FREEPORT-McMoRan

Tyrone Operations
P.O. Box 571
Tyrone, NM 88065

August 29, 2024

Via Electronic

Ms. Alaina Osimowicz
Mining and Minerals Division
1220 South St. Francis Dr.
Santa Fe, NM 87505-6110

Dear Ms. Osimowicz:

Re: Permit GR093ER – Part 4 Exploration Permit;
Application Amendment for the Tyrone Peak Project

Freeport-McMoRan Tyrone Inc. (Tyrone) submitted a permit application request for the Tyrone Peak exploration project in a letter dated January 22, 2024. Attached is an amended permit application using the Part 4 Permit Application template from the Mining and Minerals Division's (MMD) website resources. The permit is being amended in response to additional studies, discussions with MMD, and requests or recommendations made during the field inspection that occurred on February 12, 2024.

While the overall scope of the project and planned disturbance remains much the same, Tyrone has amended the application in the following ways:

1. Added surface disturbance contingencies for reclamation, road improvements, unforeseen road or pad adjustments, borrow areas, and re-designs for pads and roads on steep slopes. This brought the proposed permitted disturbance from 4.5 acres to 40 acres.

2. Removed Pads TP23-F and TP23-M from the plan due to confidential reasons communicated to MMD on August 1, 2024. These holes will be drilled from Pad TP23-G instead.

3. Removed Pads N and H from the disturbance calculations based on discussions with MMD during the field inspection. MMD agreed that disturbance FA was not needed for these pads as they exist on pre-disturbed areas and multiuse roadways. No additional disturbance will be created in these areas other than what already exists and will continue to be used for other purposes outside of exploration.

4. Modified the short section of roads to Pads Q and K to require the full 15ft of improvement based on the MMD inspection.

5. Corrected the error on the map in what was marked as "new road" vs "existing road" leading to Pad U from the east side of the project area via ranch roads.

6. Increased the proposed depth of the boreholes to 2,500ft targets which also changed the financial assurance (FA) needed for plugging and abandoning. Tyrone is also now proposing FA for only 4 open boreholes at any one time.

7. Included Pad I information upon request of MMD during the time of the inspection. This pad is located inside the GR010RE permit boundary (Tyrone Mine) and is regulated under that permit. It requires minimal disturbance as it will be overland operations only. It will also be seeded upon completion, but the FA needed for that activity is covered under the Tyrone permit's maintenance allotments.

Thank you for taking the time to review this amended application. If you have any questions, please contact Ms. Raechel Roberts at (575) 956-3290.

Sincerely,

Sherry Burt-Kested
Environmental Services Manager

SBK:rmr
Attachments
20240829-103

ec: Clint Chisler – MMD

FOR MMD USE ONLY:
PROJECT NAME:_____
PERMIT NUMBER: _____
DATE RECEIVED: _____
DATE APPROVED: _____
LEAD INSPECTOR: _____
FORM REVISION DATE: 02/05/08

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
Fax: (505) 476-3402
Webpage: www.emnrd.state.nm.us/MMD/index.htm

SUBPART 4
EXPLORATION
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 Subpart 4 Exploration of the New Mexico Mining Act Rules for all regulations associated with Exploration Operations.

The permittee is requested to use this application. If additional space is needed, all information requested in this form must be submitted in this same format.

Permit Application Requirements: (§401 & §402)

- Six copies of the application must be submitted.
- Confidential information shall be **clearly** identified and submitted separately.
- Exploration commencing after 12/31/1994 shall submit an application not less than 120 days prior to the anticipated date of operations.
- Renewal applications shall be filed at least 30 days preceding expiration of the current permit.

IMPORTANT NOTES!!

! **Obtaining a Mining Act permit does not necessarily satisfy the obligation to obtain other federal, state and local permits.**

! **All proposed disturbance should be flagged or staked in the field prior to the Mining and Mineral Division's (MMD) initial inspection. Failure to properly mark any proposed drill holes or trenches will delay processing of the permit application.**

! **All proposed disturbance, including any new proposed access road centerlines, all four (4) corners of any proposed drill pads, and proposed drill hole location(s) within the drill pad area must be staked in the field.**

! **Any staking of proposed disturbances (access road centerline, drill pad corners, drill hole) should be completed using durable materials such as steel re-bar stakes or T-posts. MMD recommends using rebar stakes of suitable height, and flagging on the rebar at all four (4) corners. Drill holes should be marked by a single T-post driven at the location of proposed drilling.**

! **The application will be deemed incomplete, and likely be denied, without a proper map included. Provide a 1:24,000 USGS quadrangle map with the application. The map should identify locations of drill holes, pads and any new disturbance anticipated.**

! **If possible, please include with this application for submittal, any other operational plans that may have been submitted, as required, to other land management agencies. Plans of Operations (POO) submitted to the USFS and Notices of Intent (NOI) submitted to the BLM are very helpful in processing this application.**

PLEASE FILL IN ALL APPLICABLE INFORMATION AS COMPLETELY AS POSSIBLE. PLEASE PRINT OR TYPE ALL INFORMATION.

1. OPERATOR INFORMATION (§402.D.1)

PROJECT NAME: Tyrone Peak

NAME OF PERMITTEE (or entity obligated under the Mining Act):
Freeport-McMoRan Tyrone Inc.

ADDRESS: P.O. Box 571
Tyrone, NM 88065

PHONE: 575-912-5757

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

ADDRESS:

PHONE:

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

ADDRESS: 1 Tyrone Mine Road
Tyrone, NM 88065

PHONE: 575-956-3290 (cell)

FAX:

EMAIL: rroberts2@fmi.com

2. OPERATION OWNERSHIP INFORMATION (§402.D.2)

A. List all parties that have an ownership or controlling interest in the proposed exploration operation, or submit the most recent 10K form required by the U.S. Securities and Exchange Commission.

Name	Address	Phone #
Freeport McMoRan Tyrone Inc. Land and Water Resource Analyst: Tyson Bays	HWY 90 South Tyrone Mine Road Tyrone, NM 88065	575-313-0913

B. List all mining operations located within the U.S. owned, operated or directly controlled by the applicant, owner or operator.

Name	Address	Phone #
Freeport McMoRan Tyrone Inc. General Manager: Randy Ellison	HWY 90 South Tyrone Mine Road Tyrone, NM 88065	575-519-8152

C. List the names and addresses of regulatory agencies with jurisdiction over the environmental aspects of those operations listed in B above, and that could provide a compliance history for those operations.

Name	Address	Phone #
New Mexico Environment Department	1190 S. St. Francis Drive Santa Fe, NM 87501	505-827-2855
Energy, Minerals and Natural Resources	1220 S. St. Francis Drive Santa Fe, NM 87501	Unlisted
U.S. EPA (Region 6)	1201 Elm Street, Suite 500 Dallas, TX 75270	800-887-6063
U.S. Department of Transportation	1200 New Jersey Ave, SE Washington, DC 20590	202-366-4000
Bureau of Land Management	1849 C St., NW Washington, DC 20240	202-208-3801
New Mexico Office of the State Engineer	130 South Capitol Street Concha Ortiz y Pino Building P.O. Box 25102 Santa Fe, NM 87504-5102	505-827-6091

3. RIGHT TO ENTER INFORMATION (§402.D.3 & 4)

A. Provide copies of mineral leases and/or mineral claim documents upon which the permittee bases the right to enter the property to conduct the exploration and reclamation.

Mineral Claim	Mineral Survey Number
Bay City No. 14	MS1776
Valentine Lode	MS1359
Bay City No. 8	MS1836
Buffalo	MS1515
Ben Hur	MS1515
Bonita	MS1515
Big Four	MS1515
Chief No. 1	MS1701
Chief No. 2	MS1703
June No. 3	MS1705
Brussels	MS1515
Bogata	MS1515
Bank Account	MS1515
Batavia	MS1515
Pueblo	MS1476
Janet	MS1833
Magdalena	MS1476

B. Include GPS coordinates for each claim, or show on a map in relation to the project area, any mineral leases and/or mineral claim boundaries upon which the permittee intends to conduct the exploration and reclamation.

Attachment: Figure 1 – 2024-2025 Tyrone Exploration: Property Ownership

C. List the names and addresses of surface and mineral ownership within the proposed permit area.

Surface Owner(s):

Name	Address	Phone #
Freeport McMoRan Tyrone Mining, LLC	PO Box 571 Tyrone, NM 88065	575-313-0913

Mineral Owner(s):

Name	Address	Phone #
Freeport McMoRan Tyrone Mining, LLC	PO Box 571 Tyrone, NM 88065	575-313-0913

4. MAPS AND LOCATION (§402.D.4 & 5)

A. Provide a legal description of the proposed permit area and each exploration site [i.e., Township(s), Range(s) and Section(s) NM PLSS, as well as GPS coordinates corresponding to each proposed drill hole.]

Proposed Permit Area Legal Description:
Township 19S Range 14W Sections 7, 17, and 18
Township 19S Range 15W Section 12-13

Proposed Drill Hole/Exploration Site GPS Coordinate(s):

1. List drill hole/exploration site name and the GPS Coordinate for each site.
2. Include datum/coordinate system of GPS coordinates (i.e. decimal degrees, UTM Zone 13, UTM Zone 12, NAD 27. NAD 1983, WGS 1984, etc.

Attachment: Table 1 – Tyrone Peak Drilling Program 2024 Drill Hole Information

B. Provide a topographic map(s) of at least 1 inch = 2,000 feet or appropriate scale for the size of disturbance [i.e., a 1:24,000 USGS Quadrangle map]. The map name and at least two edges of the map [i.e., bottom and side edge] clearly showing all areas of land to be disturbed by the proposed exploration and reclamation. If the area to be explored contains the following features, show them on the map(s):

1. **Boundary of the proposed permit area** on a topographic map, and the proposed area of disturbance. This boundary should be labeled.
2. Perennial, intermittent and ephemeral streams, springs, wetlands, riparian areas, lakes and reservoirs.
3. Residences or other occupied dwelling.
4. Proposed and existing roads, and other access routes.
5. Pipelines and support facilities.
6. Cemeteries, burial grounds and cultural resources.
7. Previously disturbed areas.
8. Oil, gas, water wells and monitoring wells within the permit area.
9. Areas and types of proposed disturbances. Include the anticipated dimensions of each proposed disturbance.
10. Identify the location of drill holes, shafts, pits, adits, trenches, ponds, stockpiles, wastes dumps, etc.

Attachment: Figure 2 – 2024-2025 Tyrone Exploration: Proposed Drillholes

C. Provide detailed written driving directions to access the site.

From Silver City, NM, go south on NM Highway 90. Turn right on the Tyrone Mine road and proceed to the front security gate. The exploration site is accessible through the Tyrone Mine underpass and via the Reclaimed No. 1 Stockpile maintenance roads. An additional access road to the north goes through private property and requires an escort.

5. EXPLORATION DESCRIPTION (§402.D.6 & 7)

A. List the proposed exploration dates:

Start Date: 02/01/2025
End Date: 12/01/2025

B. List the mineral or minerals to be explored for:
Copper

C. Check the box beside the proposed method(s) of exploration:

☐ Cuts ☐ Pits ☐ Trenches ☐ Shafts
☐ Tunnels/Adits/Declines
☒ **Air drilling** ☒ **Fluid drilling** ☐ Drilling & Blasting
☐ Other method (describe): _____

D. Information on stockpiles, ponds, drilling mud and water recirculation pits, impoundments and any other structures should be provided:

- No stockpiles, no ponds, no impoundments
- Mud/water circulation pits/sumps; maximum size 10 x 20 x 80 ft deep
- Berms will be constructed adjacent to pads or new roads to limit site access

E. List the following proposed disturbance for each:

Drill pads:

How many? 17	Width (ft): 80	Length (ft): 100

Drill holes:

How many? 36	Depth (ft): 2500 max	Diameter (in): 3.5 (air drilling); 5.5 (fluid drilling)

Note: Three pads are located in existing disturbed areas (active borrow areas and roads) and multiple drillholes occur on the same pads. One pad occurs within the Tyrone Permit boundary, will only be overland travel, and is covered under Tyrone FA. Pads creating new disturbance are 13 in total. See Figure 3 for a typical drill site layout.

Other Disturbances:
36 acres.

Please describe: Other disturbance includes cut and fill disturbances, borrow areas if needed, reclamation/regrading to match original topography, and unforeseen improvements or changes to roads or designs as a disturbance contingency.

F. Describe the equipment to be used for the exploration operations:

4x4 Trucks/Vehicles – 6 total at 10,000 lbs. each

Water truck – 2 total at 46,000 lbs. each (3 axle, 4,000 gallon)

Pipe trucks – 2 total at 35,000 lbs. each (3 axle)

Geophysical truck – 1 total at 9,900 lbs.

Trailers – 2 total at 6,000 lbs. each (2 axle, flatbed)

Backhoe – Cat 420

Drill rigs – Schramm 685, BK-45 Super 90

Bulldozer – Cat D6

Portable toilet- 1 total

G. Describe the area and size of each type of disturbance for cuts, pits, stockpiles, trenches, shafts, tunnels or other disturbances:

- Drill pits/sumps – 10 x 20 x 8 ft each (to exist on already disturbed pad)
- No stockpiles, no trenches, no shafts, no tunnels

H. Roads

Roads shall be located to minimize disturbance to land and wildlife and enhance stability. Roads shall be constructed and maintained to control erosion. Roads constructed in or across intermittent or perennial streams require site specific designs. Roads to remain permanent must be approved by the surface owner and must be stabilized to control erosion.

List for New Road(s) the following:

Road description	Length (ft)	Width (ft)
Road segment from TP23-A to TP23-S	1478	15
Road segment from Hwy 90 to TP23-B	227	15
Road segment to TP23-G	1317	15
Road segment to TP23-K	72	15
Road segment to TP23-P	153	15
Note: Depending on the slope of the road location and due to the cutting/filling designs, the final disturbance may exceed 15 ft when the actual surface of the road is still 15 ft. This has been accounted for in the "Other Disturbances" section by increasing the total road disturbance by a factor of 5.		

List for Extension or Widening of Existing Road(s) the following:

Road description	Length (ft)	Width (ft)
Road improvement to TP23-Q	595	15
Road improvement to TP23-K	572	15
Note: See note above in "Other disturbances"		

Where applicable, describe road or drainage culvert location, size(s), and design:
Culvert usage is not currently predicted. If needed, the disturbance is covered by the contingency amount listed under "Other disturbances." FMI will use 12 to 20-inch HDPE pipe for the culvert, depending on the size of the drainage. The pipe will be covered with fill material from an active borrow source in the project area. The fill and pipe will be removed during the reclamation process unless access to the area is needed for future exploration.

I. Describe (location and size) any other disturbances (equipment staging, storage and/or lay down areas, vehicle parking, temporary housing and/or trailers) to be created or situated on the site during exploration operations.

Exploration and drilling vehicles will be parked on the pads during drilling activity. Lay down areas will be located at the Tyrone mine. No additional disturbance should be needed, but contingences have been accounted for.

TOTAL ACREAGE TO BE DISTURBED: 40 acres

6. CHEMICAL USE (§402.D.8)

A. List all chemicals, and include Material Safety Data Sheets (MSDS), for any chemicals proposed to be used by the exploration operation, including but not limited to any drilling mud, polymers, down-hole bit lubricants, lost circulation materials (LCM), or any other drilling additives, fuel and lubricants. Material Safety Data Sheets (MSDS) describing must be included. If any water is to be hauled onsite, please provide source information and intended use.

Name and use for both RC and Core drilling:

RC Drilling	Core Drilling
• EZ Mud Gold (35 gal. per) - Drilling mud • Diesel fuel (6,000 gal.) – Fuel • 20 gal. 15/40 grease (20 tubes) – oil/grease • Hydraulic fluid (15 gallons) – hydraulic fluid • Portland II (approx. 800 bags) – cement • Quick Gel (approx. 100 x 50 lb. bags) - bentonite	• EZ Mud Plus (4-5 gal. jugs) – Drilling mud • Diesel fuel (90 gal.) – Fuel • 15w-40 Oil & Grease (10-20 gal.) – oil/grease • Quick Trol Gold (3-50 bags) - mixture • Quick Gel (48-50 bags) - bentonite • Soda Ash (5-50 bags) – soda ash

B. Describe in detail a plan for the containment, use and disposal of all chemicals listed above:

Oil and other chemicals will be stored on mobile plastic containment basins. Used oil, oily rags, filters, etc. will be transported to the Tyrone mine oil disposal areas at the heavy-duty truck shop. All other chemicals including aerosols will also be disposed at the Tyrone mine.

Equipment fueling for light vehicles, pipe trucks, and water trucks will occur within the Tyrone mine shop area. Drill rigs will be fueled on their respective drill sites with a mobile truck bed diesel fuel pump.

All spills will be reported immediately to the Tyrone environmental department who will direct communications from that point further.

Spill cleanup materials that will be kept on-site include bentonite clay or cat litter; adsorbent pads, rolls, mats, socks, pillows, dikes, etc.; and drum or barrel for containing contaminated soil/adsorbent materials.

7. GROUND WATER INFORMATION (§402.D.9)

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

Depth to ground water (ft.): 300-600
TDS concentration (mg/L): 250-500

B. What is the source of this information?
Referenced the following report Trauger, F.D. 1972. Water resources and general geology of Grant County, New Mexico. Prepared in cooperation with the U.S. Geological Survey, New Mexico State Engineer office, and Grant County Commission. New Mexico State Bureau of Mines and Mineral Resources, Hydrologic Report 2.

C. Will dewatering activities be conducted:
☐ Yes ☒ No

If yes, please describe: n/a

8. RECLAMATION AND OPERATION PLAN (§402.D.10)

Reclamation of the disturbed area shall be initiated as soon as possible following the completion or abandonment of the exploration operation, unless the disturbed area is included within a complete permit application for a new mining operation.

A. Provide a description of the native vegetation of the area to be disturbed. Include tree, shrub and grass communities of the area.

The project area lies within the Madrean Evergreen Woodland biotic community. It is characterized by alligator juniper, oneseed juniper, pinon pine, manzanita, bear grass, cane cholla, shrub oak, various yucca species, and various grasses and forbs.

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

Soil characteristics present within the project area include gravelly sandy loams punctuated by outcrops of exposed bedrock (1.5-2 ft deep) along the ridges and slopes, and Manzano loams (clayey loams) overlying clay layers present within the valley floor (≥80in deep). Gravelly sandy loams that transition to gravelly clayey loams are also present within the valley floor (2 ft above bedrock).

Where possible and without creating additional disturbances, soils will be salvaged and stockpiled adjacent to the drill pad for use during reclamation. Once the drill pad is regraded to match the original topography, the salvaged soils will be spread evenly across the regraded surface. The depth of the soil will vary depending on the regraded area and how much of the soil was initially salvageable.

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

Plant name	Seeding Rate (lbs./acre)
Blue grama	1
Sideoats grama	2
Sand dropseed	0.25
Indian ricegrass	2
Purple prairie clover	2
Scarlet globemallow	1

C. Provide the methods to be used during revegetation operations and provide a schedule of when the operations are to begin and end.

Once the project is fully completed and it is determined that no additional exploration drilling will take place, pads and roads (excluding roads that are permanently used for well and instrument access) will be regraded to create appropriate transitions to existing topography. During this phase of reclamation, the soil will be spread out to best match the surrounding topography using a dozer, excavator, or backhoe and additional disturbances may take place. During revegetation, the soil will be ripped to a depth of 4-6 inches prior to seeding. Seed will be planted using a range drill or broadcaster depending on the site conditions and seed shapes. Tyrone will communicate the schedule with the agency as the project progresses.

D. Proposed Reclamation dates:

Start Date: Agency will be notified
End Date: Agency will be notified

E. If riparian areas and wetlands exist, provide the detailed reclamation plan for the mitigation of the area. Describe the methods to minimize disturbance during exploration.

n/a

F. Describe how drill holes will be plugged and abandoned. What plugging and abandonment methods will be employed where groundwater is encountered versus holes where no groundwater is encountered? (must comply with 19.27.4 NMAC of the State Engineer Office's plugging and abandonment requirements)

In accordance with 19.27.4 NMAC and an approved plugging variance issued to Tyrone on 12/14/2010, holes will be plugged by grouting via a tremie line from the bottom up to the surface (less 2 feet) utilizing a pressure grout pump. Said grout is to be mixed on site with 5 gallons of water per 94-lb sack of Portland cement. Each borehole is plugged prior to the drill rig leaving the site, per FMI policy. The procedure is the same for both wet and dry holes.

See Attachment A for OSE permit information.

G. Describe how the reclamation of portals, drilling mud and/or waste pits, adits, shafts, ponds, roads or other disturbances will be performed.

Mud pits are backfilled using excavator, dozer, or backhoe.

9. CULTURAL RESOURCES (§403.B)

Cemeteries and burial grounds and the disturbance of cultural resources listed on, or eligible for, the National Register of Historic Places or the State Register of Cultural Properties shall be avoided until clearance has been granted by the Director after consultation with the State Historic Preservation Officer.

Provide information on Cultural Resource Survey(s) performed on the site. Include a copy of the Archeological or Cultural Resource Survey **separately** in the application package. **Please DO NOT display any archaeological site locations upon other project maps submitted under Section 4 of this Application.** Any Archaeological or Cultural Resource Survey and Report information shall be submitted with this Application, but separately as a stand alone component of this Application.

Attachment: Submitted to MMD on 8/1/2024 via email.

10. SAFEGUARDING (§403.C)

Provide a description of measures that will be taken to safeguard the public from unauthorized entry into hazardous areas. This description shall address the following:

A. Closing shafts, adits, and tunnels to prevent entry;
B. Posting warning signs in locations near hazardous areas (in Spanish, English and/or other languages);
C. Restricting access to hazardous areas; or other measures to protect human safety. and
D. Waste disposal

The project area is already fenced, and signage is in place as it is all located on private property owned by Freeport-McMoRan. When rigs are operating, an employee is monitoring the entrance point at all times. Each person is required to sign in and review the workplace exam.

Mud pits are completely fenced off with metal panels as well, until they are backfilled. No adits or shafts are present. Waste disposal is addressed above. Earthen egress ramps are also installed in mud pits.

11. PROTECTION OF WILDLIFE AND IMPORTANT HABITAT (§403.G)

A. Describe in detail the measures that will be taken during the exploration and reclamation to minimize impacts on wildlife and important habitat.

Metal panels are placed around mud pits and temporary plastic tarps are used over mud pits unless in use. Metal panels stand upright by design and stakes will be used to secure tarps. Pits will be backfilled upon completion of drilling. Earthen egress ramps are also installed in mud pits as a backup safeguard.

Vehicle traffic will be restricted to existing access roads and disturbance will be minimized to only what is necessary.

Nesting surveys will be conducted if the vegetation disturbances take place between March 1 and September 1.

The biological evaluation confirmed no critical habitat is present in the project area, but as part of Tyrone's best management practices, rare or significant plant species will be transplanted from drill sites if identified and it is feasible to accomplish. For example, *Agave parryi* has been observed in some areas. The smaller plants are easily transplanted with higher rates of success than larger plants that would require the use of heavy equipment and could potentially create additional disturbances in either the salvage or transplant areas. The salvaging of topsoil is also a beneficial protection as it increases the success of reclamation due to the seedbanks present in the existing topsoil.

12. OPERATIONS TO MINIMIZE EROSION (§403.E)

A. Describe in detail the measures that will be taken and/or Best Management Practices (BMP's) to be utilized during exploration and reclamation to prevent and minimize erosion. Acceptable practices include:

1. Stabilizing disturbed areas through land shaping, re-contouring, berming or grading to final contour;
2. Minimizing reconstructed slope lengths and gradients;
3. Diverting storm water runoff;
4. Establishing vegetation;
5. Regulating channel velocity of water;
6. Lining drainage channels with rock, vegetation or other geotechnical materials; and
7. Mulching.

Silt fences, straw bales, ditches/swales, or berms/dikes/dams could be used to minimize erosion during operations.

The reclamation procedures described above include regrading to transition to existing topography and plant establishment will also be used. No mulching is proposed for this project.

13. BLASTING INFORMATION (§403.L)

A. When blasting is employed during the exploration operations, indicate the following: n/a

Distance to nearest structure or dwelling: _____ feet
Typical number of pounds used per blast: ____ lbs/blast
Type of blasting agent: _____

14. FINANCIAL ASSURANCE, PUBLIC NOTICE AND PERMIT FEES (§402.D.10.c, §402.D.12, & §402.D.13)

A. Provide an estimate of the proposed financial assurance required by Subpart 12.

2024 Financial Assurance (FA) Cost Estimate for Exploration Drilling Project: Tyrone Peak				
Description	**Unit**	**Quantity**	**Unit Rate ($/unit)**	**Total Cost ($)**
Surface Reclamation Cost (1st acre)	acre	1.00	$8,900	$8,900
Drill Road & Pad Reclamation	acre	39.00	$4,900	$191,100
Plug and Abandon Exploration Drill Holes	ft.	10,000	$14	$140,000
			Total FA	**$340,000**
Note: Change in target depth from original application. 10,000 ft is the sum the 4 deepest holes (2500ft) that could be drilled at one time. This estimation is necessary because the sequence of holes is unknown at this time and target depths may increase to a maximum depth of 2500ft as drilling progresses. Actual depths will be reported on the Plugging and Abandoning records.				

B. Attach a copy of the proposed form of public notices required under Subpart 9.

Attachment: Submitted to agency for review on 7/9/2024. Public notice was sent out to the public and interested parties on 7/25/2024.

C. Attach the permit fees as determined pursuant to Subpart 2. The application fee for an exploration permit is $250.00.

Check the method of payment.

☐ Cash

☐ Check Check Number: n/a

Financial institution: n/a previously submitted

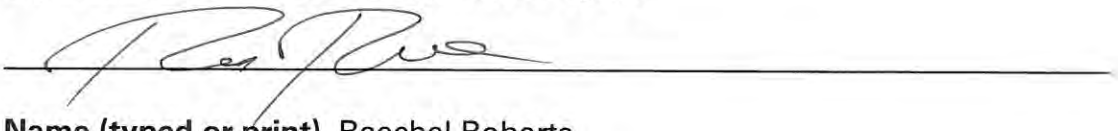
15. CERTIFICATION REQUIREMENT (§402.C)

Each application shall be signed by the permittee or an authorized agent of the permittee for the operation with the following certification made

(Certification does not require notarization):

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 reclamation requirements set forth in this permit application and related correspondence, the New Mexico Mining Act and the Rules. Further, I certify that I am not in violation of any other obligation under the New Mexico Mining Act or the Rules adopted pursuant to that Act and I allow the Director to enter the permit area, without delay, for the purposes of conducting inspections during exploration and reclamation.

Signature of Permittee or Authorized Agent



Name (typed or print) Raechel Roberts

Title/Position: Senior Environmental Scientist

Date 8/29/2024

Attachment A

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
District 3 Office, Deming, NM

MIKE A. HAMMAN, P.E.
STATE ENGINEER

321 W. Spruce
Deming, New Mexico 88030
Phone: (575) 546-2851
FAX: (575) 546-2290

January 26, 2024

FILE: M-11627

Tyrone Mining, LLC
c/o Ty Bays
P.O. Box 571
Tyrone, New Mexico 88065

Greetings:

Enclosed is your copy of Exploratory Well Permits M-11627-POD107 through M-11627-POD142, which has been approved.

Your attention is called to the Conditions of Approval under permit M-11627-POD107 through M-11627-POD142, which states as follows:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11627-POD107 through M-11627-POD142 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11627-POD107 through M-11627-POD142 shall be drilled to a depth not to exceed 1,200 feet and shall be constructed with casing not to exceed (5½) inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. **It is the well owner's responsibility to ensure that the well driller files the well records.** The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11627-POD107 through M-11627-POD142 shall be plugged on or before January 31, 2025, unless the applicant has received an approved permit from the State Engineer for additional use.

6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 NMAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said wells shall be filed with the Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than January 31, 2025.

   The well authorized by this permit shall be plugged on or before January 31, 2025, unless the applicant has received an approved permit from the State Engineer for additional use.

7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.

8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.

9. The State Engineer retains jurisdiction over this permit.

10. Well records shall be filed with the District 3 Office of the State Engineer on or before January 31, 2025.

11. No water shall be appropriated and beneficially used under this permit.

12. This permit shall automatically expire on January 31, 2025.

13. The permit is subject to cancellation for non-compliance with the conditions of approval or if otherwise not exercised in accordance with the terms of the permit.

Sincerely,

Lloyd R. Valentine III
District 3 Manager

By:
Jake Vega
Water Resources Professional I

JV:jv
cc: State Engineer

File No. M- 11627

NEW MEXICO OFFICE OF THE STATE ENGINEER

WR-07 APPLICATION FOR PERMIT TO DRILL

A WELL WITH NO WATER RIGHT

(check applicable box):

For fees, see State Engineer website: http://www.ose.state.nm.us/

Purpose:	☐ Pollution Control And/Or Recovery	☐ Ground Source Heat Pump
☐ Exploratory Well*(Pump test)	☐ Construction Site/Public Works Dewatering	☒ Other(Describe): Mineral Exploration
☐ Monitoring Well	☐ Mine Dewatering	

A separate permit will be required to apply water to beneficial use regardless if use is consumptive or nonconsumptive.

*New Mexico Environment Department-Drinking Water Bureau (NMED-DWB) will be notified if a proposed exploratory well is used for public water supply.

☐ Temporary Request - Requested Start Date: Requested End Date:

Plugging Plan of Operations Submitted? ☒ Yes ☐ No

1. APPLICANT(S)

Name: Tyrone Mining, LLC	Name:
Contact or Agent: check here if Agent ☒ Ty Bays	Contact or Agent: check here if Agent ☐
Mailing Address: P.O. Box 571	Mailing Address:
City: Tyrone	City:
State: NM Zip Code: 88065	State: Zip Code:
Phone: 575-912-5757 ☒ Home ☐ Cell Phone (Work): 575-313-0913	Phone: ☐ Home ☐ Cell Phone (Work):
E-mail (optional): tbays@fmi.com	E-mail (optional):

STATE ENGINEERS OFFICE
DEMING, NEW MEXICO

DEC 21 2023

FOR OSE INTERNAL USE — Application for Permit, Form WR-07, Rev 07/12/22 — $100

File No.: M- 11627	Trn. No.:	Receipt No.: 3 25034
Trans Description (optional): M-11627-POD107 through M-11627-POD142		
Sub-Basin: M	PCW/LOG Due Date: 1/31/2025	

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84).
District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

☐ NM State Plane (NAD83) (Feet)
☐ NM West Zone
☐ NM East Zone
☐ NM Central Zone

☐ UTM (NAD83) (Meters)
☐ Zone 12N
☐ Zone 13N

■ Lat/Long (WGS84) (to the nearest 1/10th of second)

Well Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (*Quarters or Halves , Section, Township, Range*) OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
M-11627			
POD107 TP23-A	108° 20' 02.9123" W	32° 39' 15.8016" N	SW¼, Sec. 18, T19S, R14W
POD108 TP23-B	108° 20' 14.9261" W	32° 39' 44.2562" N	NW¼ NW¼, Sec. 18, T19S, R14W
POD109 TP23-C	108° 20' 04.9924" W	32° 39' 39.6017" N	NW¼ NW¼, Sec. 18, T19S, R14W
POD110 TP23-D	108° 19' 44.1776" W	32° 39' 12.9491" N	NW¼ SE¼, Sec. 18, T19S, R14W
POD111 TP23-F	108° 19' 02.8103" W	32° 39' 05.0664" N	SW¼, Sec. 17, T19S, R14W

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)
Additional well descriptions are attached: ☐ **Yes** ☐ **No** **If yes, how many**_____

Other description relating well to common landmarks, streets, or other:

Emma Proposed Pit, which is located south of Tyrone Mine.

Well is on land owned by: Tyrone Mining, LLC

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? ■ **Yes** ☐ **No**
If yes, how many 36

Approximate depth of well (feet): 1,200	Outside diameter of well casing (inches): 5 1/2
Driller Name: Layne	Driller License Number: WD-1728

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

All wells are for mineral exploration. All wells will be plugged and abandoned immediately upon completion of sampling, per OSE standards with Portland Type I/II cement from bottom to the ground surface.

4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory:	**Pollution Control and/or Recovery:**	**Construction De-Watering:**	**Mine De-Watering:**
Is proposed well a future public water supply well? ☐ Yes ☐ NO If Yes, an application must be filed with NMED-DWB, concurrently. ☐ Include a description of the requested pump test if applicable. **Monitoring** ☐ The reason and duration of the monitoring is required.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for the pollution control or recovery operation. ☐ The estimated maximum period of time for completion of the operation. ☐ The annual diversion amount. ☐ The annual consumptive use amount. ☐ The maximum amount of water to be diverted and injected for the duration of the operation. ☐ The method and place of discharge. ☐ The method of measurement of water produced and discharged. ☐ The source of water to be injected. ☐ The method of measurement of water injected. ☐ The characteristics of the aquifer. ☐ The method of determining the resulting annual consumptive use of water and depletion from any related stream system. ☐ Proof of any permit required from the New Mexico Environment Department. ☐ An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	☐ Include a description of the proposed dewatering operation, ☐ The estimated duration of the operation, ☐ The maximum amount of water to be diverted, ☐ A description of the need for the dewatering operation, and, ☐ A description of how the diverted water will be disposed of. **Ground Source Heat Pump:** ☐ Include a description of the geothermal heat exchange project, ☐ The number of boreholes for the completed project and required depths. ☐ The time frame for constructing the geothermal heat exchange project, and, ☐ The duration of the project. ☐ Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for mine dewatering. ☐ The estimated maximum period of time for completion of the operation. ☐ The source(s) of the water to be diverted. ☐ The geohydrologic characteristics of the aquifer(s). ☐ The maximum amount of water to be diverted per annum. ☐ The maximum amount of water to be diverted for the duration of the operation. ☐ The quality of the water. ☐ The method of measurement of water diverted. ☐ The recharge of water to the aquifer. ☐ Description of the estimated area of hydrologic effect of the project. ☐ The method and place of discharge. ☐ An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. ☐ A description of the methods employed to estimate effects on surface water rights and underground water rights. ☐ Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Tyrone Mining LLC
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Applicant Signature

Applicant Signature

STATE ENGINEERS OFFICE
DEMING, NEW MEXICO
DEC 21 2023

ACTION OF THE STATE ENGINEER

This application is:

☒ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this 26 day of January 20 24, for the State Engineer,

Mike A. Hamman, P.E., State Engineer

By: Signature

Lloyd R. Valentine III
Print

Title: District 3 Manager
Print

FOR OSE INTERNAL USE — Application for Permit, Form WR-07 Version 07/12/22

File No.: M-11627	Trn No.:

NEW MEXICO OFFICE OF THE STATE ENGINEER

ATTACHMENT 1
POINT OF DIVERSION DESCRIPTIONS

This Attachment is to be completed if more than one (1) point of diversion is described on an Application or Declaration.

a. Is this a: ☐ Move-From Point of Diversion(s) ☐ Move-To Point of Diversion(s)	**b. Information on Attachment(s):** Number of points of diversion involved in the application: 36 Total number of pages attached to the application: 4

☐ **Surface Point of Diversion** **OR** ☐ **Well**

Name of ditch, acequia, or spring:	
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), or Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐ M-11627	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long– (WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☐ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: POD112 TP023-AB	X or Longitude 108° 20' 11.1082" W	Y or Latitude 32° 39' 16.2272" N	Other Location Description: NW¼SW¼, Sec. 18, T19S, R14W
POD Number: POD113 TP023-AC	X or Longitude 108° 20' 11.1082" W	Y or Latitude 32° 39' 16.2272" N	Other Location Description: NW¼SW¼, Sec. 18, T19S, R14W
POD Number: POD114 TP023-AD	X or Longitude 108° 20' 09.0078" W	Y or Latitude 32° 39' 20.1960" N	Other Location Description: SW¼NW¼, Sec. 18, T19S, R14W
POD Number: POD115 TP023-AE	X or Longitude 108° 20' 37.9361" W	Y or Latitude 32° 39' 31.9498" N	Other Location Description: NE¼, Sec. 13, T19S, R15W
POD Number: POD116 TP023-AF	X or Longitude 108° 19' 43.4752" W	Y or Latitude 32° 39' 19.5580" N	Other Location Description: SW¼NE¼, Sec. 18, T19S, R14W
POD Number: POD117 TP023-AG	X or Longitude 108° 19' 44.1776" W	Y or Latitude 32° 39' 12.9491" N	Other Location Description: NW¼SE¼, Sec. 18, T19S, R14W
POD Number: POD118 TP023-AH	X or Longitude 108° 19' 41.8996" W	Y or Latitude 32° 39' 01.9976" N	Other Location Description: SW¼SE¼, Sec. 18, T19S, R14W
POD Number: POD119 TP023-AI	X or Longitude 108° 19' 51.4114" W	Y or Latitude 32° 38' 57.1089" N	Other Location Description: SE¼SW¼, Sec. 18, T19S, R14W
POD Number: POD120 TP023-AJ	X or Longitude 108° 20' 13.2123" W	Y or Latitude 32° 38' 54.2257" N	Other Location Description: SW¼SW¼, Sec. 18, T19S, R14W

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number: M-11627	Trn Number:
Trans Description (optional):	

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Name of ditch, acequia, or spring:	
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), **or** Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐ M-11627	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long–(WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☐ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: POD121 TP23-P	X or Longitude 108° 19' 43.4752" W	Y or Latitude 32° 39' 19.5580" N	Other Location Description: SW1/4 NE1/4, Sec.18, T19S, R14W
POD Number: POD122 TP23-Q	X or Longitude 108° 20' 32.5986" W	Y or Latitude 32° 39' 42.0356" N	Other Location Description: NE1/4, Sec. 13, T19S, R15W
POD Number: POD123 TP23-R	X or Longitude 108° 20' 10.9187" W	Y or Latitude 32° 39' 41.6673" N	Other Location Description: NW1/4 NW1/4, Sec. 18, T19S, R14W
POD Number: POD124 TP23-S	X or Longitude 108° 20' 09.0078" W	Y or Latitude 32° 39' 20.1960" N	Other Location Description: SW1/4 NW1/4, Sec. 18, T19S, R14W
POD Number: POD125 TP23-U	X or Longitude 108° 19' 33.4809" W	Y or Latitude 32° 39' 38.8450" N	Other Location Description: NE1/4, Sec. 18, T19S, R14W
POD Number: POD126 TP23-V	X or Longitude 108° 20' 04.9924" W	Y or Latitude 32° 39' 39.6017" N	Other Location Description: NW1/4, Sec. 18, T19S, R14W
POD Number: POD127 TP23-X	X or Longitude 108° 20' 14.9261" W	Y or Latitude 32° 39' 44.2562" N	Other Location Description: NW1/4 NW1/4, Sec. 18, T19S, R14W
POD Number: POD128 TP023-Y	X or Longitude 108° 20' 10.9187" W	Y or Latitude 32° 39' 41.6673" N	Other Location Description: NW1/4 NW1/4, Sec. 18, T19S, R14W
POD Number: POD129 TP023-AA	X or Longitude 108° 20' 32.5986" W	Y or Latitude 32° 39' 42.0356" N	Other Location Description: NE1/4, Sec. 13, T19S, R15W

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

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NEW MEXICO OFFICE OF THE STATE ENGINEER

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☐ **Surface Point of Diversion** **OR** ☒ **Well**

Name of ditch, acequia, or spring:	
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), **or** Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐ M-11627	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long–(WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☐ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: POD130 TP23-G	X or Longitude 108° 19' 12.0163" W	Y or Latitude 32° 39' 13.9423" N	Other Location Description: NW¼ SW¼, Sec. 17, T19S, R14W
POD Number: POD131 TP23-H	X or Longitude 108° 20' 37.9361" W	Y or Latitude 32° 39' 31.9498" N	Other Location Description: NE¼, Sec. 13, T19S, R15W
POD Number: POD132 TP23-I	X or Longitude 108° 20' 13.2123" W	Y or Latitude 32° 38' 54.2257" N	Other Location Description: SW¼ SW¼, Sec. 18, T19S, R14W
POD Number: POD133 TP23-J	X or Longitude 108° 19' 51.4114" W	Y or Latitude 32° 38' 57.1089" N	Other Location Description: SE¼ SW¼, Sec. 18, T19S, R14W
POD Number: POD134 TP23-K	X or Longitude 108° 20' 11.2580" W	Y or Latitude 32° 39' 02.8360" N	Other Location Description: SW¼ SW¼, Sec. 18, T19S, R14W
POD Number: POD135 TP23-L	X or Longitude 108° 19' 41.9092" W	Y or Latitude 32° 39' 01.9827" N	Other Location Description: SW¼ SE¼, Sec. 18, T19S, R14W
POD Number: POD136 TP23-M	X or Longitude 108° 19' 13.4872" W	Y or Latitude 32° 39' 03.5317" N	Other Location Description: SW¼ SW¼, Sec. 17, T19S, R14W
POD Number: POD137 TP23-N	X or Longitude 108° 20' 31.7592" W	Y or Latitude 32° 39' 14.7133" N	Other Location Description: NE¼ SE¼, Sec. 13, T19S, R15W
POD Number: POD138 TP23-O	X or Longitude 108° 20' 11.1082" W	Y or Latitude 32° 39' 16.2272" N	Other Location Description: NW¼ SW¼, Sec. 18, T19S, R14W

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number: M-11627	Trn Number:
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NEW MEXICO OFFICE OF THE STATE ENGINEER

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Name of ditch, acequia, or spring:	
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), **or** Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐ M-11627	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long–(WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☐ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: POD139 TP023-AK	X or Longitude 108° 20' 31.7592" W	Y or Latitude 32° 39' 14.7133" N	Other Location Description: NE1/4 SE1/4, Sec. 13, T19S, R15W
POD Number: POD140 TP023-AL	X or Longitude 108° 19' 43.4752" W	Y or Latitude 32° 39' 19.5580" N	Other Location Description: SW1/4 NE1/4, Sec. 18, T19S, R14W
POD Number: POD141 TP023-AM	X or Longitude 108° 20' 11.2580" W	Y or Latitude 32° 39' 02.8360" N	Other Location Description: SW1/4 SW1/4, Sec. 18, T19S, R14W
POD Number: POD142 TP023-AN	X or Longitude 108° 20' 02.9123" W	Y or Latitude 32° 39' 15.8016" N	Other Location Description: SW1/4, Sec. 18, T19S, R14W
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
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FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number: M-11627	Tm Number:
Trans Description (optional):	

ATTACHMENT
STATE ENGINEER CONDITIONS OF APPROVAL

FILE: M-11627

APPLICATION: M-11627-POD107 through M-11627-POD142

APPLICANTS: Tyrone Mining, LLC c/o Ty Bays

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

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5. Wells M-11627-POD107 through M-11627-POD142 shall be plugged on or before January 31, 2025, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 NMAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said wells shall be filed with the Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than January 31, 2025.

   The well authorized by this permit shall be plugged on or before January 31, 2025, unless the applicant has received an approved permit from the State Engineer for additional use.
7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.

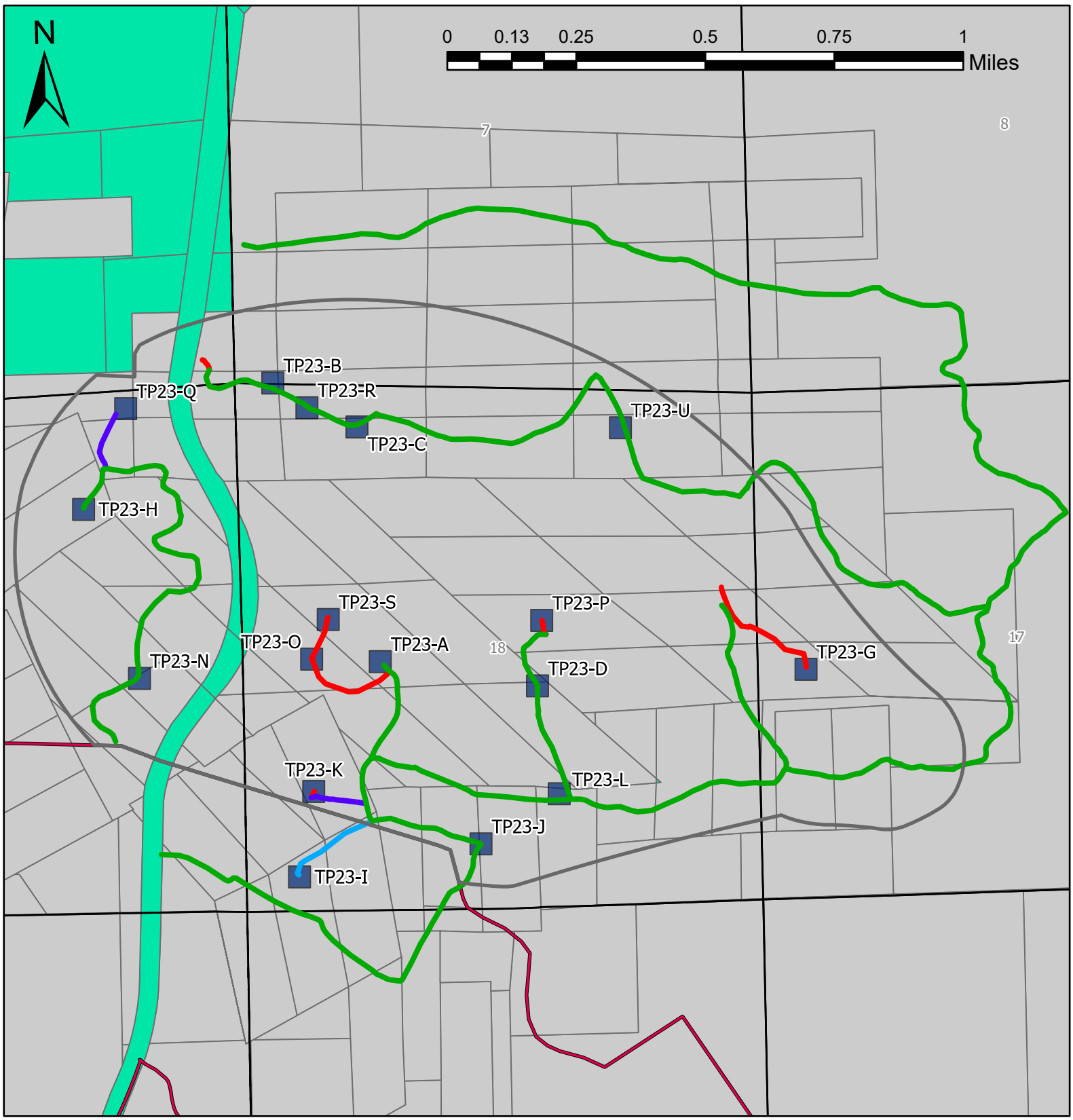
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.
9. The State Engineer retains jurisdiction over this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before January 31, 2025.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on January 31, 2025.
13. The permit is subject to cancellation for non-compliance with the conditions of approval or if otherwise not exercised in accordance with the terms of the permit.

Witness my hand and seal this 26th day of January, 2024.

Mike A. Hamman, P.E., State Engineer

Lloyd R. Valentine III
District 3 Manager

2024-2025 Tyrone Exploration: Property Ownership



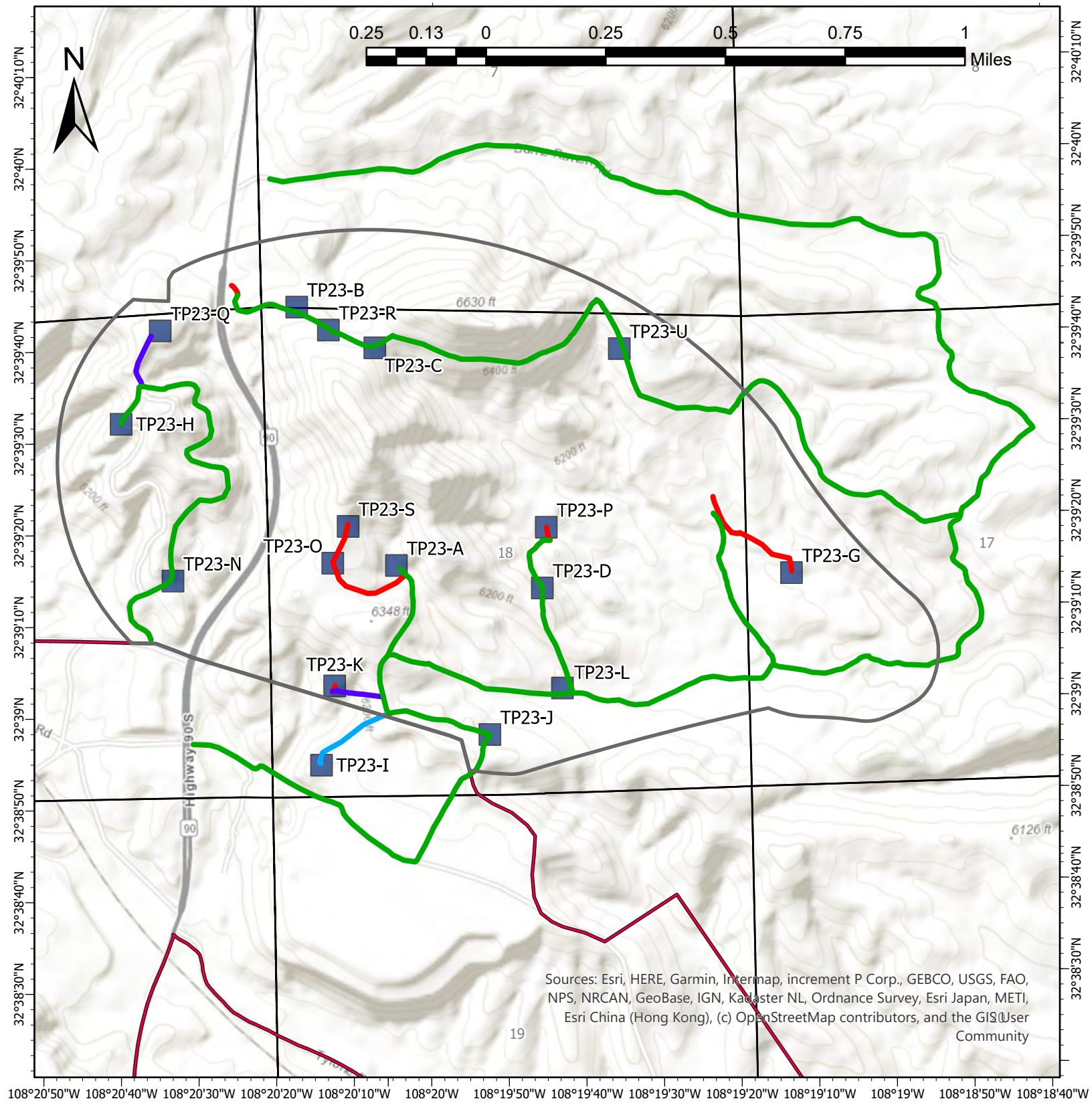
Coordinate System: WGS 1984
Scale: 1:17,000
New Mexico, U.S

Legend

- Proposed Drill Pads (not to scale)
- FCX
- Non-FCX
- Existing Roads
- Road Improvements
- Overland Travel
- New Roads
- Tyrone Property Permit Boundary
- Township and Range
- Sections
- Proposed Permit Boundary

Figure 1

2024-2025 Tyrone Exploration: Proposed Drillholes



- Proposed Drill Pads (not to scale)
- Township and Range
- Sections
- Proposed Permit Boundary
- Tyrone Property Permit Boundary
- New Roads
- Overland Travel
- Road Improvements
- Existing Roads

Coordinate System: WGS 1984
Scale: 1:17,000
New Mexico, U.S

FREEPORT-MCMORAN

Figure 2

Typical Drill Site Layout

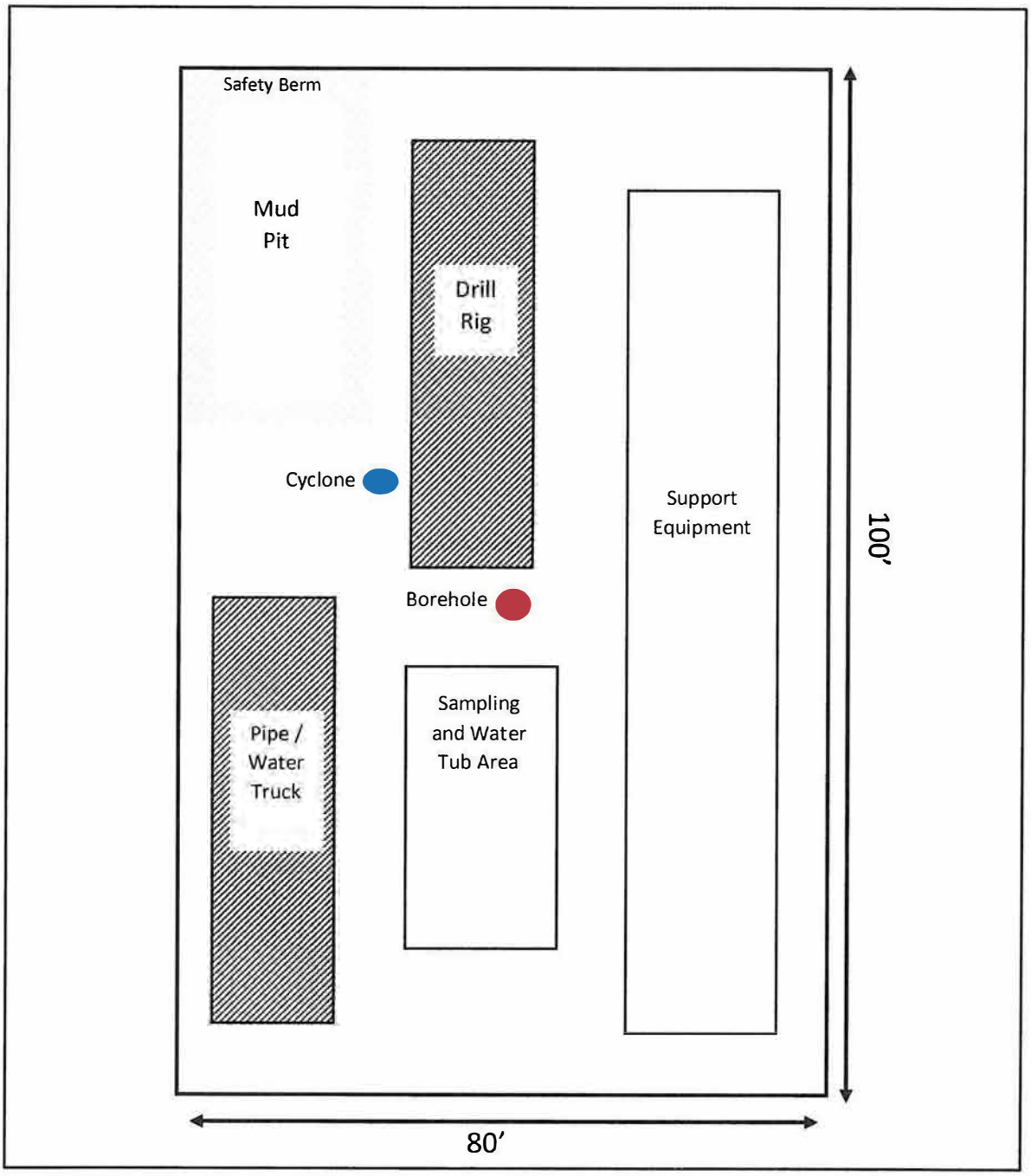


Figure 3

Table 1: Tyrone Peak Drilling Program 2024 Drill Hole Information (WGS 1984)					
Drill Hole ID	**Pad ID**	**Longitude**	**Latitude**	**OSE POD Number**	**Notes**
TP23-A	TP23-A	108° 20' 02.9123" W	32° 39' 15.8016" N	107	
TP23-B	TP23-B	108° 20' 14.9261" W	32° 39' 44.2562" N	108	
TP23-C	TP23-C	108° 20' 04.9924" W	32° 39' 39.6017" N	109	
TP23-D	TP23-D	108° 19' 44.1776" W	32° 39' 12.9491" N	110	
TP23-F	TP23-G	108° 19' 12.0163" W	32° 39' 13.9423" N	111	Pad F was removed from plan, borehole moved to Pad G, OSE POD# is subject to change
TP23-G	TP23-G	108° 19' 12.0163" W	32° 39' 13.9423" N	130	
TP23-H	TP23-H	108° 20' 37.9361" W	32° 39' 31.9498" N	131	Located on already disturbed ground/road
TP23-I	TP23-I	108° 20' 13.2123" W	32° 38' 54.2257" N	132	Inside GR010RE Permit boundary, overland operations only
TP23-J	TP23-J	108° 19' 51.4114" W	32° 38' 57.1089" N	133	Located on active borrow area
TP23-K	TP23-K	108° 20' 11.2580" W	32° 39' 02.8360" N	134	
TP23-L	TP23-L	108° 19' 41.9092" W	32° 39' 01.9827" N	135	
TP23-M	TP23-G	108° 19' 12.0163" W	32° 39' 13.9423" N	136	Pad M was removed from plan, borehole moved to Pad G, OSE POD# is subject to change
TP23-N	TP23-N	108° 20' 31.7592" W	32° 39' 14.7133" N	137	Located on already disturbed ground/road
TP23-O	TP23-O	108° 20' 11.1082" W	32° 39' 16.2272" N	138	
TP23-P	TP23-P	108° 19' 43.4752" W	32° 39' 19.5580" N	121	
TP23-Q	TP23-Q	108° 20' 32.5986" W	32° 39' 42.0356" N	122	
TP23-R	TP23-R	108° 20' 10.9187" W	32° 39' 42.0356" N	123	
TP23-S	TP23-S	108° 20' 09.0078" W	32° 39' 42.0356" N	124	
TP23-U	TP23-U	108° 19' 33.4809" W	32° 39' 42.0356" N	125	
TP23-V	TP23-C	108° 20' 04.9924" W	32° 39' 42.0356" N	126	
TP23-X	TP23-B	108° 20' 14.9261" W	32° 39' 42.0356" N	127	
TP023-Y	TP23-R	108° 20' 10.9187" W	32° 39' 42.0356" N	128	
TP23-AA	TP23-Q	108° 20' 32.5986" W	32° 39' 42.0356" N	129	
TP23-AB	TP23-O	108° 20' 11.1082" W	32° 39' 42.0356" N	112	
TP23-AC	TP23-O	108° 20' 11.1082" W	32° 39' 42.0356" N	113	
TP23-AD	TP23-S	108° 20' 09.0078" W	32° 39' 42.0356" N	114	
TP23-AE	TP23-H	108° 20' 37.9361" W	32° 39' 42.0356" N	115	Located on already disturbed ground/road
TP23-AF	TP23-P	108° 19' 43.4752" W	32° 39' 42.0356" N	116	
TP23-AG	TP23-D	108° 19' 44.1776" W	32° 39' 42.0356" N	117	
TP23-AH	TP23-L	108° 19' 41.8996" W	32° 39' 42.0356" N	118	
TP23-AI	TP23-J	108° 19' 51.4114" W	32° 39' 42.0356" N	119	Located on active borrow area
TP23-AJ	TP23-I	108° 20' 13.2123" W	32° 39' 42.0356" N	120	Inside GR010RE Permit boundary, overland operations only
TP23-AK	TP23-N	108° 20' 31.7592" W	32° 39' 42.0356" N	139	Located on already disturbed ground/road
TP23-AL	TP23-P	108° 19' 43.4752" W	32° 39' 42.0356" N	140	
TP23-AM	TP23-K	108° 20' 11.2580" W	32° 39' 42.0356" N	141	
TP23-AN	TP23-A	108° 20' 02.9123" W	32° 39' 42.0356" N	142	