

FOR MMD USE ONLY:

PROJECT NAME: _____

PERMIT NUMBER: _____

DATE RECEIVED: _____

DATE APPROVED: _____

LEAD INSPECTOR: _____

FORM REVISION DATE: 07/09/09

**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 applicant 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 sites, and proposed drill hole location(s) within the drill site area must be staked in the field.**
- ! Any staking of proposed disturbances (access road centerline, drill site 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, 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:
NAME OF APPLICANT (or entity obligated under the Mining Act): <u>Comexico LLC</u>
ADDRESS: <u>242 Linden St</u> <u>Fort Collins, CO 80524</u>
PHONE: <u>(720) 258-6329</u>
FAX: <u>NA</u>
NAME OF OWNER (if different from Applicant's name and address): <u>New World Resources Ltd</u>
ADDRESS: <u>1/100 Railway Road</u> <u>Subiaco, WA</u> <u>Australia 6008</u>
PHONE: <u>+61 8 9226 1356</u>
FAX: <u>NA</u>
NAME OF ON-SITE CONTACT OR OPERATOR'S REPRESENTATIVE: <u>Patrick Siglin</u>
ADDRESS: <u>Comexico LLC</u> <u>242 Linden St</u> <u>Fort Collins, CO 80524</u>
PHONE: <u>(720) 258-6329</u>
FAX: <u>NA</u> EMAIL: <u>psiglin@newworldres.com</u>

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 #
New World Resources Ltd 1/100	Railway Road, Subiaco, WA 6008	+61 8 9226 1356
	Australia	

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

Name	Address	Phone #
Colson Cobalt-Copper Exploration Project	1.3 mi west of the intersection of Colson Creek and the Salmon River, Salmon-Challis National Forest, Lemhi County, Idaho	(720) 258-6329

- 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 #
US Dept of Agriculture Salmon-Challis National Forest	1206 S. Challis Street, Salmon, ID 83467	(208) 756-5100
Idaho Department of Lands	3563 Ririe Highway, Idaho Falls, ID 83401	(208) 525-7167
Idaho Department of Water Resources	900 N Skyline Dr, Suite A, Idaho Falls, ID 83402	(208) 525-7161

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

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

Attachment 1 – Access and Affected Claim Documents (partially CONFIDENTIAL)

- 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 applicant intends to conduct the exploration and reclamation.

Figure 1 – Affected Claim Boundary Map

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

Surface Owner(s):

Name	Address	Phone #
United States Department of Agriculture – Forest Service Santa Fe National Forest	11 Forest Lane, Santa Fe, NM 87508	(505) 438-5300
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Mineral Owner(s):

Name	Address	Phone #
Andrea Rector	3715 Otra Vez Ct NW, Albuquerque, NM 87107	(505) 243-8610
Wayne LaBeau	8209 Krim Dr NE, Albuquerque, NM 87109	(505) 307-2541
Comexico LLC	242 Linden St, Fort Collins, CO 80524	(720) 258-6329
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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 17 North, Range 11 East, Section 1 – specific unpatented mining claims therein (see Attachment 1 and Figure 1)

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

1. List the drill hole/exploration 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.).

Table 1 – List of GPS (updated 8/6/2019) Coordinates for Potential Drill site Sites; UTM NAD 83 Zone 13

Figure 2 – Potential Drill site Map (updated 6/8/2020)

- 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.

Figure 3 – Topographic Map and Figure 4 – Topographic Map

Figure 4b – Topographic Map Illustrating Previously Disturbed Areas and Historical Drill Hole Collars

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

Access is gained via travelling eastward on I-25 North from Santa Fe, NM, proceeding about 15 miles to exit 299 for New Mexico State Highway 50 toward Glorieta/Pecos. Continue east on NM Hwy 50 for 6 miles to the Village of Pecos, NM and turn northward onto NM State Highway 63 then travel 10.9 miles to a gate

accessing USFS road 192 – Indian Creek. Travelling westward on this road through four private parcels and one New Mexico Department of Game and Fish parcel leads to a network of forest service roads which access the project area approximately 3.5 miles west of the confluence of Indian Creek and the Pecos River.

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

A. List the proposed exploration dates:

Start Date: August 1, 2021
End Date: August 1, 2024 (USFS) or 2022
(NM MMD)

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

Copper sulfides, gold, zinc sulfides, lead (galena), silver (electrum, sulfides)

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:

Mud pits are proposed to be utilized within the footprint of the drill site while core drilling (coring).
When coring, fluid is circulated from a mud pit, down the drill pipe, returning to surface via the annulus (the space between the pipe and the wall of the bore hole). The fluid circulation not only cools and lubricates the bit and pipe, but it lifts fragments of rock to the surface, cleaning the hole. Once the fluid has returned to surface, it re-enters the mud pit then continues to circulate down and up the pipe and annulus.

Mud pits are generally 5-10 ft long by 5-10 ft wide and about 5 ft deep, dug into the ground and lined with plastic to keep the fluid from seeping into the ground. Comexico proposes 2 mud pits per drill site to allow for fluid recirculation while drilling, a methodology which significantly reduces the required amount of water needed per drill hole. On one edge of each pit, a ramp will be constructed to allow potential egress. Other measures to protect biology such as fencing to keep humans and larger animals from entering and netting over the sides and top to keep smaller animals and birds out. Pits will be lined with 6 mil thick, black plastic.

E. List the following proposed disturbance for each:

Drill sites:
How Many? Up to 30 Width (ft.): 40 Length (ft.) 60

Drill holes:
How Many? Up to 30 Depth (ft.): 500 to 4000 Diameter (in.): 3 to 5.5

Other Types of Excavations or Surface Disturbances:
Please describe: Within each drill site foot print, Comexico proposes to dig up to 2 mud pits with dimensions of 5-10 ft by 5-10 ft by 5 ft deep. They will not add to the total disturbance as they'll be within the proposed drill site footprint. Overland routes, on existing historic tracks, are proposed to access several

proposed pad locations. Overland routes are proposed to be 15 ft wide and a total combined length of 1138 ft.

A laydown area is proposed with general dimensions of 100 by 100 feet (0.23 acres) – See Figure 1: Laydown Area Detail from a letter dated August 25, 2020.

Comexico have proposed to use and have been granted use of 2.54 miles of existing US Forest Service road (192 and 120) to access a proposed materials and parts laydown area, water well, and the general location of the proposed action which is located upon existing disturbance. Upon the Forest Service Roads 190 and 120, Comexico have proposed to perform maintenance including installation of 30 cross drain features, cleaning of 18 culverts and corresponding ditches, grading rutted and rilled portions of the access, and protecting the maintenance using BMPs. Total cumulative linear road proposed for maintenance is approximately 1.21 miles (2.2 acres at 15 ft width). For purposes meant to satisfy the perceived direction of the USFS and MMD disturbance calculations, Comexico is using 3 miles and 15 ft width in the financial assurance calculation to settle on total road maintenance disturbance area of 5.45 acres. A road maintenance plan supplements this application and a financial assurance worksheet outlines a total proposed disturbance area of 7.72 acres.

Acres: up to 5.77

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

Pickup trucks to access the site on a daily basis in support of the drill operations. A trailer or cargo truck with equipment parts stored in support of operations. A track mounted excavator to dig mud pits, make minor grade adjustments on the drill sites. A skid steer loader or similar to assist in moving pallets and pipe. A water truck to deliver water to the drill sites. A flat bed truck to deliver drill pipe. Up to 2 drill rigs, either 1 or 2 core drilling rigs (LF90 or equivalent) or 1 core rig and 1 reverse circulation (RC) rig (Prospector 750 or Explorer 1500 or equivalent) to pre collar deeper holes. ATV or UTV. Two, 3,000-gallon water tanks. Water pump. Bean pump. Light tower/generator. Generator. Bulldozer or grader/snow plow if necessary. Mud Pump. Portable toilets (up to 4). Portable Toilet service truck. Comexico proposes to operate two shifts per 24-hr day with up to two drill rigs operating simultaneously.

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

Drill site dimensions of up to would be 60 ft by 40 ft are proposed. An RC rig would potentially be used for deeper holes, whereby the RC rig would drill the initial ~1500 ft of the hole, followed by the core drill. The drill site, in either case would support the drill rig and platform, the drill pipe, the mud pits, circulation hoses and pumps, and area for pallets of mud, grout, and core boxes, and maybe a water truck. Pickup trucks can be parked on existing road nearby. Comexico has identified 32 existing locations which would support a drill site utilizing publicly available LiDAR data. Each potential pad location exists in an area of historic disturbance and requires minimal new disturbance or grading to support the proposed drill operation. Comexico proposes up to 30 holes from up to 30 individual sites and up to 5 holes from any single site. For example, if Comexico were to drill from 6 sites, but 5 holes from each, then that would be 30 holes.

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. No new roads will be implemented. List for overland routes (corresponding figure transmitted June 8, 2020 correspondence between Comexico and MMD/USFS):

Overland Routes:

Route description: _____	Length (ft.) _____	Width (ft.) _____
Route description: _____	Length (ft.) _____	Width (ft.) _____
Route description: _____	Length (ft.) _____	Width (ft.) _____
Route description: <u>DH46</u>	Length (ft.) <u>208</u>	Width (ft.) <u>15</u>
Route description: _____	Length (ft.) _____	Width (ft.) _____
Route description: <u>Jones Hill</u>	Length (ft.) <u>634</u>	Width (ft.) <u>15</u>
Route description: <u>South Jones Hill</u>	Length (ft.) <u>296</u>	Width (ft.) <u>15</u>

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

Road description: _____	Length (ft.) _____	Width (ft.) _____
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Road description: _____ Length (ft.) _____ Width (ft.) _____
Road description: _____ Length (ft.) _____ Width (ft.) _____

Where applicable, describe road or drainage culvert location, size(s), and design:

No new culverts are proposed. Best management practices will be utilized to control potential overland road drainage such as silt fencing or waddles. Waterbars will be constructed on overland routes. See supplemental Road Maintenance Plan for proposed access maintenance activities.

Overland routes are proposed to be a nominal 15 ft wide and would not require any grading other than removal of top soil for use in reclamation.

Drill sites number DH14, 15, 19 and 46 would be accessible from the proposed overland routes. Removal of seedling/saplings and trees up to 5 inches in diameter at breast height may be required for the overland route accessing proposed drill site DH19. Silt fencing, bio socks and other BMPs as necessary would be installed on the upslope and downslope sides of the routes.

- 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.

A laydown area is proposed at the area historically used as the drill camp by former operators. This is the general area at which well number UP 00826 is located, nearby which water tanks will be located to fill a water truck supporting the drill program. Vehicle parking outside the laydown area will be accomplished near the drill rig/s, via existing roads or upon the implemented overland routes.

The laydown area, water tank location, and parking areas are upon existing disturbance and is proposed to have a maximum area of 100 by 100 feet or 0.23 acres (see Figure 1 – Laydown Area from Letter Dated August 25, 2020).

TOTAL ACREAGE TO BE DISTURBED: up to 7.72 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	Use
See attachment 2: Chemical List and MSDS, including MSDS and discussion Forwarded to MMD in a letter dated August 25, 2020.	Mud, grout, parts cleaner, fuel, LCM, mud additives
Water source: well UP 00826	fluid circulation during drilling, mud mixing, fire safety.

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

All potentially hazardous chemicals will be stored within a secondary containment vessel to ensure there is no leak onto or into the ground, nearby streams, or existing boreholes. No chemicals will be disposed of onsite. All trash and waste will be removed from the site and disposed of properly.

Mud pits are proposed to be used and their contents are proposed to be left onsite, buried after use.

Proposed drilling mud products include: water, bore hole rock chips/cuttings/fines, AMC 206, AMC EZEE BORE, AMC EZEE PAC R, AMC HV Foam, AMC Torque Guard, AMC Grout 20, Portland cement.

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.): 17 ft bgs at proposed water well location

TDS concentration (mg/L): unknown at well; a water quality sample will be collected from well UP00826. During a site visit on August 8, 2019, Comexico collected Total Dissolved Solids (TDS) measurements from the groundwater seeps at the two historic mine adits. The upper adit recorded a TDS of 220 milligrams per liter (mg/L), and the lower adit recorded a TDS of 240 mg/L.

B. What is the source of this information?

The elevation of the top of casing of an existing water well in the area (proposed for use in this application), UP 00826, is ~8,825 ft (elevation from LiDAR topo) and its depth to water was measured as 17.48 ft bgs. Based on this single point, groundwater in the area of the water well is expected to be present at an elevation of ~8,807 ft. The stream arc and route GIS layers indicate the average maximum surface water elevation (based on the four nearest surface water bodies) has an average elevation of 9,053 ft. Water was observed springing from two historical mine portals at the project area; the upper portal is located at an approximate elevation of 9,090 ft and the lower portal is located an approximate elevation of 9,040. All of the discussed data points are from the same Proterozoic geology except that the water level in well UP00826 appears to be within an overburden or alluvium unit above the proterozoics. SWCA have reviewed all hydrogeologic information available and a report supplements this application.

C. Will dewatering activities be conducted:

Yes No

If yes, please describe:

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.

Topsoil or topdressing material removal and stockpiling shall precede any excavation within the drill site area. All lands, including access roads or terrain damaged in gaining access to or clearing the site, or lands whose natural state has been substantially disturbed as a result of the exploration by drilling, shall be restored as nearly as possible to their original condition. Where vegetation has been removed or destroyed within the permit area, vegetative cover shall be reestablished by seeding, planting, transplanting, or by other adequate methods. All open mud pits shall be constructed in a manner to prevent wildlife entrapment, and shall be constructed to prevent any overflows. When drilling is completed, the mud pits shall be allowed to dry and then backfilled with native cover.

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

Based in part on publicly available LiDAR data, Comexico has identified 32 potential drill site locations at which a sufficient flat area exists and minimal vegetation disturbance would occur upon implementing proposed activities. The proposed drilling program would utilize existing roads and historic disturbance (from drilling operations as recent as 1993, upon which operations were approved by MMD in a permit application as recent as June 3, 1999, and upon which MMD undertook a field inspection as recently as August 25, 2004) for drill sites.

Vegetation on the roads, proposed overland routes, proposed drill sites, and proposed laydown area is typified by grasses and/or sparse conifer and/or aspen seedling/saplings no greater than 5 inches in diameter at breast height (dbh) and typically less than 3 inches dbh. If downed trees or slash are removed from existing roads or the proposed laydown area, Comexico would not replace the material on the existing disturbances; if they're removed from overland routes or areas of historical disturbance used for drill sites which are not a part of the existing roads, then Comexico would replace the downed trees and slash.

A third party contractor has surveyed the area for general bio and their report will supplement this application when it is in a more final form with the USFS.

- B. Describe in general how the operation will be operated to salvage topsoil and best prevent erosion. Include the removal and storage of excavated material and the construction of roads. Describe how these facilities will be protected from erosion if applicable.

In areas that are not existing roads, topsoil will be scraped stockpiled (via grader, dozer, backhoe, skidsteer, or excavator), surrounded by BMPs, covered by tarps, and used as final cover during reclamation. Topsoil piles will be bounded by silt fences, compost bio socks and other BMP's where appropriate (including covering with tarps) to prevent erosion of sediment from the drill sites and overland travel routes. At each drill site location, the upslope and downslope boundaries will be silt fenced and bounded with bio socks and other BMP's where appropriate to prevent erosion entering or leaving the pad.

Overland road routes upon historic tracks will be bounded with silt fence, compost bio socks and other BMP's where appropriate on the upslope and downslope sides to prevent erosion. In addition drivable waterbars will be constructed and upon reclamation a non-driveable waterbar will be constructed to prevent unauthorized vehicle access to the area.

Measures to control runoff from roads are detailed in the road maintenance plan.

Please refer to BMP Table A for BMPs proposed at specific disturbance types.

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

Plant name	Seeding Rate (lbs./acre)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Comexico will work with the USFS to determine a final seed mix, if reseeding is the determined reclamation method. Formerly, on USFS lands, reseeding has been advised against by the USFS biologists. SWCA are developing a seed mix

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

If reseeding is an approved reclamation method, then, after topsoil has been replaced, seed will be either hand broadcast or sprayed on via hydroseed mix. Silt fencing would be left in place until after the seed has taken and then removed.

Comexico proposes to implement activities after receiving all required authorizations, or perhaps as soon as August, 2021, potentially undertaking drilling activities through August 2024 (understanding permit renewals would be required). Comexico proposes completing reclamation activities after drilling operations are complete. Comexico will undertake reclamation of proposed drill sites either 1) after it is determined the site is no longer needed, 2) Comexico terminates the exploration permit, or 3) prior to the end of any of the combined authorization periods for this proposed action. If Comexico implements drilling activities and does not renew the MMD and other required permits, then reclamation will commence prior to the 12-month anniversary of the MMD permit approval date.

It is likely to be required to monitor and add seed for a period after mechanized reclamation has been completed and so Comexico have provided a proposed reclamation end date of August 1, 2025. The proposed dates are contingent on permit approval timings.

E. Proposed Reclamation dates:

Start Date: August 1, 2021
 End Date: August 1, 2025

F. 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.

Comexico has Identified 32 sites potentially suitable for drill sites based on publicly available LiDAR data. These sites appear suitable for access and drill site use because they are areas of historical disturbance, only minimal vegetation disturbance would be required, and no major drill site grading would be required (ie grading would be used to scrape top soil, construct BMPs, and make minor adjustment to the levelness of

the area). Upslope and downslope sides of any overland access road, drill site boundary, topsoil stockpile, and laydown are proposed to be bounded with silt fence bio socks and other BMP's (including covering piles with tarps) where appropriate to control potential erosion and keep humans and wildlife from entering mud pits.

Proposed drill site DH05 is ~110 ft east of an unnamed drainage which is the nearest location to a New Mexico defined wetland. Topographically, DH05 is separated from the unnamed drainage by a slight ridge which means any water which flows through the area of the proposed drill site would need to travel ~630 ft prior to reaching the ephemeral stream bed.

The proposed laydown area is located in an area apparently utilized by a grazing allotment lessee and is a location proposed for storing parts and materials during drilling operations. No new disturbance is proposed as the area is located in an already disturbed area. The proposed laydown area is near water well UP00826 which is within the upper reaches of an area that meets NM wetland criteria; about 100 ft down slope from the well is a bermed stock pond which contains water for several months of the year. The generator used to power the pump in well UP00826 will at a minimum be set in a containment ensuring no fuel leaks onto the ground near the well during operations and, if possible, will power the pump via an extension cord to ensure the generator is at least 100 ft from the well. All fuel stored on site for use in the small generator will be stored at least 100 ft from the well and the unnamed drainage. Silt fence, bio socks and other BMPs will be utilized on the upslope and downslope sides during use to ensure no water flows onto or through the laydown area.

Additional discussion on wetlands can be found in the hydrology and biology reports which are a part of the NEPA and NM review of the proposed action.

Reclamation of all implemented drill sites or other new disturbance would include regrading of the surface to the original contour, replacing the scraped top soil, and revegetating. Upslope and downslope control measures such as silt fences, bio socks, and other BMPs will be left in place until the vegetation is re-established.

Comexico have committed to providing the MMD with a site specific erosion control plan at least 60 days prior to implementing. Comexico have committed to identifying the first 3-5 drill sties to the MMD at least 30 days prior to implementation.

- G. If this is a drilling operation each drill hole shall be plugged from total depth to within 2 feet of the original ground surface or the collar of the hole, whichever is lower, with a column of cement, high density bentonite clay or other materials specified in the permit. If the approved plugging material is not cement, then the top ten feet of the column must be a cement plug. The hole shall be backfilled with topdressing or topsoil from above the cement plug to the original ground surface. The hole shall be plugged as soon as is practical after drilling is complete, but no later than 30 days after completion of drilling; however, if a water bearing stratum is encountered, the hole shall be plugged as soon as practicable and satisfy the requirements of the Office of the State Engineer and the New Mexico Environment Department for proper plugging of such holes. This plugging requirement may be waived if the State Engineer issues a permit for a well for the exploration drill hole. 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? (Plugging methods must comply with 19.27.4 NMAC of the State Engineer Office's plugging and abandonment requirements.)

Comexico will assume groundwater is likely to be encountered in each borehole by about 200 ft below ground surface. Comexico will seek authorization from the Office of the State Engineer, via plan of operations, to identify appropriate methods, materials, and plugging records. This will likely be via plugging the borehole from bottom to top via tremmied cement grout, bentonite, or mixture of the two. A concrete cement plug will be installed from 10 feet below surface to within 2 ft below the surface, the remaining 2 ft would be backfilled with soil material.

No artesian (flowing groundwater) conditions are expected to be encountered during drilling operations at the proposed project location. If an unidentified artesian stratum is encountered, the state engineer shall be immediately notified and the borehole plugged under supervision of an OSE employee

- H. Describe dewatering activities, the location and construction of mud pits and drill sites and any other activities causing disturbance.

Comexico does not propose dewatering activities. Comexico proposes to use water from a nearby well and requires authorization from the NM OSE. Comexico has identified 32 potential drill site locations of which a maximum of 30 are proposed to be constructed. The maximum pad dimension is 60 by 40 ft, within which two mud pits of dimensions of 5-10 ft by 5-10 ft and 5 ft deep are proposed. The drill site locations were chosen to minimize any possible disturbance to flora by being located in areas of existing or former disturbance. Minor grading may be required to support a drill and proper erosion control and reclamation. Mud pits will be fenced off and surrounded by netting to help keep humans and wildlife out, and designed with a ramp leading from the bottom to the top of one edge to assist any animal or human which may fall into the pit.

Topsoil will be scraped, stockpiled, covered with a tarp and bounded with silt fence, bio socks, and other BMPs as necessary. Material excavated to construct mud pits be stockpiled and bounded with silt fence, bio socks, and other BMPs as necessary.

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

Mud pits will be allowed to dry, open to the air, between the end of drilling operations and commencement of final reclamation – fenced off for the duration. Backfilling will occur at the mud pits after removing the plastic liner. Dirt will be filled into the mud pits and stirred with a tracked excavator, repeating this process until the pit is filled and level with the surrounding ground, as existed prior to project implementation.

As indicated in part 5 C. of this exploration application, Comexico does not proposed to explore using portals, adits or shafts.

Comexico proposes to reclaim overland routes by ripping and revegetating, leaving BMPs in place until the vegetation re-establishes itself. Non-drivable water bars will be installed to keep unauthorized vehicles from accessing these areas.

Roads within the USFS road system will not be reclaimed unless the USFS specifically requests they are to be reclaimed. At the laydown area, Comexico proposes to remove all stored parts, materials and equipment and then remove the BMPs. Comexico would revegetate the area if the USFS and grazing allotment lessee or MMD require it.

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.

A third party contractor will be undertaking cultural surveying activities at the project area and a report will supplement this application upon completion of the survey. A cultural survey was commissioned by Conoco Inc in 1981 and a report prepared and submitted by the School of American Research, Santa Fe NM on May 11, 1981.

Historical mining and exploration activities have been identified to have occurred in the area.

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

All forest roads within the project area are closed to the public. Two gates exist between Highway 63 and Forest Service Road 192 – one of which has a lock. There is additional potential access from Macho Canyon, via private property. Comexico will post signs at All potential entrances as well as ensure the drill contractor puts measures in place to ensure no one will come within a specified distance of the operating drill rig. The area is a rangeland allotment and Comexico will inform the rancher of the proposed activities prior to implementation.

Comexico will fence and protect historical adits, including signage.

Comexico will weld shut existing historical open drill collars upon authorization to undertake the proposed action.

Comexico will use a -3/8 mesh extruded plastic, knit, or woven netting (NOT Monofilament nylon) to surround (around and above) and prevent smaller animals from entering the mud pits. During winter months a maximum mesh size of 1.5 inches would be used to prevent snow loading.

To keep humans and larger animals out, t-posts and snow fence approximately 4 feet tall would be installed around all sides of the pits.

13. BLASTING INFORMATION (§403.L)

When blasting is employed during the exploration operations, indicate the following:

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

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

A. The acceptable forms of financial assurance are surety bonds, letters of credit, or cash accounts described in 19.10.12.1208 NMAC. Provide an estimate of the proposed financial assurance required by Subpart 12.

20200824 Attachment 3 - Financial Assurance Estimate Tererro

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

Attachment 4 – Public notice

C. Attach the permit fees as determined pursuant to Subpart 2. The application fee for an exploration permit is \$1,000.00.

Check the method of payment.

Cash

Check

Check Number: _____

Financial institution: US Bank

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) _____

Title/Position: _____

Date _____