



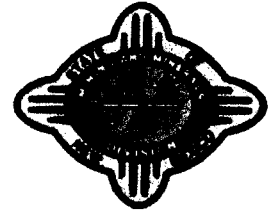
# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jim Noel**  
Cabinet Secretary

**Karen Garcia**  
Deputy Cabinet Secretary

**Bill Brancard**  
Division Director  
Mining and Minerals



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## CERTIFIED MAIL – RETURN RECEIPT REQUESTED

September 29, 2010

Joe Lister, Mine Manager  
Mt. Taylor Mine  
Rio Grande Resources Corporation  
P.O. Box 1150  
Grants, NM 87020

**RE: Review of Application for Renewal of Standby Status, Permit Revision 10-1, Mt. Taylor Mine, Permit No. CI002RE**

Dear Mr. Lister:

The New Mexico Mining and Minerals Division (MMD) received a submittal from Rio Grande Resources dated June 16, 2010 titled, *"Renewal Application for Mine Standby Status"* (Application) for the Mount Taylor Mine, Permit No. CI002RE, located in Cibola County, New Mexico. MMD is currently processing the Application under Permit Revision 10-1.

Pursuant to 19.10.7.701.E NMAC, MMD has provided notice of receipt of the Application to the New Mexico Environment Department (NMED), the New Mexico Office of the State Engineer (NMOSE), the New Mexico Department of Game & Fish (NMDG&F), the New Mexico Department of Cultural Affairs Historic Preservation Division (NMHPD), and the New Mexico Forestry Division (NMSFD). MMD has provided these agencies with a copy of the Application and requested their review and comments. MMD is also performing a review of the Application and will provide comments in the near future under separate cover.

To date, MMD has received comments from NMED, NMOSE, and the NMDG&F. The NMHPD has indicated that it has no comments on the Application. Copies of the NMED, NMOSE and NMDG&F comments are attached. **Please review and respond to the agency comments within 30- days of receipt.**

The comment letter from NMED, dated September 1, 2010, states NMED's concern regarding contamination of the saturated alluvium at the Mount Taylor Mine. NMED states that it cannot provide a written determination that environmental standards will be met over the 5-year period proposed for standby because RGR, *"has not ruled out the potential contribution from the un-reclaimed waste rock pile at the site."* NMED further states that they believe that a standby



RE: Review of Application for Renewal of Standby Status, Permit Revision 10-1, Mt. Taylor Mine,  
Permit No. CI002RE

September 29, 2010

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period of 2 years would be appropriate while the waste rock pile is investigated for potential contribution to the contaminated saturated alluvium. Please understand that it is RGR's responsibility to address these concerns directly with NMED, in order to obtain their written determination and provide it to MMD in support of the standby renewal Application. MMD cannot approve the renewal of standby status prior to RGR receiving the written determination from NMED.

If you have any questions, please contact me at (505) 476-3432, or by email at:  
[david.ohori@state.nm.us](mailto:david.ohori@state.nm.us), or Holland Shepherd at (505) 476-3437 or by email at:  
[holland.shepherd@state.nm.us](mailto:holland.shepherd@state.nm.us).

Sincerely,

A handwritten signature in black ink, appearing to read 'David Ohori', with a long horizontal line extending to the right.

David Ohori, Permit Lead  
Mining Act Reclamation Program (MARF)  
Mining and Minerals Division (MMD)

Enclosures

cc: Holland Shepherd, Program Manager, MMD/MARP  
Chuck Thomas, Executive Manager, Mine Reclamation Bureau, MMD  
Kurt Vollbrecht, Team Leader, MECS, NMED GWQB  
Barbara Everett, Program Manager, Kleinfelder  
Mine File (CI002RE)



NEW MEXICO  
ENVIRONMENT DEPARTMENT

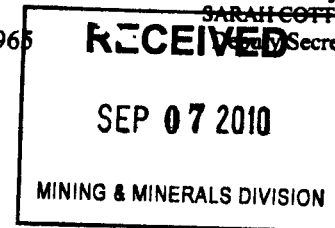
*Ground Water Quality Bureau*



BILL RICHARDSON  
Governor  
DIANE DENISH  
Lieutenant

Harold Runnels Building  
1190 St. Francis Drive, P.O. Box 5469  
Santa Fe, New Mexico 87502-6110  
Phone (505) 827-2918 Fax (505) 827-2965  
[www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)

RON CURRY  
Secretary  
SARAH COTFRELL  
Deputy Secretary



September 1, 2010

Charles Thomas, Chief  
Mine Reclamation Bureau  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**RE: NMED Determination for Mt. Taylor Mine Standby Request**

Dear Mr. Thomas:

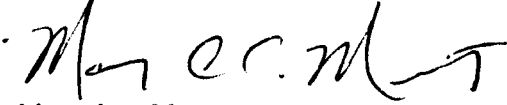
The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) dated July 22, 2010, regarding Rio Grande Resources Corporation's (RGRC) request for Standby Status for the Mt. Taylor Mine. MMD requested that NMED either provide the written determination that environmental standards will be achieved during the standby period, or provide MMD with further information needed from the operator to address the NMED determination.

Additional information has been obtained through the Water Quality Control Commission Abatement regulations over the last few years related to contamination in the alluvium. RGRC has not ruled out the potential contribution from the un-reclaimed waste rock pile at the site. Therefore, NMED cannot provide a written determination that environmental standards will be met over the 5-year period proposed for standby.

RGRC has however, submitted a Stage 2 Abatement Plan to address the contaminated saturated alluvium which can be amended to investigate the waste rock pile. NMED therefore believes that a standby period of 2 years would be appropriate while the waste rock pile is investigated for potential contribution to the contaminated saturated alluvium. The Standby Status application or the MMD permit revision must therefore reflect a shorter standby period in order for the NMED to provide a written determination.

If you have any questions regarding the above, please contact me at (505)827-2944.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Menetrey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mary Ann Menetrey  
Program Manager  
Mining Environmental Compliance Section

cc: Tom Skibitski, Manager, NMED District 1  
David Otori, MARP  
Jerry Schoeppner, MECS  
DP-61 file

GOVERNOR  
Bill Richardson



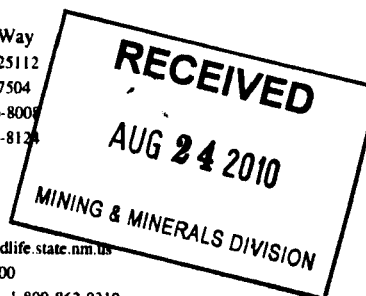
DIRECTOR AND SECRETARY  
TO THE COMMISSION  
Tod Stevenson

Robert S. Jenks, Deputy Director

## STATE OF NEW MEXICO DEPARTMENT OF GAME & FISH

One Wildlife Way  
Post Office Box 25112  
Santa Fe, NM 87504  
Phone: (505) 476-8000  
Fax: (505) 476-8124

Visit our website at [www.wildlife.state.nm.us](http://www.wildlife.state.nm.us)  
For information call: 505/476-8000  
To order free publications call: 1-800-862-9310



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Silver City, NM

THOMAS "DICK" SALOPEK, Commissioner  
Las Cruces, NM

August 18, 2010

David Otori, Permit Lead  
EMNRD Mining & Minerals Division  
1220 South St. Francis Drive  
Santa Fe NM 87505

Re: Mt. Taylor Mine Application for Renewal of Standby Status, Permit No. CI002RE;  
NMDGF Project No.13485

Dear Mr. Otori:

In response to your letter dated July 22, 2010, the New Mexico Department of Game & Fish (NMDGF) has reviewed the above referenced document. The Mt. Taylor Mine is an underground uranium mine which has been inactive since 1990. Standby permit status was first approved by MMD in 1999 and was renewed in 2005 for a five year term. Rio Grande Resources Corp. is now requesting an additional five years of standby status. No changes are proposed to existing site maintenance practices. No site inspection was conducted by NMDGF staff in connection with this consultation request.

The application refers to water-containing impoundments, including one water treatment lagoon and several stormwater runoff basins. Any tank or impoundment which may contain water exceeding the NM Water Quality Commission surface water standards (General or Livestock and Wildlife) should be covered or netted to exclude flying and terrestrial animals. Extruded, knit or woven material is preferred above monofilament netting material, as it is less likely to ensnare wildlife and cause injury or death. Netting should be maintained taut around the frame. Standard barbed-wire fencing does not keep out wildlife. Wildlife exclusion fencing should consist of chain-link at least eight feet in height, wrapped around the bottom with smaller mesh material to exclude small animals.


If the impoundments or tanks will contain only water and inert ingredients, and they are not covered or netted, they should be provided with ramps to allow the escape of wildlife which may become trapped. If space allows, ramps may consist of sloping back at least one side of the pond to a 3:1 or greater horizontal:vertical ratio. Constructed ramps are commonly made from sheets of expanded metal for steel tanks, or constructed of packed earth for earthen ponds.

Ramps made of material with surface texture can be used in the presence of smooth liners or other slippery substrate. To be effective, the escape mechanism must be intercepted by an animal swimming around the periphery of the tank or pond at any water level. NMDGF is available for consultation regarding netting or escape ramp options for any specific size and type of pond. Above-ground tanks should also be covered, netted or provided with a means of escape.

The application describes a 6.8 acre ore stockpile covered with an unspecified thickness of uncontaminated soil and rock. The stockpile has developed a cover of vegetation over the past 18 years during which it has not been disturbed. NMDGF recommends that this vegetative material should be tested for accumulation of uranium or other metals which are elevated in the ore material, which may be taken up through roots that penetrate the clean cover.

Thank you for the opportunity to comment on this permit action. We do not expect significant adverse impact to wildlife or wildlife habitat from approval of renewed standby status. If there are any questions, please contact Rachel Jankowitz at 505-476-8159, or [rjankowitz@state.nm.us](mailto:rjankowitz@state.nm.us).

Sincerely,



Matthew Wunder, PhD  
Chief, Conservation Services Division

cc: Wally Murphy, Ecological Services Field Supervisor  
Brian Gleadle, NW Area Office Supervisor, NMDGF  
Kurt Vollbrecht, NMED Groundwater Quality Bureau

**Ohori, David, EMNRD**

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**From:** Myers, Kevin, OSE  
**Sent:** Wednesday, August 04, 2010 10:41 AM  
**To:** Ohori, David, EMNRD  
**Cc:** Johnson, Mike S., OSE; Rappuhn, Doug H., OSE; Ward, Jess L., OSE  
**Subject:** OSE comments on Mt Taylor Standby Request...

David,

On July 18, 2010, NM OSE Hydrology received a Standby Permit Renewal Application for the Mount Taylor Mine, Rio Grande Resources Corporation (RGR), MMD Permit No. CI002RE. NM OSE Hydrology has reviewed the Standby Permit Renewal Application. Overall, there are no NM OSE issues for this standby renewal request. One comment is provided below.

1. Page 1 of 11, Standby Permit Renewal. RGR mentions its readiness to take steps to begin mining or start a water supply project (WSP) over the next five years. Reactivation of the mine or initiation of a WSP may require the NM OSE Water Rights Division to evaluate water rights permits such as, but not limited to, de-watering a mine, appropriating water, and changing beneficial use/place of use. As early as possible in the process to re-activate the mine or initiate a WSP, RGR should contact NM OSE District I Office. Contact information is as follows:

Jess Ward, District Supervisor

5550 San Antonio Dr. NE  
Albuquerque, NM 87109-4127  
(505) 383-4000

If you have any questions regarding the above, please contact me.

KCM  
Kevin Myers, Hydrologist  
Hydrology Bureau - NM OSE  
P.O. Box 25102  
Santa Fe, NM 87504-5102  
Ph: (505) 827-3521  
Fax: (505) 476-0220

<http://www.ose.state.nm.us/>