

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
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Melanie A. Kenderdine
Cabinet Secretary-Designate

Benjamin Shelton
Acting Deputy Cabinet Secretary

Albert C.S. Chang, Director
Mining and Minerals Division



Via Electronic Mail

September 19, 2024

Gerald Smith, President
Geo Southwest, LP.
P.O. Box 353
9751 Hwy. 86
Silverton, TX 79257

RE: Approval of Updated Reclamation and Utilization Plan - Permit No. LU009RE Geo Southwest Deming Mill & Tailings, Luna County, NM

Dear Mr. Smith:

The Mining and Minerals Division (MMD) has reviewed your Updated Reclamation and Utilization Plan (Report), dated September 13, 2024. An earlier version of this Report was originally submitted in June 2024, and after meeting by phone with GeoSouthwest to discuss MMD's comments on August 16, 2024, GeoSouthwest revised the work plan. The Report includes a work plan of reclamation activities that will involve removal of some historical tailing deposits north of the Mimbres River, covering historical tailings south of the Mimbres River, regrading and covering tailings on the northern slope of the impoundment managed by Freeport McMoRan, Inc. (FMI), and cleanup activities at the mill. The Report is required pursuant to the MMD permit condition in Section 9.M(1) in Revision 14-1 of MMD Permit No. LU009RE issued in 2023.

MMD approves the Report.

Please note the condition 9.M(2) sets additional deadlines for the start of the work (within 180 days of approval given by this letter) and a completion report with as-builts (within 180 days of the completion of the reclamation activities).

Pursuant to the permit condition 9.A, GeoSouthwest must notify MMD 30 days prior to performing reclamation activities. MMD will likely schedule inspections when construction is underway and after reclamation activities are completed. Note that FMI will likely have established a new fenceline to more clearly define its boundary on the north side of the tailing impoundment.

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Finally, MMD appreciates your updates on the potential for new mine processing activities at the mill. As discussed previously, any changes of ownership, refurbishment of the mill and plans to process minerals with a new tailing discharge from the inactive mill will require additional permitting processes with MMD and possibly the New Mexico Environment Department. Please notify us of future changes of the mill and tailing properties.

If you have any questions concerning this letter, please call 505-490-0726.

Sincerely,



Kevin C. Myers
Hydrologist, Permit Lead MMD No. LU009RE
Mining Act Reclamation Program/MMD

cc (via email):

DJ Ennis, Program Manager, MARP/MMD
Amber Rheubottom, Acting Mining Act Team Leader, NMED
Sean Madden, MECS/NMED Silver City