail the plant species to be used in the re-establishment of vegetation:

Species	Scientific Name	% of Mixture	Drill Rate lbs. PLS/acre
Grasses			
Blue Grama	<i>Bouteloua gracilis</i>	25	1.25
Little Bluestem	<i>Schizachyrium scoparium</i>	20	3.0
Sideoats Grama	<i>Bouteloua curtipendula</i>	15	4.5
Sand Dropseed	<i>Sporobolus cryptandrus</i>	20	1.0
Forbs/ Shrubs			
Feather Dalea	<i>Dalea formosa</i>	10	3.0
Fourwing Saltbush	<i>Atriplex canescens</i>	10	6.0

I. Will the seeds be broadcast or drilled into the seed bed?

Seed will be drilled, except in areas where drilling is not possible, where seed will be broadcast at double the drill application rate.

J. Describe the type of mulch material to be applied after seeding and its application rate:

Weed Free Straw will be the primary mulch agent, augmented by salvaged brush and other vegetative mater stored with the topsoil.

K. What structures will be on the site and how will they be removed or reclaimed? (Buildings, portals, audits, shafts, bore holes, ponds, etc.):

Permanent structures are not anticipated at this time. Should a need for permanent structures arise, those structures will be removed and their site location will be reclaimed.

L. What roads are part of the mine site and how will they be reclaimed? Please provide an estimate of road square footage and explain if reclamation will involve ripping, scarification, backfilling, recontouring, and retopsoiling, etc.:

The main haul road will remain in place as a permanent improvement to the SLO property. This road will be used by the grazing lessee. The only roads to be reclaimed are the portion of the "connecting pit roads" that are constructed outside of the planned mining footprint. That is, short segments of road extending from the permanent haul road to the mining pit. The square footage of the "connecting pit roads" is very tentative at this time, due to want of successful experience bringing haul trucks onto the mine pad which will almost eliminate, at least greatly reduce, the need for the additional disturbance of connecting pit roads between the existing haul road and the active pit.

There is a possibility that, over the life of the mine, approximately 20 to 30 acres of disturbance may occur by extending connecting pit roads from the existing haul road to the active mine. However, these connecting pit roads will be included in concurrent reclamation as mining moves from one finger ridge to the next.

- M. What will be the time frame for reclamation, (e.g. time of year, during mining, after mining, etc.)?

As described above, reclamation will proceed concurrently with mining with the last 10 acre parcel reclaimed as soon as is practical upon final closure of the mine.

Proposed reclamation dates: Begin: 4/15 /2025 End: ?

10. OTHER REQUIRED PERMITS FOR THIS OPERATION (§304.D.9)

- A. Provide a list of other permits required for the operation and the anticipated schedule for receipt of these.

<u>Permit Name & Issuing Agency</u>	<u>Date or anticipated date of receipt</u>
Rule 5 Mining Lease – No. HA-320-0	Approved 21 June 2023

11. FINANCIAL ASSURANCE AND PERMIT FEES (§304.E & F)

- A. Provide a financial assurance estimate based on the cost of reclaiming the site by a third party. Include supporting calculations. Operations with less than 2 acres total disturbance are not required to provide financial assurance.

As described above, reclamation will proceed concurrently with mining with the last 10 acre parcel reclaimed as soon as is practical upon final closure of the mine. The final piece of the last connecting pit road will be included in the last 10 acre parcel reclaimed.

The rule of thumb surety coverage formula used by SLO is \$2,500/acre; applied to the last 10 acres equals \$25,000.

Two surety bonds are currently in place, posted with the SLO as part of Mineral Lease HA-340-0, are included here for reference:

EXHIBIT-C is a \$25,000 "performance bond"

EXHIBIT-D is a \$500,000 "surface damage and reclamation bond"

- B. Attach the permit fees as determined pursuant to Subpart 2. The permit application fee for a minimal impact new mine is \$1,000.00.

Attached please find a check in the amount of \$1,000 to satisfy the permit application fee.

12. CERTIFICATION REQUIREMENT (§304.J.5)

Each application shall be signed and notarized by an applicant for the operation with the following certification made:

I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individuals responsible for obtaining the information, I believe the submitted information is true, accurate, and complete. I agree to comply with the requirements of the permit, these Rules, and the Act. Further, I hereby allow the Director to enter the permit area for the purpose of conducting inspections until release of financial assurance.

Signature of Applicant:

BV: ZC Clark

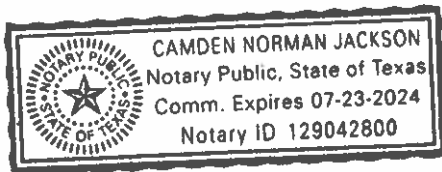
Name Zachary Clark:

Title/Position: CFO

Date:

Signature of Notary:

[Handwritten Signature]



┌ Notary Seal ─┐



Stephanie Garcia
Richard
COMMISSIONER

State of New Mexico
Commissioner of Public
Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S
OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 21, 2023

Uinta Basin Sand LLC
6602 Ilex Circle
Naples, FL 34109

Re: Rule 5 - Mineral Lease No. HA-340-0 Approval Letter

Dear Uinta Basin Sand LLC:

Enclosed are approved copies of the above captioned lease and the approved Reclamation Plan for your records. Please note that the Reclamation Plan dated 6-9-2023 and the Mining Operations Plan approved 3-22-2023, are fully incorporated into this lease. This lease is issued for **5 YEARS** for the mining and processing of **Volcanic Deposits** in:

Township	Range	Section	Subdivision	County
28N	26E	16	NE4SW4	Colfax
28N	26E	16	NW4SW4	Colfax
28N	26E	16	SE4SW4	Colfax
28N	26E	16	SW4SW4	Colfax
28N	26E	17	NE4SE4	Colfax
28N	26E	17	NW4SE4	Colfax
28N	26E	17	SE4SE4	Colfax
28N	26E	17	SE4SW4	Colfax
28N	26E	17	SW4SE4	Colfax
28N	26E	17	SW4SW4	Colfax
28N	26E	18	NE4SE4	Colfax
28N	26E	18	NW4SE4	Colfax
28N	26E	18	SE4SE4	Colfax
28N	26E	18	SW4SE4	Colfax


28N	26E	19	NE4NE4	Colfax
28N	26E	19	NE4SE4	Colfax
28N	26E	19	NE4SW4	Colfax
28N	26E	19	NW4NE4	Colfax
28N	26E	19	NW4SE4	Colfax
28N	26E	19	SE4NE4	Colfax
28N	26E	19	SW4NE4	Colfax
28N	26E	20	NE4NE4	Colfax
28N	26E	20	NE4NW4	Colfax
28N	26E	20	NW4NE4	Colfax
28N	26E	20	NW4NW4	Colfax

For your convenience, we are also enclosing a royalty report form to use when reporting production on this lease. Please make copies of the form as necessary. According to your lease contract, these forms are to be filed by the 20th of each month, for the prior month's sales. Reports are to be filed even if there were no sales for that month. Not filing these reports or not submitting royalty payments on time could result in late payment penalties.

Before the start of any mining operation, any mine, mill, smelter, pit, quarry or other operation must be registered with the New Mexico Energy Minerals and Natural Resources Department, Mining and Minerals Division. Please contact Jane Tabor at (505) 476-8249 for a registration and reporting packet containing further state requirements information.

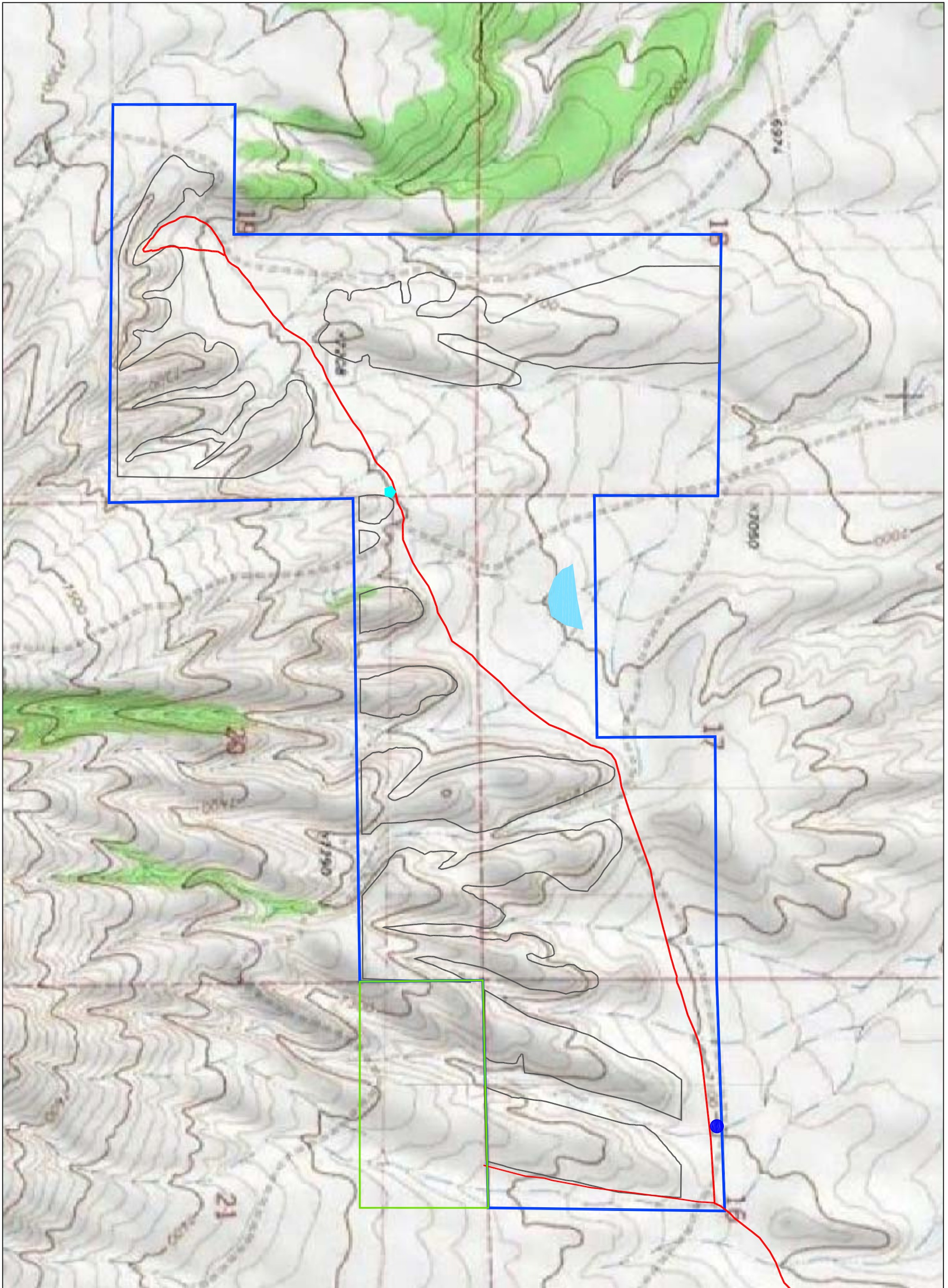
If you have any questions or concerns, please do not hesitate to call Bryan Victor, Minerals Manager, at 505-827-5743.

Sincerely,


Bryan Victor
Minerals Manager
Oil, Gas and Minerals Division

Enclosures

cc: SLO Surface Division, Jane Tabor, EMNRD



USGS Base Map
 MESA LARGA Quadrangle
 7.5 Minute Series
 Coordinate System NAD 83
 UTM NM-E Zone 13 S - Feet

NM SLO HA-340-0 Lease Boundary
 Haul Road (built May 2024)
 Proposed Disturbance Boundaries
 Previous Disturbance Limited to Undeveloped Roads & Dirt Dams, and Haul Road

Private 80 acre Lease Boundary
 Dirt Stock Pond (Water Structure)
 Existing Windmill Water Structure
 Proposed Solar Water Well

Laughlin Peak Mine

Exhibit - B

Topographic Map
 Mine Plan of Operation
 w / Existing & Proposed Disturbance

DRAWN BY: Gregory Hunt

DATE: 7/5/24

Natural Pozzolan Resources LLC

EXHIBIT-C

NEW MEXICO STATE LAND OFFICE – Oil, Gas, and Minerals Division
BOND FOR CONTRACT PERFORMANCE AND SURFACE OR IMPROVEMENT DAMAGE
Surface Improvement Damage Megabond

BOND NO. NCO3843
(For use of Surety Company)

BOND NO. _____
(For use of State Land Office)

KNOW ALL PERSONS BY THESE PRESENTS

Uinta Basin Sand, LLC

Principal, and Merchants National Bonding, Inc., as

organized, existing and doing business under and by virtue of the laws of the State of

Iowa

and authorized to transact a surety business in the State of New Mexico, are

held and firmly bound unto the New Mexico Commissioner of Public Lands in the sum of **Twenty-five Thousand**

Dollars (\$25,000) for the following uses:

1. For the use and benefit of the Commissioner, to secure the performance of said Principal as lessee under one or more state leases or permits for minerals, oil and gas, coal or geothermal resources or as holder under one or more state rights-of-way or easements which Principal has heretofore executed or may hereafter execute with the Commissioner; and

2. For the use and benefit of the Commissioner, state surface lessees, state land contract purchasers, state patentees, and their successors and assigns, to pay for damages to the surface of lands subject to a state lease or permit for minerals, oil and gas, coal or geothermal resources or a state right-of-way or easement held by Principal, or for damages to surface improvements located thereon, suffered by reason of Principal's operations under a state lease or permit for minerals, oil and gas, coal or geothermal resources or under a state right-of-way or easement.

For the payment of said sum, well and truly to be made, Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

The conditions of the foregoing obligations are:

1. If the above bound Principal or its successors or assigns shall well and truly perform and keep all terms, covenants, conditions, and requirements of all state leases for minerals, oil and gas, coal or geothermal resources and of all state rights-of-way and easements heretofore or hereafter executed by the Commissioner and Principal, including the payment of royalties when due and compliance with all established mining plans; and

2. If Principal or its successors or assigns shall in all respects make good and sufficient recompense, satisfaction or payment to the Commissioner of Public Lands for damages to the surface of lands subject to a state lease or permit for minerals, oil and gas, coal or geothermal resources or a state right-of-way or easement held by Principal and for damages to livestock, water, crops, tangible improvements or surface improvements of any kind located thereon suffered by reason of Principal's operations under such state lease, permit, right-of-way or easement heretofore or hereafter executed by the Commissioner and Principal;

THEN, the obligation to pay the sum of Twenty-five Thousand Dollars (\$25,000) shall be null and void.

If, however, Principal shall default or otherwise fail in performance under such state lease, permit, right-of-way or easement, including the failure to pay royalties when due or to comply with established mining plans, or if Principal shall fail or refuse to make good and sufficient recompense, satisfaction or payment to the Commissioner for damages to the surface of the above designated lands or to improvements located thereon, then the obligation to pay said sum shall remain in full force and effect.

The liability of Surety upon this bond shall not expire upon the termination of any state lease or permit or any renewal or extension thereof for minerals, oil and gas, coal or geothermal resources or any state right-of-way or easement or any renewal or extension thereof which Principal or its successors or assigns has heretofore executed or may hereafter execute with the Commissioner, but shall be and remain in full force and effect until released in writing by the Commissioner of Public Lands.

Principal and Surety further agree that in the event an action is brought on this bond and a court of competent jurisdiction determines Principal or Surety is in breach of the agreements contained in this bond, Principal or Surety or both of them shall pay to the Commissioner the costs associated with the recovery of the amounts due hereunder, including reasonable attorneys' fees.

This bond is executed pursuant to the laws of the State of New Mexico, including Sections 19-8-24, 19-9-12, 19-10-26, 19-13-19, and 46-6-1 through -9, NMSA 1978.

The premium for which this bond is written is Five Hundred and 00/100 (\$500.00) Dollars.

In witness whereof we hereunto set our hands this 31st day of July, 2023.

Uinta Basin Sand, LLC
PRINCIPAL

Merchants National Bonding, Inc.
SURETY

P.O BOX 14498, DES MOINES, IA 50306 - 3498

Address

Address

BY

Signature

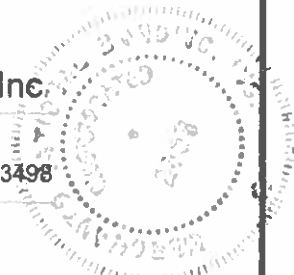
BY

Attorney-in-Fact Amy Coonts, Attorney-in-Fact

Title

(Note: Principal, if corporation, affix Corporate seal here.)

(Note: Corporate surety, affix Corporate seal here.)



ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____, to me known to be the person(s) described in and who executed the same as (his, her, their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My commission expires

Notary Public name

Signature, notary

(Notary Seal)

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 20____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is _____ of _____ and that this instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation. IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My commission expires _____ Notary Public name _____ Signature notary _____ (Notary Seal)

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Colorado)
COUNTY OF Denver) ss.

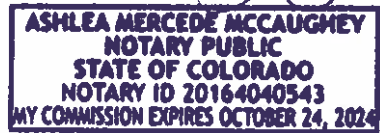
On this 31st day of July, 2023, before me personally appeared Amy Coonts, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of Merchants National Bonding, Inc. and that this instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

10/24/2024 Ashlea Mercedes McCaughey
My commission expires Notary Public name

Ashlea Mercedes McCaughey
Signature, notary (Notary Seal)

Note: Corporate surety, attach power of attorney.



APPROVED this _____ day of _____, 20____.

COMMISSIONER OF PUBLIC LANDS

NOTE: File before development or operations are commenced, with:
Commissioner of Public Lands
New Mexico State Land Office, OGMD
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
or
Commissioner of Public Lands
New Mexico State Land Office, OGMD
310 Old Santa Fe Trail
Santa Fe, NM 87501-2708

MERCHANTS BONDING COMPANY, INC.

POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, d/b/a Merchants National Indemnity Company (in California only) (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Amy Coonts; Ashlea McCaughey; Brandi J Tetley; Danielle Waring; David Dondlinger; Jennifer L Clampert; Lindsey Minutillo; Michael Lischer Jr.
Nicole L McCollam

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 4th day of January, 2023.



MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.
d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY

By

Larry Taylor
President

STATE OF IOWA
COUNTY OF DALLAS ss.

On this 4th day of January, 2023, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



Kim Lee
Notary Public

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 31st day of July, 2023.



William Warner Jr.
Secretary



EXHIBIT-D

NEW MEXICO STATE LAND OFFICE
BOND FOR PERFORMANCE AND SURFACE OR
IMPROVEMENT DAMAGE OF MINERAL LEASE

LAND OFFICE USE ONLY
Lessee: _____
Lease No.: _____
Bond No.: NCO3844

KNOW ALL MEN BY THESE PRESENTS:

That Uinta Basin Sand, LLC _____ as Principal,
and Merchants National Bonding, Inc. _____ a corporation
organized, existing and doing business under and by virtue of the laws of the state of Iowa _____ and
authorized to do business in the State of New Mexico, as Surety:

In OBLIGATION 1: Are held and firmly bound unto the State of New Mexico, for the use and benefit of the Commissioner of Public Lands in the sum of Five Hundred Thousand and 00/100 Dollars (\$ 500,000.00), for the purpose named in WHEREAS 1 and CONDITION 1 below, for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors and assigns, and each and every one of them and us jointly and severally firmly by these presents;

And in OBLIGATION 2: Are held and firmly bound unto the State of New Mexico, for the use and benefits of holders of State purchase contracts or holders of deeds for state lands, with minerals reserved, in the further sum of Five Hundred Thousand and 00/100 Dollars (\$ 500,000.00) for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors and assigns, and each and every one of them and us jointly and severally, firmly by these presents.

Signed with our hands and sealed with our seals, this July 31, 2023

The conditions of the foregoing obligations are such that:

WHEREAS 1, the said principal has entered into a mining lease with the State of New Mexico through its Commissioner of Public Lands, said lease being designated in the Office of the Commissioner of Public Lands as HA-340-0, the original of which is in the files of the State Land Office.

CONDITION 1:

NOW THEREFORE, if the said principal in all respects shall comply with all and singular the terms, provisions and conditions of the said lease;

THEN, THEREFORE, Obligation 1 shall be null and void; otherwise and in default of complete compliance with any and all of said obligations the same shall remain in full force and effect.

WHEREAS 2, all or part of the lands embraced in said lease has been leased for surface purposes or sold, with minerals reserved to the State of New Mexico, to a purchaser who holds either a limited patent from the State of New Mexico or a state purchase contract, entitling the holder of said contract to such limited patent upon complete payment, as shown by the official records of the Commissioner of Public Lands;

CONDITION 2:

AND, FURTHER, if the said principal in all respects shall make good and sufficient recompense, satisfaction and/or payment unto the holder, or his successors in interest of any said surface lease, state purchase contract or any said limited patent for State Lands for all damages to the livestock, water, crops or tangible improvements on such lands as may be suffered by such holder, or his successors in interest, by reason of such mining development, use or occupancy of such lands by the said lessee, or principal, during the entire period of such mining operations, or for such damages as a court of competent jurisdiction may determine and fix in any action brought on this bond.

THEN, THEREFORE, Obligation 2 shall be null and void; otherwise and if default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

The intentions of the parties hereto are in effect the creation of two bonds with the same parties and same date but with different obligations and conditions, in one instrument, for the sake of simplicity and convenience, as much as though such undertaking were actually separate bonds; the fulfillment or release of one obligation does not release the other and two obligations exist only when a sum is named in both obligations. When no sum is named, in Obligation 2, that part of this instrument pertaining to Obligation 2 is to be disregarded.

Uinta Basin Sand, LLC
Principal

By _____
Principal

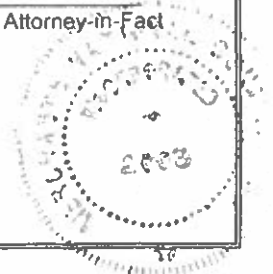
Merchants National Bonding, Inc.

By [Signature]
Surety Amy Coonts, Attorney-in-Fact

COUNTERSIGNED BY:

[Signature]
Resident Agent Chris Downey

Albuquerque, New Mexico



ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY

State of _____

County of _____

This instrument was acknowledged before me on _____ (date) by

_____ (name(s) of person(s))

Signature of Notarial Officer

Printed Name: _____
(Notary)

(Seal)

My commission expires: _____

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of _____

County of _____

This instrument was acknowledged before me on _____ (date) by

_____ (name(s) of person(s))

as _____ (type of authority, e.g., officer, trustee, etc.) of

(name of party on behalf of whom instrument was executed.)

Signature of Notarial Officer

Printed Name: _____
(Notary)

(Seal)

My commission expires: _____

MERCHANTS BONDING COMPANY, INC.

POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, d/b/a Merchants National Indemnity Company (in California only) (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Amy Coonts; Ashlea McCaughey; Brandi J Tetley; Danielle Waring; David Dondlinger; Jennifer L Clampert; Lindsey Minutillo; Michael Lischer Jr;
Nicole L McCollam

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

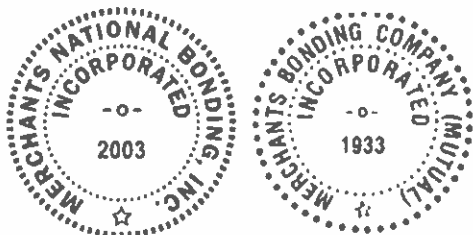
"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

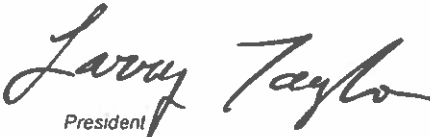
In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 4th day of January, 2023

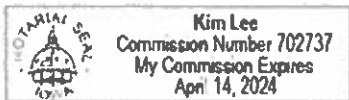


MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.
d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY

By 
President

STATE OF IOWA
COUNTY OF DALLAS ss.

On this 4th day of January, 2023, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seats of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



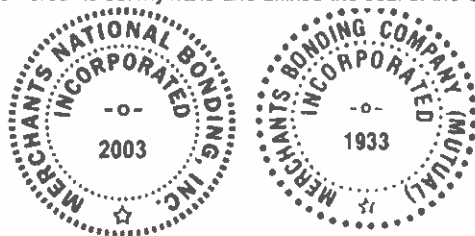

Notary Public

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 31st day of

July 2023




Secretary

