BLACK SPRINGS MINE PERMIT MODIFICATION 24-1 TO PERMIT NO. MK026MN MINIMAL IMPACT NEW MINING OPERATION

MINING AND MINERALS DIVISION ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

This Modification 24-1 (Modification 24-1) to Permit No. MK026MN (Permit) is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

Whose correct address is:

Menefee Mining Company 8144 Walnut Hill Lane, Suite 987 Dallas, TX 75231

(Permittee) for the Black Springs Mine, McKinley County, New Mexico.

Modification 24-1:

- 1. Approves the partial release of 5 acres within the southwest corner of Section 4, Township 19 North, Range 5 West, and transfers the existing Financial Assurance (FA) into future disturbance within the Black Springs Mine design limit;
- 2. Holds a total of \$84,972.44 for existing and future disturbance at this site. The table in Appendix 1 on page 6 of this modification summarizes the FA required and held by MMD for this site.
- 3. Establishes the condition for a test plot workplan submittal within 90 days of approval of Modification 24-1.
- 4. Includes a map of the 5 acres being partially released and the current disturbance associated with this permit in Appendix 2.

In order to accomplish the approval contemplated by this Modification 24-1, the following subparagraphs are added to Permit No. MK026MN:

Section 1 (24-1). STATUTES AND REGULATIONS

- A. Modification 24-1 is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended) (Act) and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code (NMAC or Rules or Regulations).
- B. Modification 24-1 is subject to the Act, the Rules, and any other regulations which are now or hereafter enforced under the Act; and all such regulations are made a part of this Permit by this reference.

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Section 2 (24-1). PERMIT APPLICATION PACKAGE

- A. The permit application package for Modification 24-1 (24-1 PMP) consists of a written request from the Permittee's Consultant (Toltec Mesa Resources LLC), received by MMD on May 3, 2024, for the release of 3.4 acres within Section 4, Township 19 North, Range 5 West and includes a map of the reclaimed area. On November 14, 2024, an amended application was received by MMD requesting 6.5 acres of release.
- B. MMD received Certificate of Deposit No. 00001289, issued on January 22, 2025, from Frost Bank in the amount of \$2,400, on January 27, 2025.
- C. MMD received a permit modification fee of \$250.00 as required by \$19.10.2.201 of the Rules on May 8, 2024.

Section 3 (24-1). FINDINGS OF FACT

The Permit Application Package

- A. The Permittee has paid the permit modification fee of \$250.00 as required by §19.10.2.201 of the Rules.
- B. The application for permit modification has been reviewed in accordance with §19.10.6.608 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under §19.10.6.608 of the Rules.
- C. Pursuant to §19.10.6.608.D and §19.10.9 of the Rules, the proposed change does not require public notice nor the opportunity for public hearing.
- D. Pursuant to §19.10.6.608.D(1) of the Rules, the proposed changes would not have a significant environmental impact.
- E. Pursuant to §19.10.6.608.D(2) of the Rules, 24-1 PMP was accompanied by sufficient information for the Director to determine whether any of the factors listed in §19.10.6.608 NMAC are present.

MMD's Request for Comments to the Agencies

F. The Director has provided notice of this application to other government agencies deemed appropriate, in accordance with §19.10.6.608.D(3) NMAC.

Agency Comments and Site Inspection

G. An inspection and evaluation of the acreage requested for partial FA release was conducted by MMD on August 21, 2024, and again with New Mexico Department of Game and Fish

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personnel on December 23, 2024. The inspection determined the reclaimed acreage to be approximately 5 acres instead of the approximate 6.5 acres requested by the Permittee in amended 24-1 PMP.

H. The inspection was conducted in accordance with §19.10.12.1210.B NMAC.

Financial Assurance

- I. The Permittee has provided FA to cover the costs of reclamation as required by §19.10.3.304.J(3) NMAC. The FA was transferred from the release of 5 acres of reclamation, minus FA for revegetation success on the 5 acres, to cover the design limit of twelve (12) acres of future mining disturbances.
- J. The total amount of FA for this project is \$84,972.44, which has been determined by MMD to be sufficient to meet the requirements of the Act, Rules, and the Permit. The table in Appendix 1 of this permit modification summarizes the FA required and held by MMD for this project.

Section 4 (24-1). GENERAL OBLICATIONS AND CONDITIONS

A. The operator shall submit a workplan for corrective action/test plots on the site to address the historically unsuccessful revegetation on the reclaimed areas. The workplan shall also address corrective actions for the invasive and noxious weed *Halogeton glomeratus*, which is pervasive on the site. This workplan shall be submitted within 90 days of approval of Modification 24-1.

Section 5 (24-1). CONCLUSION OF LAW

A. The request for permit modification is complete and accurate and complies with the requirements of the Act and §19.10.3.304 NMAC.

All other provisions, modifications, and revisions for mining and reclamation contained in the Black Springs Mine Permit, Permit No. MK026MN, remain unchanged.

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CERTIFICATION

I certify that I have read, understand and will comply with the requirements of the Permit, this Permit Modification, the Act and the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and or as otherwise required by law.

Authorized Representative of the Pennittee

Title

Menda Wining Corporation

Subscribed and sworn to before me this 30 day of Jar

day of JU

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Notary Public

My Commission Expires

Jan.29, 2028

PAMELA A DELANEY
Notary Public
STATE OF TEXAS
My Comm. Exp. 01-29-28
Notary ID # 128388018

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ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 24-1 to the Black Springs Mine, Permit No. MK026MN, located in McKinley County, New Mexico. The approval releases 5 acres of reclamation and holds sufficient FA for a design limit of up to twelve (12) acres and revegetation of 29 acres of reclamation.

By Order of the Director, Mining and Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department, of the State of New Mexico.

By:

Albert Chang, Director

Mining and Minerals Division

Energy, Minerals and Natural Resources Department

Date: Jan 29, 2025

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Appendix 1. Table Showing Calculated Financial Assurance

Task:

FA release on 5 acres

Surface Disturbance

 Total Acres:
 12

 First Acre:
 \$ 8,900.00

 Next 11 Acres:
 \$ 53,900.00

 FA Subtotal:
 \$ 62,800.00

 TOTAL: With five year escalation at 2.5%:
 \$ 71,052.44

Revegetation Failure @ 5%/year of \$800 per acre

Cost	\$ Per Acre	Years	Acres
\$2,400	\$480	12	5
\$3,936	\$480	12	8.2
\$1,920	\$480	12	4.0
<u>\$5,664</u>	S480	<u>12</u>	<u>11.8</u>
\$13,920.00			29.0

TOTAL FA

REQUIRED: \$ 84,972.44

TOTAL FA

PROVIDED: \$ 2,400.00

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Appendix 2. Black Spring Mine Disturbance

