FAITH MINE MK012PR

FAITH

9634230

September 29, 1995

Mr. Tim J. Leftwich
Santa Fe Pacific Gold Corporation
Box 6200 Uptown Blvd. NE
Suite 400
Albuquerque, NM 87110

RE:
Prior Reclamation Inspections

Dear Mr. Leftwich:

The Mining and Minerals Division (MMD) has completed inspection of reclamation measures as requested by Santa Fe Pacific Gold Corporation.

Based on findings in the enclosed inspection reports, reclamation measures at the following mines satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. Santa Fe Pacific Gold, therefore, is hereby released from further requirements of the NMMA on the following mines:

Faith Mine (Section 29, T 13N R 9W)
Section 13 (T 1N R 6W)
Haystack Mine (Section 19, T 13N R10W)

Reclamation measures at the following mines do not satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. However, since Santa Fe Pacific Gold has completed most reclamation measures at the following mines, Santa Fe may apply for a variance from the provisions of the NMMA Rules pursuant to Rule 10. Otherwise, pursuant to NMMA Rule 5.10.B Santa Fe Pacific Gold must submit permit applications and closeout plans for existing mining operations within six months of receipt of this letter.

Isabella Mine (Section 7, T 13N R 9W)
Marquez Mine (Section 23, T13N R9W
Poison Canyon Mine (Section 19, T 13N R 9W)
Section 1 (T 13N R 9W)
Section 31 (T 13N R 9W)
Section 25 Mine (Section 25, T 13N R 10W)
SW 1/4 Section 13 (T 13N R11W)

The location of the mine on Section (T 13N R 9W) was not adequately identified by Santa Fe Pacific Gold for inspection by MMD. The Mining and Minerals Division attempted to locate the site, but was unable to do so. Therefore, no inspection for prior reclamation was made. If reclamation measures have been performed, this site may also be addressed under a variance.

The enclosed prior reclamation inspection report details the findings of the inspection but does not include the photos/slides contained in the MMD file copy.

MMD appreciates your efforts to comply with the NMMA and commends you for your safeguarding and reclamation efforts. If you have any questions please contact Holland Shepherd of the Mining Act Bureau, (505) 827-5971.

Sincerely,

Kathleen A. Garland, Director
Mining and Minerals Division

cc: Ms. Maxine Goad, Environment Department
Mr. Sonny Marquez
S. Farthree and McKingen
S. Berryhill Ranch

Enclosures

PRIOR RECLAMATION INSPECTION REPORT AND RECOMMENDATION FOR RELEASE OR PERMIT REQUIREMENT

Santa Fe Pacific Gold Corporation

Submitted in Partial Fulfillment of New Mexico Mining Act Section 69-36-7 U., Prior Reclamation

New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau

September 29, 1995

Introduction

The purpose of this study was to determine if reclamation measures at 11 mines, for which Santa Fe Pacific Gold Corporation requested prior reclamation inspections, satisfy the requirements of the New Mexico Mining Act and substantive requirements for reclamation pursuant to the New Mexico Mining Act Rules. The sites are tabulated in Table I. Figures 1 and 2 are maps showing the locations of the mine sites.

Santa Fe Pacific Gold Corporation (Santa Fe) is the owner of the mineral rights at all the mine sites mentioned above, with the possible exception of the mine on Section 17 T13N R9W. Santa Fe Pacific Gold was not the operator any of the sites, but has reclaimed the sites (Santa Fe, 1994) in an effort to remove any further liabilities relative to the New Mexico Mining Act. Neither is Santa Fe the surface owner of any of the sites. This has hindered reclamation activities because Santa Fe cannot restrict grazing by surface owners on reclaimed areas. The known surface owners are listed in Table I.

Table I
Santa Fe Pacific Gold Corporation Prior Reclamation Inspection Sites

Name of Mine	Location of Mine	Operator	Surface Owner	Inspected
Unknown	SW1/4 Section 13 T13N R11W	Todilto Exploration	Cerrillos Land Company	Aug. 31, 1995 Young & Tierney
Unknown	Section 13 T1N R6W	M. P. Grace	Unknown	Sept. 21, 1995 Young & Shepherd
Unknown	Section 1 T13W R9W	Kerr-McGee	Sonny Marquez	Sept. 13, 1995 Young & Martinez
Unknown	Section 17 T13N R9W	United Nuclear Corp.	Unknown	Could not be located in field
Haystack	Section 19 T13N R10W	Todilto Exploration	S. Farthree and McKingen	Aug. 31, 1995 Young & Tierney
Section 25 Mine	Section 25 T13N R10W	Reserve Oil and Minerals	S. Berryhill Ranch	Aug. 31, 1995 Young & Tierney
Unknown	Section 31 T13N R9W	United Nuclear Corp.	Unknown	Aug. 31, 1995 Young & Tierney
Faith Mine	Section 29 T13N R9W	Ranchers Exploration	Unknown	Aug. 31, 1995 Young & Tierney
Isabella Mine	Section 7 T13N R9W	Ranchers Exploration	Unknown	Aug. 31, 1995 Young & Tierney
Marquez Mine	Section 23 T13N R9W	United Nuclear Corp.	Sonny Marquez	Aug. 31, 1995 Young & Tierney
Poison Canyon Mine	Section 19 T13N R9W	Reserve Oil and Minerals	Cerrillos Land Company	Aug. 31, 1995 Young & Tierney

Inspection Procedures

On August 31, 1995 Santa Fe Pacific Gold escorted MMD personnel on a quick inspection of 8 of 11 sites for which Santa Fe submitted prior reclamation inspection requests. Ms. Denise Gallegos, Manager-Environmental Compliance and Audits, Mr. Paul Eby, Director-Field Operations, Mr. Lee Simpkins and Mr. Larry Taylor, Contractor, represented Santa Fe Pacific Gold Corporation. Mr. Robert Young, Environmental Engineer and Dr. Robyn Tierny, Reclamation Specialist represented the New Mexico Mining and Minerals Division. On September 12 Mr. Robert Young and Mr. Fernando Martinez, Reclamation Specialist revisited six of the above sites to take additional measurements. The site on Section 1 T13W R9W was inspected on September 13 by Mr. Robert Young and Mr. Fernando Martinez, Reclamation Specialist. Another site on Section 13 T1N R6W was inspected September 21, 1995 by Robert Young and Holland Shepherd, Mining Act Bureau Chief. Santa Fe Pacific Gold did not attend the inspections of the sites on

Sections 1 T13W R9W or Section 13 T1N R6W. Another site on Section 17 T13N R9W, for which a prior reclamation inspection was requested (Santa Fe, 1994), was searched for, but could not be found. Without an inspection of the site, no evaluation could be made regarding prior reclamation status.

Inspections of each mine site consisted of a review of information submitted by the mine operator, subsequent discussion with the operator pertaining to mining and reclamation at each site, inspection of the condition of the reclaimed mine sites, line-intercept sampling for estimates of vegetative cover, compilation of plant species lists, measurement of reclaimed soil depths, and photo-documentation. Each of the mine sites were visually inspected for erosion features and hydrologic stability. During a walkover of each site, all slopes, areas of water concentration (ponds, diversions and areas where disturbed areas enter undisturbed lands) were visually inspected for stability. Topsoil placement and distribution also was evaluated at each site. Sampling for topsoil depth consisted of randomly digging a series of holes to identify the depth of topsoil and the presence or absence of potentially toxic wasterock at rooting depth. Grading of all wasterock piles and borrow areas was visually inspected. Placement and closure of portals and vent shafts was verified in the field.

The establishment and relative percent cover of reseeded and native plant species were evaluated in randomly placed transects. Fifty foot transects were evaluated at each mine site using the line intercept method (Bonham 1989). These transects were used to estimate the relative percent cover of each plant species intercepted at 3' intervals along a transect. A total of 17 points per transect were recorded. In addition, a list of species present within a 50' X 6' belt transect adjacent to each transect was compiled. These sampling procedures, however, do not meet sample adequacy. Rather, these procedures were conducted to estimate the relative percent cover and to evaluate the diversity of species present at each of the eight mine sites. Additional resources would be needed to fully evaluate the vegetation of these prior reclamation sites to a level of sample adequacy and would require at least 24 additional man-hours of inspection time per site. Where it was obvious that sufficient vegetation existed on site, or insufficient vegetation existed, no transect evaluations were made. Photos were taken, in these situations, to document the vegetation cover.

Results and Discussion

SW1/4 Section 13 T13N R11W

This was a surface mine, located approximately 27 miles north west of the City of Grants, New Mexico. The mine is characterized by red Entrada Sandstone cliffs that tower above it. The uranium mineralization occurred in Todilto Limestone just below the Entrada Sandstone. A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health and safety. Photos documenting vegetation and the general condition of the site are in Appendix A. The site was reclaimed in 1994 and reseeded in the fall of 1994 by Santa Fe Pacific Gold (Eby, 1995). The regrading included, at the request of the surface owner, the construction of six depressions to impound rainwater for livestock (Eby, 1995). There were minor rills from water flowing into these depressions. Topsoil depths across the site averaged 6 inches.

Cattle, sheep, goats, and wildlife have heavily grazed the reclaimed portions of this site and the vegetation showed signs of drought stress. Line-intercept transects showed perennial cover to be approximately 12 percent (Tierney, 1995). The results of the vegetation measurements are presented in Table II. This site was evaluated as having an insufficient vegetation cover to qualify for release.

TABLE II
SW1/4 Section 13 T13N R11W Vegetation Measurements

Visual	Transect
Ambrosia dumosa	BG
Papaver sp.	BG
Oryzopsis hymenoides	BG
Cleome serrulata	*Atriplex canesceus*
Atriplex canesceus	BG
Gutierrezia sarothrae	BG
	BG
	BG
	BG
	BG
	BG
	BG
	BG
	BG

	BG
	Oryzopsis hymenoides
	Rock

Average Perennial Cover = 12%
Rock Cover = 6%

Section 13 T1N R6W

This was a surface mine, located approximately 36 miles north west of the City of Magdalena, New Mexico. The site is within a mile of the Alamo Navajo Indian Reservation. Uranium bearing sandstone was contour-mined along an outcrop in the side of Jaralosa Creek Canyon. The operator, M.P. Grace, operated the mine under a lease from then Santa Fe Pacific Minerals Corporation. The lease was terminated in 1979 and the site was reclaimed in 1980 (Santa Fe, 1994). The total area of disturbance was about 2 acres.

While it was difficult to locate the mine site, there were several small waste piles. Natural vegetation had successfully reestablished itself such that the waste piles were nearly indistinguishable from the natural mounds and ridges along the canyon. The location of the mine was located by a red clay that had been uncovered in one pit and was out of place. There was moderate erosion, but the erosion was consistent with that of the surrounding area. A powder magazine, circa 1970's, was left as a mining relic. All other structures, trash and junk had been removed. There were no piles or accumulations of toxic or waste material. There were no apparent hazards that could effect public health or safety.

The site and surrounding area showed signs of grazing impacts. Plant diversity, however, was good with more than 21 native plant species identified on the site. It was very difficult to distinguish this site from the adjacent undisturbed areas, so no transect evaluation was deemed necessary. Photographs documenting vegetation and the general condition of the site are presented in Appendix B. Because of the quality of cover and diversity of plants found on the site, it qualifies for release.

Section 1 T13W R9W

This mine site is located on a shelf in a canyon wall about 50 feet above the canyon floor. The canyon was eroded into Dakota Sandstone. The mine had been operated by Kerr-McGee under a lease agreement with Santa Fe Pacific Gold and was safeguarded by Kerr-McGee upon termination of that agreement (Santa Fe, 1994). All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. A vertical shaft had been backfilled with nontoxic mine waste material.

Essentially, the site had been safeguarded but not topsoiled or reseeded. The site is characterized by white fine grained sandstone covered by a few inches of fine white sand. The sand is subsequently being eroded away by wind and water. A mine access road had significant erosion. An impoundment had been constructed to impound sediment from the mine site, however, erosion from the access road was bypassing the impoundment and was entering the mine site. Photographs documenting vegetation and the general condition of the site are presented in Appendix C.

Some native plant species from adjoining areas were invading the disturbance area. Line-intercept transects indicated vegetation cover to be approximately 29 percent (Young, 1995). Vegetation measurements are presented in Table III. Vegetation on this site is dominated by hairy goldenaster (*Heterotheca villosa*), an unpalatable increaser . Indian ricegrass (*Oryzopsis hymenoides*), was also found growing sparsely on the site. Given the sandy nature of these soils, stands of Indian ricegrass and sand dropseed (*Sporobolus cryptandrus*) should be more prevalent here. Because of the overall lack of diversity and the poor establishment of perennial grasses and forbs, this site does not qualify for release.

TABLE III
Section 1 T13W R9W Vegetation Measurements

Visual	Transect #1	Transect #2
Guterrezia sarothrae	BG	*Heterotheca villosa*
Atriplex canescens	BG	BG
Oryzopsis hymenoides	BG	*Heterotheca villosa*
Heterotheca villosa	BG	*Oryopsis hymenoides*
	BG	*Heterotheca villosa*
	BG	*Heterotheca villosa*
	BG	BG
	Heterotheca villosa	BG
	BG	*Oryzopsis hymenoides*
	BG	BG
	Heterotheca villosa	BG
	BG	*Heterotheca villosa*
	BG	Bedrock
	BG	Bedrock
	Rock	BG
	Heterotheca villosa	BG
	Rock	BG

Average Vegetative Cover = 29%

Section 17 T13N R9W

This site was not shown to MMD staff by Santa Fe Pacific Gold personnel and could not be located in the field. Presumably, the site has been reclaimed (Santa Fe, 1994). However, without a formal inspection of this mine site, no evaluation could be made by MMD personal regarding the mine's prior reclamation status.

This site cannot be released at this time.

Haystack Mine (Section 19 T13N R10W)

This mine was the original Paddy Martinez discovery. It was a surface mine located approximately 27 miles north west of Grants, New Mexico. The mine was operated under an agreement with Santa Fe Pacific Minerals Corporation. The uranium mineral was found in the Todilto Limestone. Santa Fe Pacific Gold began reclamation of this site in 1990 under an Environmental Protection Agency (EPA) action that concluded in 1991 (Santa Fe, 1994). At the time of this inspection, Santa Fe claimed to have a letter of release from the EPA (Gallegos, pers. comm.), and indicated that a copy would be sent to MMD. However, MMD never received this copy.

A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health or safety. There were no erosion features. Photographs documenting the vegetation and the general condition of the site are presented in Appendix E. Topsoil depths across the site ranged from four to six inches.

Grazing by domestic livestock and wildlife have had some impact on the vegetative cover of this reclaimed site. Most of the reclaimed area had been heavily grazed and showed signs of drought stress. Line-intercept transects showed perennial cover to be approximately 32 percent and litter cover 18 percent (Tierney, 1995). Vegetation measurements are presented in Table IV. Because of the perennial quality of plant cover and diversity on this site, staff recommends it for release.

TABLE IV
Haystack Mine Vegetation Measurements

Visual	Transect #1 North side of	Transect #2 On Wasterock
Atriplex canescens	BG	BG
Chrysothamnus nauseosus	*Bouteloua gracillis*	*Bouteloua gracilis*
Sporobolus cryptandrus	*Bouteloua gracillis*	Litter
Juniperus monsperma	BG	*Atriplex canescens*
Ambrosia dumosa	*Bouteloua gracilis*	BG
Kochia scoparium	*Oryzopsis hymenoides*	*Oryzopsis hymenoides*
Mirabilis sp.	*Oryzopsis hymenoides*	BG
Phlox sp.	Litter	BG
Mentzelia pungens	*Salsola kali*	BG
Salsola kali	Litter	BG
Bouteloua gracilis	BG	BG

Oryzopsis hymenoides	BG	BG
	Litter	*Bouteloua gracilis*
	Agropyron sp.	*Sporobolus cryptandrus*
	Oryzopsis hymenoides	*Oryzopsis hymenoides*
	Litter	Litter
	Litter	Litter

Average Perennial Cover = 32%
Litter Cover = 21%

Section 25 Mine

The Section 25 mine is located 14 miles northwest of Grants, New Mexico. This 8-acre site was a surface mine operated by Reserve Oil and Minerals. It was reclaimed and reseeded by Santa Fe Pacific Gold in 1993. Additional reclamation activities were performed in 1994. A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health and safety. There were several topsoil mounds left by Santa Fe because small mammals had extensively burrowed into them and were using them for habitat. Photographs documenting the vegetation and the general condition of the site are presented in Appendix F. The regrading included construction of three large depressions that impounded rainwater for livestock. There was one significant erosion feature and several areas of minor erosion on the sides of these depressions. Topsoil depths across the site were greater than 12 inches. An earthworm found while measuring soil depths at this site is a good sign that the soils are generally non-toxic.

Portions of the reclaimed vegetation have heavily grazed by wildlife and domestic livestock. However, native plant species were invading the area. Twenty-six native species of plants were identified. Line-intercept transects showed average perennial vegetation cover to be approximately 22 percent (Young, 1995). Vegetation measurements are presented in Table V. Despite the slight increase in the number of perennial species invading this site from adjacent areas, there was poor establishment of the perennial grasses, forbs, and shrubs on the slopes of the depressions and topsoil mounds. Because of the lack of adequate cover, this site does not qualify for release at this time.

TABLE V
Section 25 Mine Vegetation Measurements

Visual	Transect #1 West Depression (Soil Depth +1')	Transect #2 Middle of Site (Soil Depth +1')	Transect #3 East Side of Site (Soil Depth +1')
Mirabilis multiflora	BG	BG	*Oryzopsis hymenoides*
Aster sp.	*Erigeron* sp.	BG	BG
Lepidium sp.	BG	BG	Rock
Cleome serrulata	*Senecio longilobus*	BG	BG

Sphaeralcea incana	BG	*Mentzelia* sp.	BG
Senecio longilobus	BG	BG	BG
Chrysothamnus nauseosus	*Oryzopsis hymenoides*	BG	Rock
Sporobolus cryptandrus	Litter	BG	BG
Gutierrezia sarothrae	Litter	BG	*Oryzopsis hymenoides*
Boutelloua gracilis	*Cleome serrulata*	BG	Rock
Agropyron smithii	*Oryzopsis hymenoides*	BG	BG
Mentzelia decapetala	*Oryzopsis hymenoides*	BG	BG
Oryzopsis hymenoides	BG	*Agropyron smithii*	BG
Atriplex canescens	BG	BG	BG
Sparganium sp.	*Cleome serrulata*	*Agropyron smithii*	BG
Atriplex canescens	BG	BG	Rock
Fleabane	BG	BG	BG

Average Vegetative Cover = 22%

Section 31 T13N R9W

This was a surface mine located 14 miles northwest of the Grants, New Mexico. The mine was operated by United Nuclear Corporation until termination of the lease in 1975. Open adits and shafts were backfilled and otherwise safeguarded in 1987. The site was reclaimed and reseeded by Santa Fe the fall of 1994 (Santa Fe, 1994). All structures, trash or junk had been removed from the site however, trespass dumping has since taken place. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could effect public health or safety. There were minor erosion features where water had flowed into depressions. Twenty foot slopes of limestone cobble were left on the south side of the reclaimed area to blend in with a natural limestone outcropping. Several 6 foot high, 50 foot long topsoil stockpiles were left because small animals were burrowing into them and were using them for habitat. Photographs documenting vegetation and general condition of the site are presented in Appendix G.

There was evidence of grazing by livestock and wildlife on this site. Vegetation also showed signs of drought stress. Line-intercept transects showed vegetation cover to be approximately 12 percent (Young, 1995). The results of these vegetation measurements are presented in Table VI. Because of the lack of cover and diversity, staff does not recommend this site for release.

TABLE VI
Section 31 T13N R9W Vegetation Measurements

Visual	Transect #1	Transect #2	Transect #3
Mirabilis multiflora	Rock	*Oryzopsis hymenoides*	BG
Sphaeralcea incana	Rock	Rock	BG
Oryzopsis hymenoides	BG	BG	BG
Senecio longilobus	Rock	BG	BG
Ceratoides lanata	Rock	BG	BG
Salvia sp.	Rock	BG	BG
Gutierrezia sarothrae	BG	BG	BG
Atriplex canescens	BG	BG	*Oryzopsis hymenoides*
Lycium pallidum	*Salvia* sp.	BG	BG
Sporobolus airoides	Rock	BG	BG
Bouteloua gracilis	Litter	BG	BG
Mentzelia decapetala	Rock	BG	BG
Agropyron smithii	Rock	BG	Rock
	Rock	*Oryzopsis hymenoides*	*Oryzopsis hymenoides*
	Rock	BG	*Oryzopsis hymenoides*
	Rock	Litter	BG
	Rock	BG	Rock

Average Vegetative Cover = 12%

Faith Mine (Section 29 T13N R9W)

This underground mine was reclaimed in 1986 (Eby, 1995). Native vegetation from adjoining undisturbed lands had invaded the site and it was difficult to tell that a mine had previously existed on this site. Approximately one acre had recently been regraded and reclaimed, the only other indication of the mine presence was a revegetated mound where a vertical shaft had been backfilled with nontoxic mine waste material (Eby, 1995). All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. Similarly, there were no erosion features. Photographs documenting vegetation and general condition of the site are presented in Appendix H. Topsoil depths across the site ranged from 4 to 6 inches.

As with the other mines, the vegetation had been grazed by wildlife and domestic livestock. The vegetation also showed signs of drought stress. However, the adequate plant cover and diversity deemed it unnecessary to perform transect evaluations of the plant community. Staff recommends this site of release. The plant

community has been documented by photographs (See Appendix H).

Isabella Mine

This was a 2-acre site consisting of a head frame for underground mining. Ranchers Exploration conducted limited operations on this section under a lease from Santa Fe Pacific Minerals Corporation. The site was reclaimed in 1987, but is still accessed by a two-track road from the Old Wilcoxen Ranch. All structures, trash or junk had been removed from the site. The mine shaft had been backfilled with nontoxic mine waste material (Eby, 1995). There were no piles or accumulations of toxic or waste material on the site. There was one erosion feature, 200 feet south of the shaft site, which threatens to head cut across from an unnamed ephemeral tributary of Arroyo del Puerto running adjacent to the site. This head cut if left unchecked will eventually intercept the closed shaft. Mr. Paul Eby said that Santa Fe Pacific Gold would repair it. Photographs documenting the vegetation and the general condition of the site are presented in Appendix I. Topsoil depths across the site ranged from 4 to 6 inches.

Again, the mine site had been grazed by livestock and wildlife. Similarly, vegetation showed signs of drought stress. Line-intercept transects indicated that vegetation cover was approximately 15 percent (Young, 1995). Results of vegetation measurements are presented in Table VII. Because of the lack of plant cover, this site is not recommended for release.

TABLE VII
Isabella Mine Vegetation Measurements

Visual	Transect #1	Transect #2
Oryzopsis hymenoides	BG	BG
Bouteloua gracilis	Litter	BG
Atriplex canescens	BG	BG
Juniperus sp.	BG	BG
Cleome serrulata	*Kochia scoparia*	BG
Agropyron smithii	BG	BG
	BG	*Salsola iberica*
	BG	BG
	BG	BG
	BG	BG
	Salsola iberica	BG
	Litter	BG
	BG	*Salsola iberica*
	BG	*Kochia scoparia*

	BG	BG
	BG	BG
	BG	BG

Marquez Mine

This site is reached by a two-track road from a ranching complex known as the Marquez Old Home Place. It was the site of a decline shaft adit below a cliff outcropping of the Dakota Sandstone. United Nuclear leased the section from Santa Fe Pacific Minerals Corporation. Open mine features were backfilled in 1987. The site is characterized by the sand dune appearance of a mine waste pile backfilling a declined shaft adit. The site lies within San Mateo Creek Canyon, however, and the high and constant winds move soils to form sand dunes. Further, San Mateo Creek is ephemeral at this location and windblown sand from the streamed forms dunes against the cliff face. All structures, trash or junk had been removed from the site with the exception of some pipe and lumber (left at the request (Eby, 1995) of the surface lessee, Sonny Marquez). There were no piles or accumulations of toxic or waste material on the site. Photographs documenting the vegetation and general condition of the site are presented in Appendix J. The decline shaft had been backfilled with nontoxic mine waste material. Regrading of the site also included construction of terraces to break up slopes.

Topsoil depths across the site were greater than 12 inches, but consisted entirely of windblown sand. This area was essentially barren with most of the seed and mulch blown away before vegetation could be established. Native species such as Indian ricegrass (*Oryzopsis hymenoides*), from adjoining areas were starting to invade he disturbance area (Young, 1995). Because of the obvious lack of plant cover at the site no transects were attempted. Staff does not recommend release of this site.

Poison Canyon Mine

This site is characterized by an abundance of sunflowers and locoweed. The locoweed is probably a selenium accumulator for which the canyon (also known as 'Sheep Kill Canyon') was named. Reserve Oil and Minerals operated the mine under a lease from Santa Fe Pacific Minerals Corporation. Open mine features were backfilled and the mine reclaimed in 1987 upon termination of the lease. Additional reclamation of the site was conducted in 1993 and 1994 (Santa Fe, 1994). A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were a few erosion features including one that was significant. Photographs documenting vegetation and general condition of the site are presented in Appendix K. An inclined shaft portal had been backfilled with nontoxic mine waste material (Santa Fe, 1994). The regrading of this site included construction of mounds, berms, terraces and depressions that impounded rainwater for livestock.

Topsoil depths across the site were approximately 4 inches. Line-intercept transects indicated that perennial vegetative cover was approximately 31 percent. The results of these vegetation measurements are presented in Table VIII.

TABLE VIII
Poison Canyon Vegetation Measurements

Visual	Transect #1	Transect #2	Transect #3
Agropyron sp.	Rock	Rock	BG
Aster bigolovii	BG	BG	Rock
Agropyron smithii	*Helianthus* sp.	BG	*Helianthus* sp.
Oxytropis lambertii	*Helianthus* sp.	BG	BG
Mentzelia decapetala	Rock	BG	BG
Gutierrezia sarothrae	BG	*Atriplex canescens*	Rock
Linum perenne lewisii	BG	*Agropyron smithii*	Rock
Cleome serrulata	BG	Litter	*Helianthus* sp.
Melilotus officinalis	BG	*Atriplex canescens*	*Agropyron smithii*
Sphaeralcea coccinea	*Oryzopsis hymenoides*	*Salsola iberica*	BG
Helianthus sp.	BG	BG	BG
Oryzopsis hymenoides	BG	*Atriplex canescens*	BG
Hordeum jubatum	*Helianthus* sp.	*Kochia scoparia*	BG
Senecio longilobus	Rock	*Oryzopsis hymenoides*	BG
Sphaeralcea incana	Rock	BG	*Helianthus* sp.
Atriplex canescens	BG	BG	*Helianthus* sp.
	BG	Litter	BG

Average Vegetative Cover = 27 %

Conclusions and Recommendations

Based on the inspection of the 11 mine sites, review of inspection information with Mining and Minerals Division staff and MMD's resources to conduct these inspections, it is recommended that:

> the Haystack (Section 19 T13N R10W), Section 13 (T 1N R 6W) and Faith (Section 29 T13N R9W) Mines

be released from further requirements of the New Mexico Mining Act. The other mine sites:

> SW1/4 of Section 13 (T 13N R11W), Section 1 (T 13W R 9W), Section 31 (T 13N R 9W), Section 7 (T13N R 9W, a.k.a. Isabella Mine), Section 23 (T 13N R 9W, a.k.a. Marquez Mine), Section 25 (T 13N R 10W), and Section 19 (T 13N R9W, a.k.a. Poison Canyon Mine)

staff has determined do not meet the environmental conditions that allow for the development of a 'self-sustaining ecosystem' as defined in Rule 1. and put forth in Rule 5.7A of the New Mexico Mining Act. Some of these site were reclaimed in July 1994, so present a situation where it is difficult to determine vegetation success. One season of growth in the areas under evaluation does not provide sufficient time to make this kind of a determination. The sites remain at a very early successional stage and contain mostly weedy species or no species.

However, based on oral communications with the operator, and on the inspected condition of these remaining reclaimed sites as documented by this inspection report, it is clear that the operator has made an effort to complete the required reclamation of these remaining sites. It is therefore recommended that the Director of MMD give a variance to Santa Fe Pacific Gold Corporation from meeting the deadline of September 30, 1995 for prior reclamation under the New Mexico Mining Act and Rules for: the SW1/4 of Section 13 (T 13N R11W), Section 1(T 13W R 9W), Section 31 (T 13N R 9W), Section 7 (T13N R 9W, a.k.a. Isabella Mine), Section 23 (T 13N R 9W, a.k.a. Marquez Mine), and Section 19 (T 13N R9W, a.k.a. Poison Canyon Mine) mine sites. This variance would stipulate that inspections will be conducted by MMD during the late summer of 1997 at each of these remaining sites to determine if the conditions necessary for development of a 'sustainable ecosystem' are then present on-site, and if any further actions including (but not limited to) reseeding or interseeding by the operator are necessary.

The Section 17 (T 13N R 9W) mine site was not adequately identified by Santa Fe Pacific Gold for inspection by MMD. The Mining and Minerals Division attempted to locate the site, but was unable to do so. Therefore, no inspection for prior reclamation status was made. This site could also be addressed under a variance.

References

Bonham, C. D. 1989. Measurements for Terrestrial Vegetation. Wiley-Interscience. 338 pp.

Eby, Paul G. 1995. Director-Field Operations, Santa Fe Pacific Gold Corporation, Personal Communication.

Santa Fe (Santa Fe Pacific Gold Corporation) 1994. Prior Reclamation Request.

Tierney, Dr. Robyn 1995. Reclamation Specialist, MMD, Field Notes.

Young, Robert S. 1995. Environmental Engineer, MMD, Field Notes.

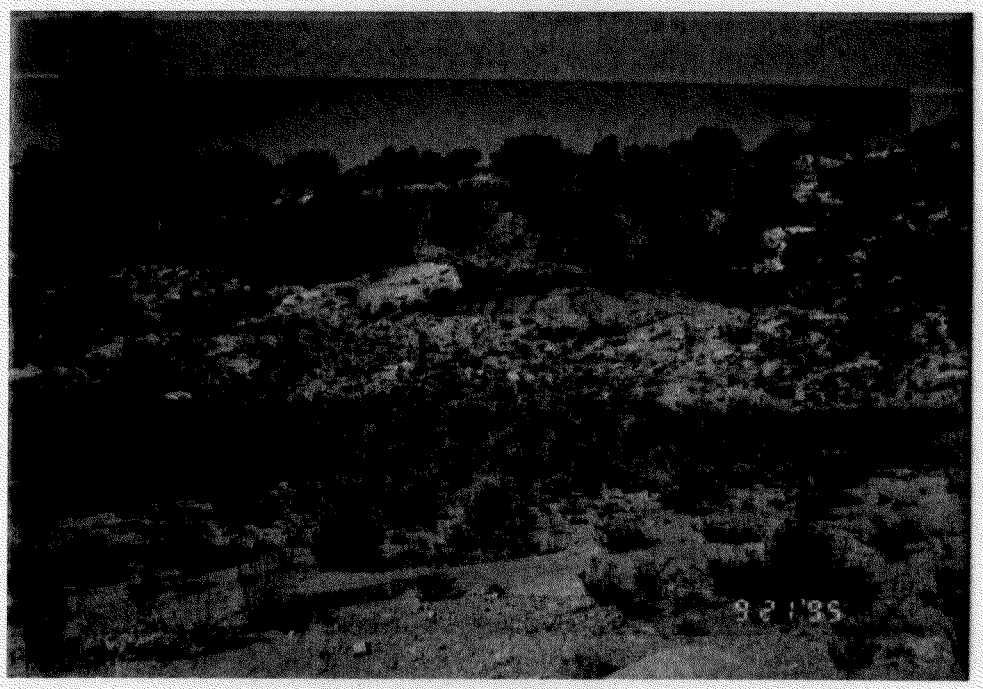
Appendix A

Photo Documentation
SW1/4 Section 13 T13N R11W

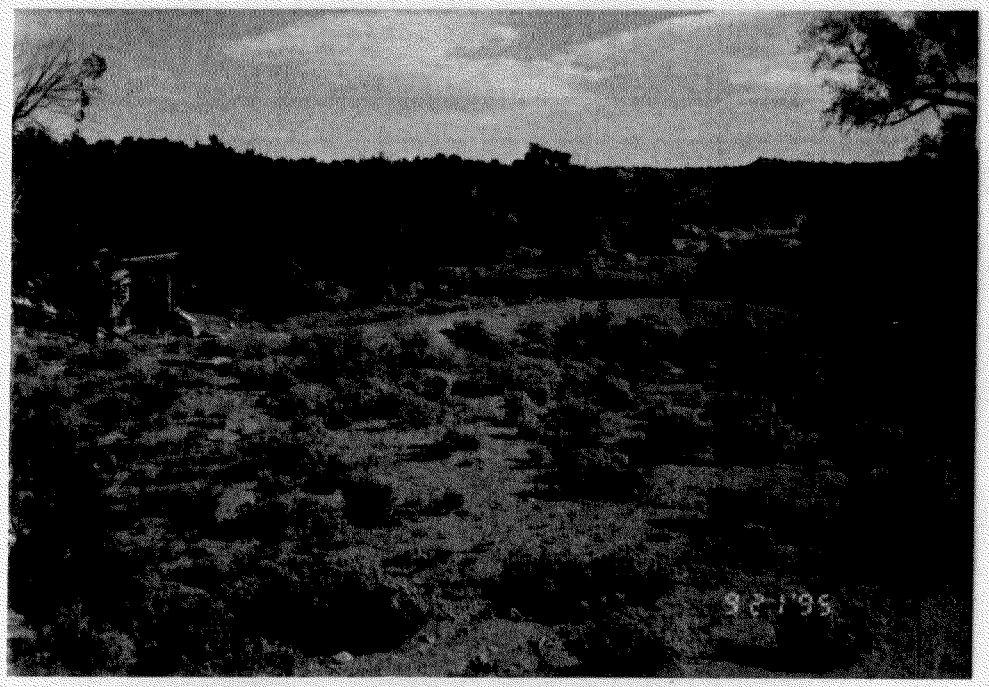
(no photo documentation)

Appendix B

Photo Documentation
Section 13 T1N R6W



Section 13 T1N R6W, Mine Site from East, September 21, 1995



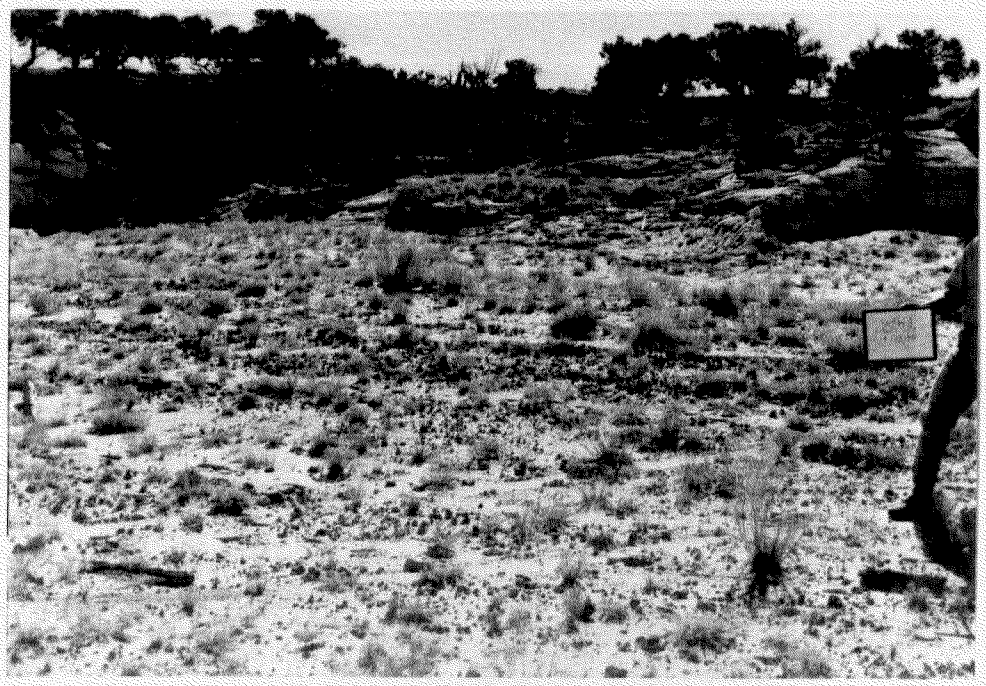
Section 13 T1N R6W, Powder Magzine, September 21, 1995

Section 13 T1N R6W, Mine Site From East

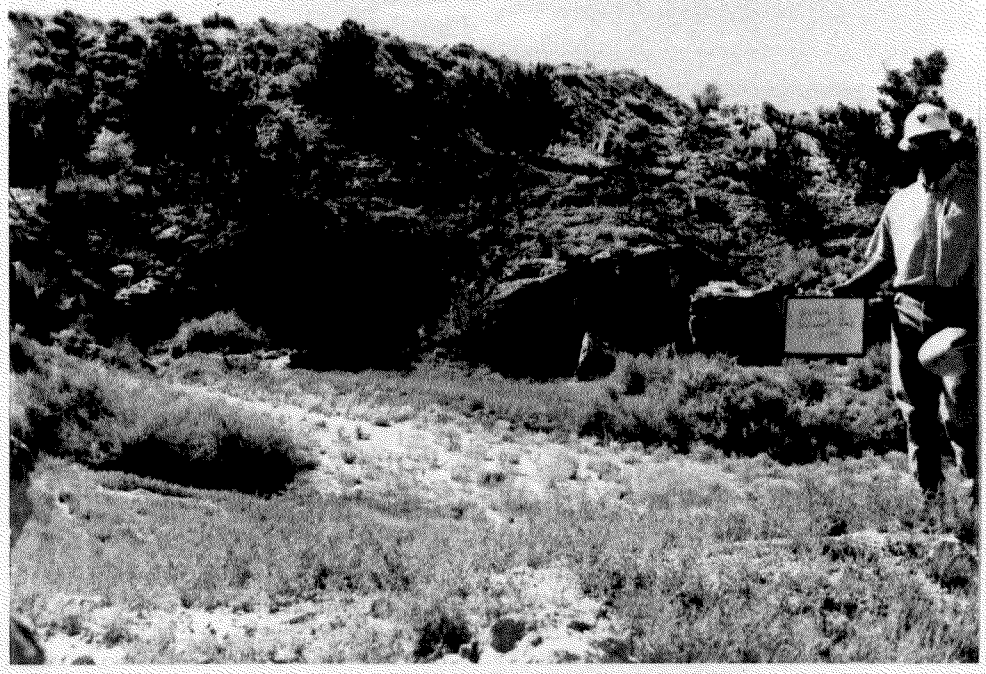
Appendix C

Photo Documentation
Section 1 T13N R9W

Section 1 T13N R9W, Shaft Site looking South, 9/13/95



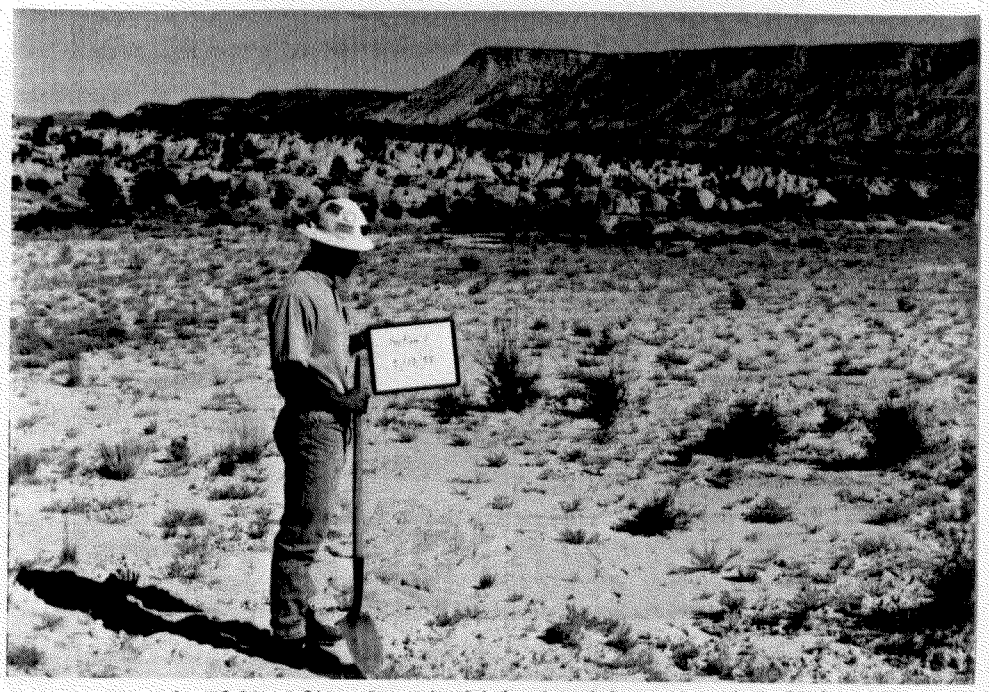
Section 1 T13N R9W, Shaft Site Looking West, 9/13/95



Section 1 T13N R9W,Sediment Pond, 9/13/95

Section 1 T13N R9W, Looking Up at Mine Site, 9/13/95

Section 1 T13N R9W, Access Road, 9/13/95



Section 1 T13N R9W, South Side Looking North, 9/13/95

Section 1 T13N R9W, North Side Looking South, 9/13/95

Appendix D

Photo Documentation
Section 17 T13N R9W
(no photo documentation)

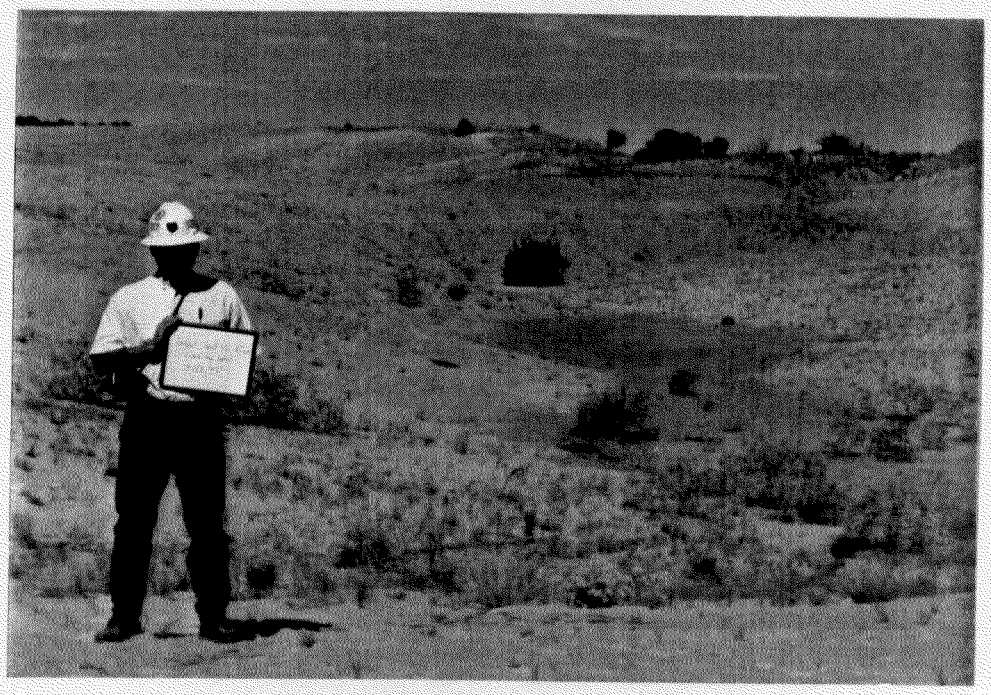
Appendix E

Photo Documentation
Haystack Mine

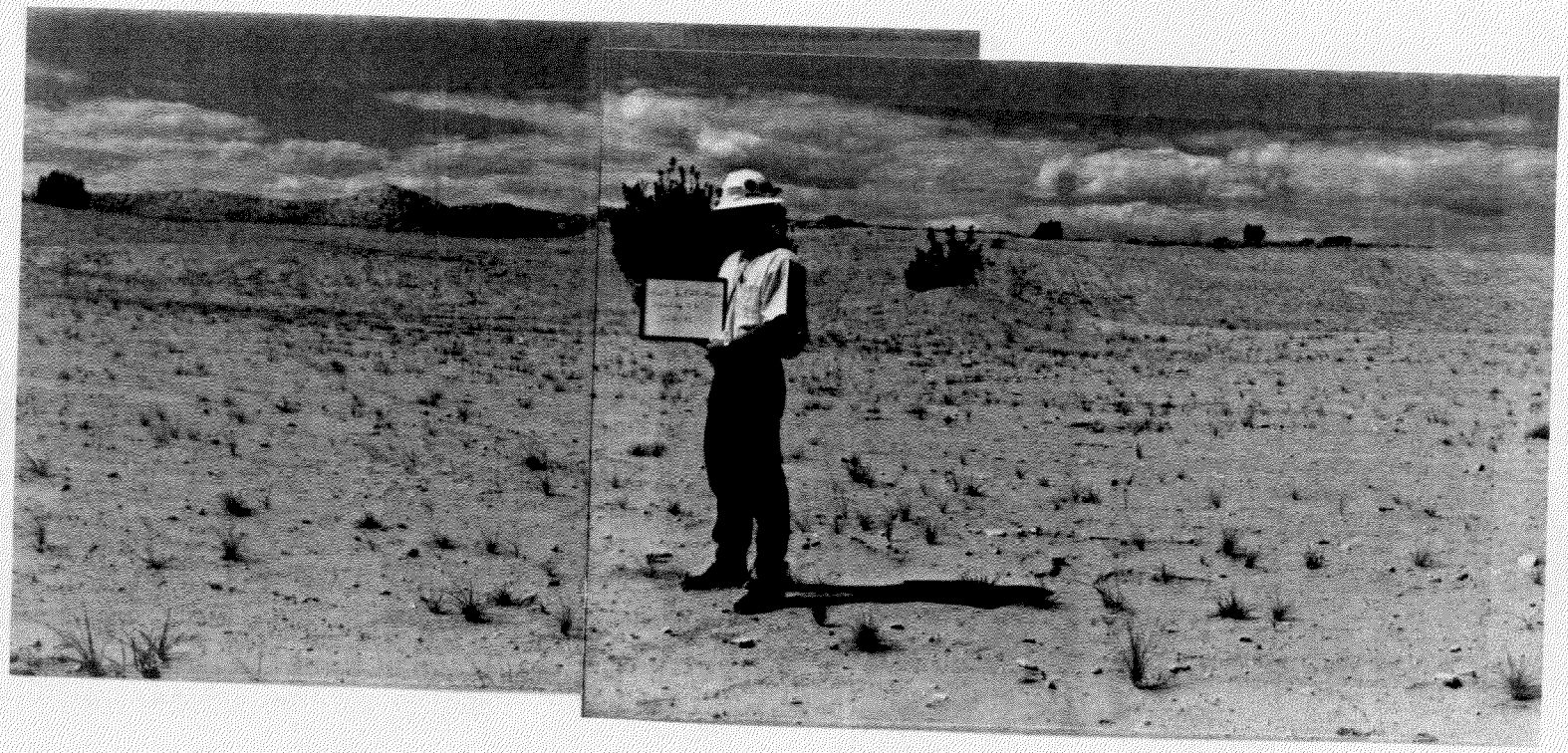
Appendix F

Photo Documentation
Section 25

Section 25 Mine, West Side Looking West, 9/12/95



Section 25 Mine, Middle Looking East, 9/12/95



Section 25 Mine, East Side Looking Southwest, 9/12/95

Section 25 Mine, Erosion Feature, 9/12/95

Appendix G

Photo Documentation
Section 31 T13N R9W

Section 31 T13N R9W, North End Looking South, 9/12/95

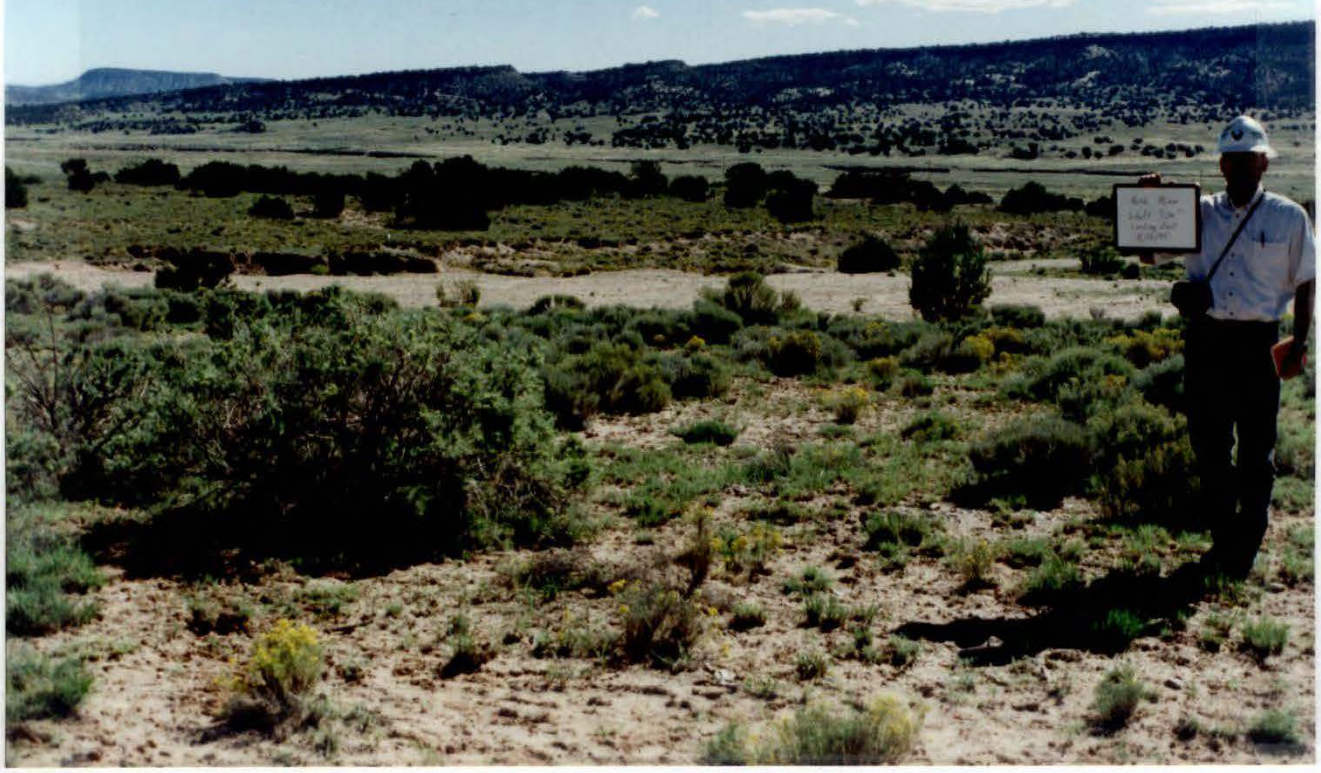
Section 31 T13N R9W, Northeast Side Looking West, 9/12/95

Section 31 T13N R9W, Reconstructed Limestone Bluffs, 9/12/95

Section 31 T13N R9W, Southeast Side looking North

Appendix H

Photo Documentation
Faith Mine



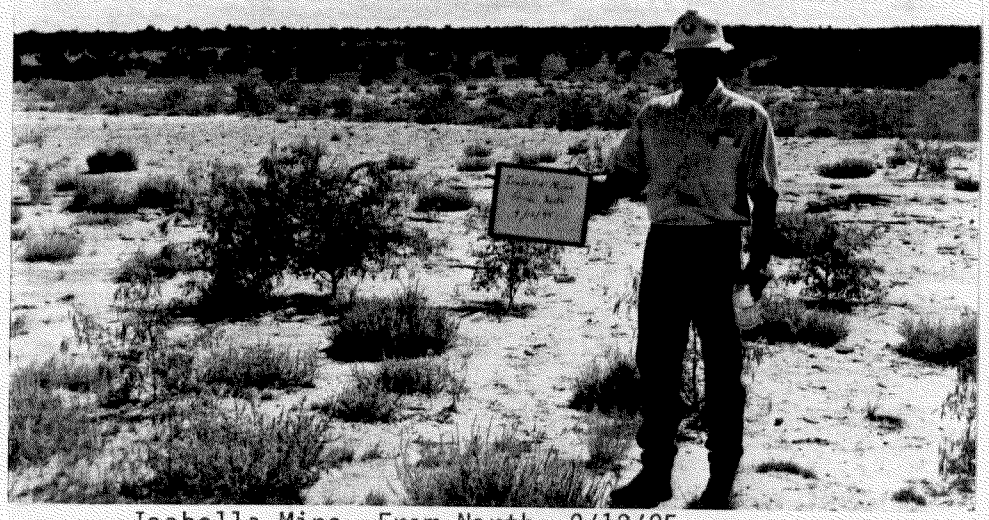
Faith Mine Shaft Site, Looking East, 9/12/95
Regraded Area in Background

Faith MIne Shaft Site, Looking North, 9/12/95

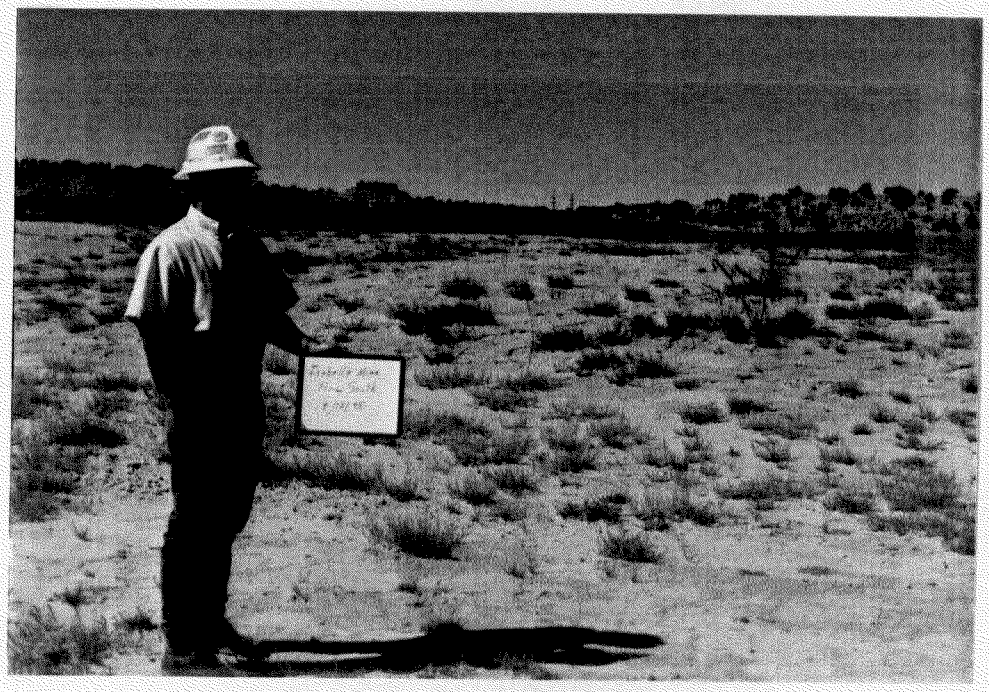
Faith Mine Shaft Site, Looking West, 9/12/95

Appendix I

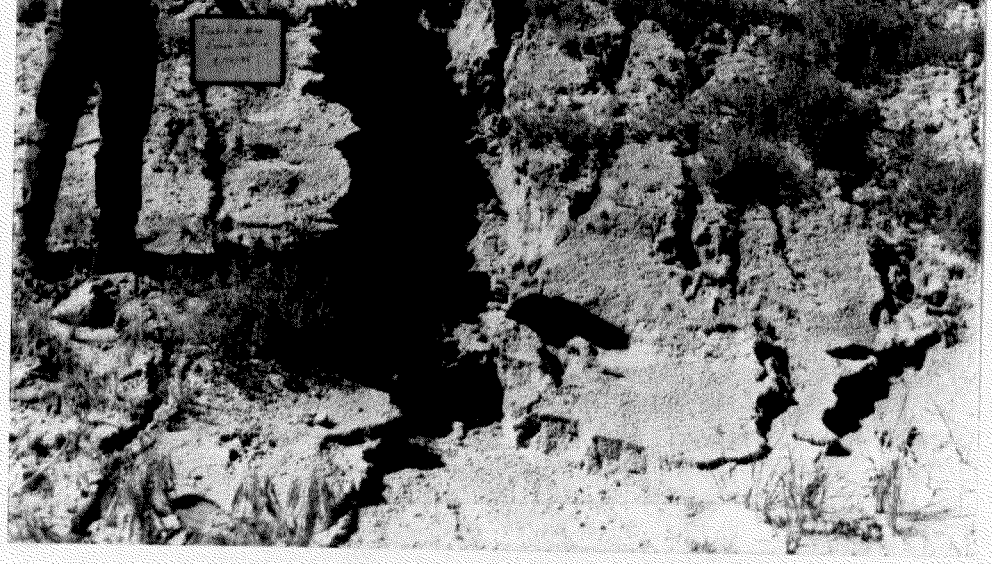
Photo Documentation
Isbella Mine



Isabella Mine, From North, 9/12/95



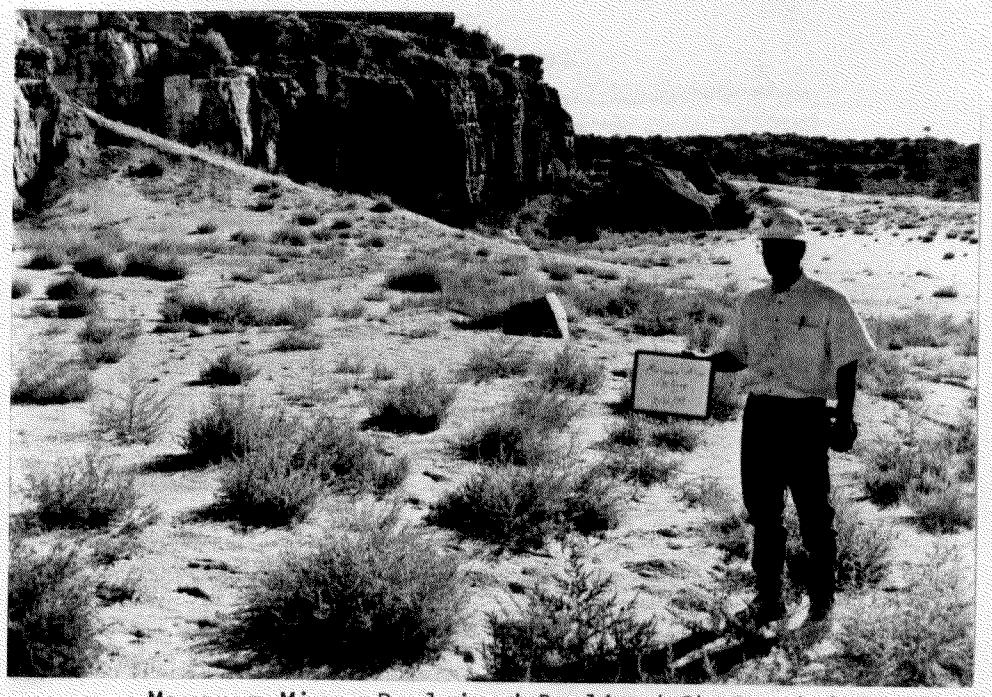
Isabella Mine, From South, 9/12/95



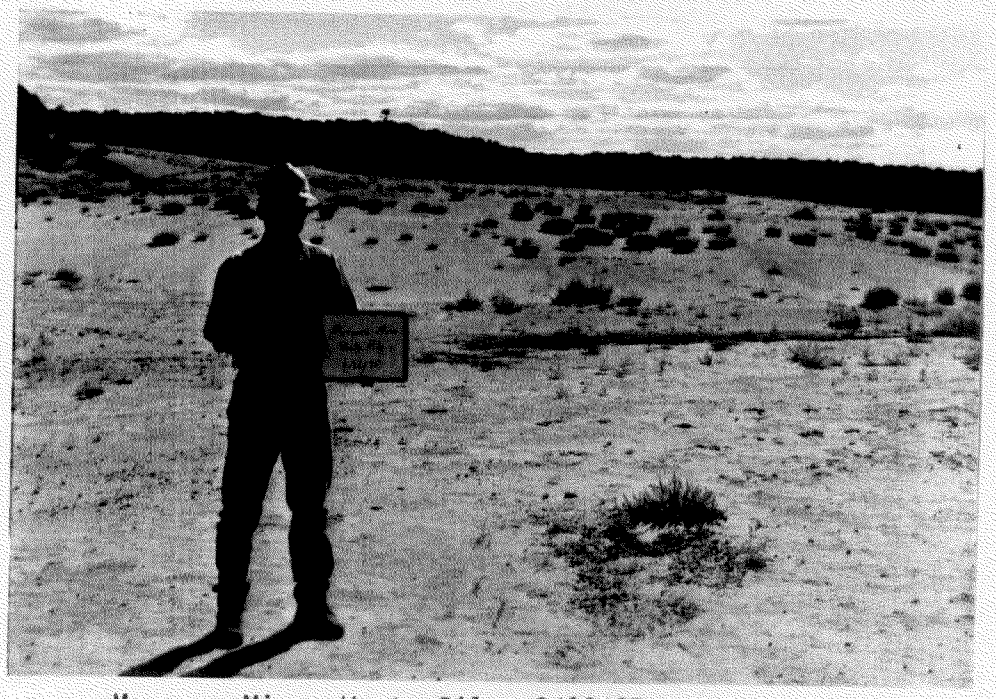
Isabella Mine, Erosion Feature, 9/12/95

Appendix J

Photo Documentation
Marquez Mine

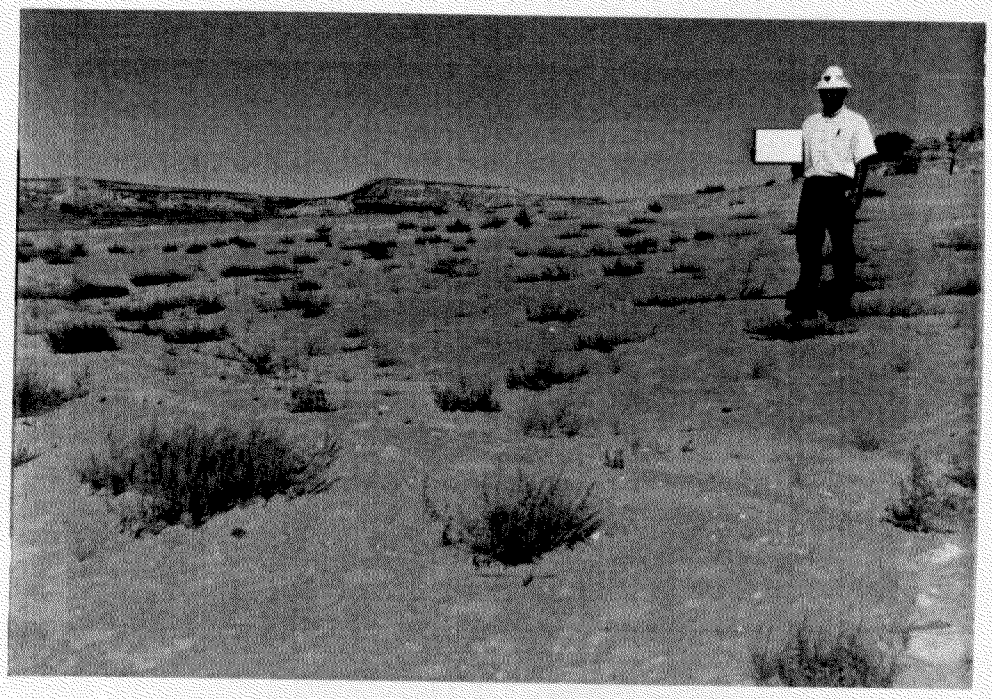


Marquez Mine, Reclaimed Declined Shaft, 9/12/95

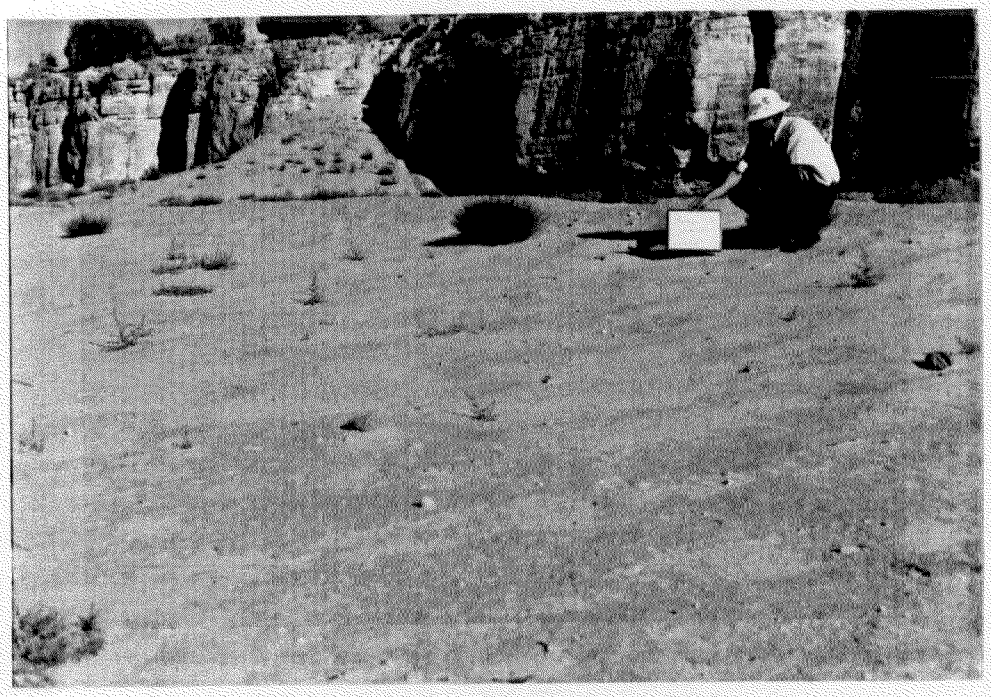


Marquez Mine, Waste Pile, 9/12/95

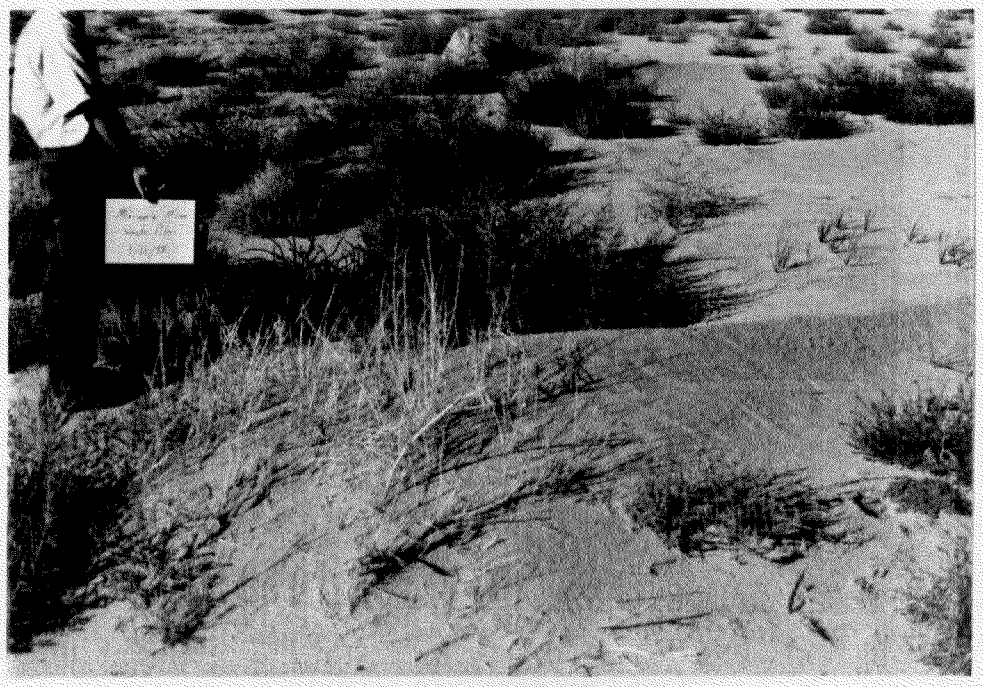
Marquez Mine Waste Pile, 9/12/95



Marquez Mine, Waste Pile, 9/12/95



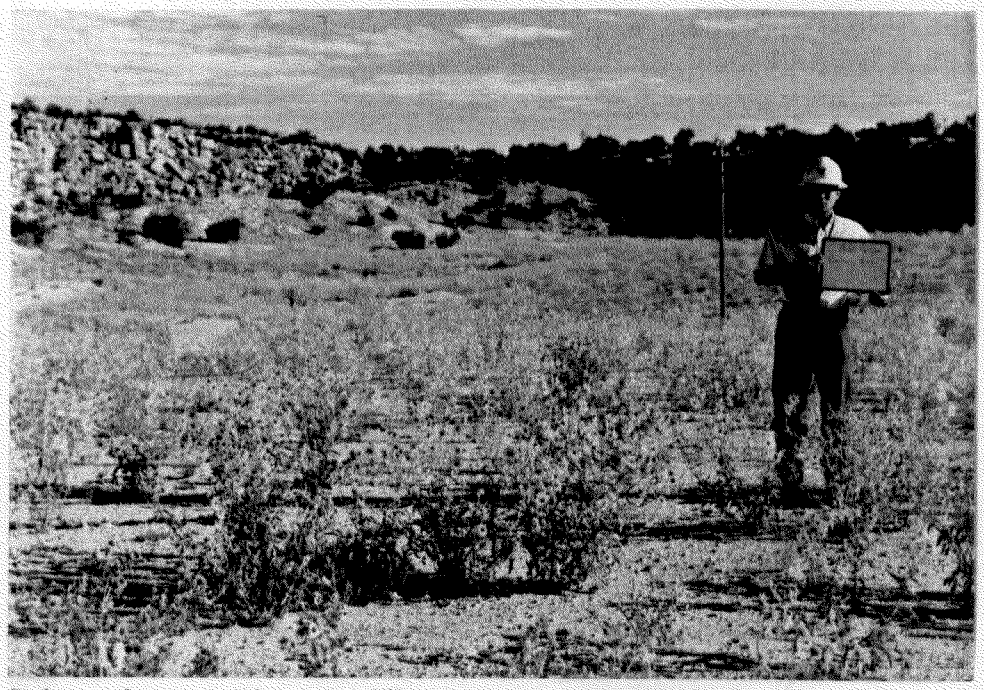
Marquez Mine, Waste Pile, 9/12/95



Marquez Mine, Sand Dune, 9/12/95

Appendix K

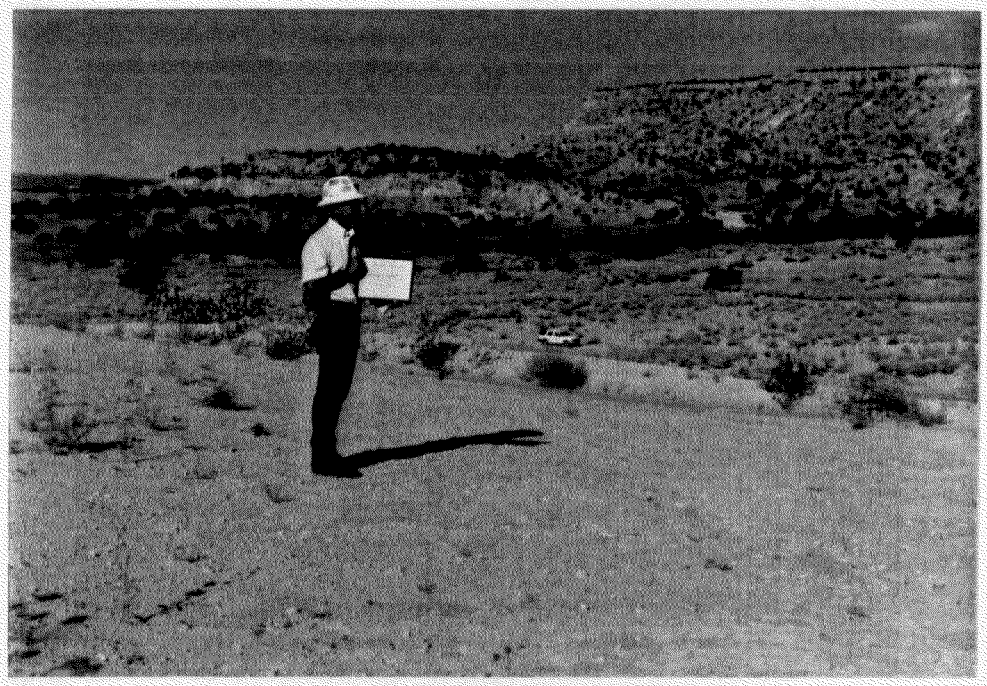
Photo Documentation
Poison Canyon Mine



Poison Canyon Mine, Middle Looking North, 9/12/95

Poison Canyon Mine, Middle Looking East, 9/12/95

Poison Canyon Mine, Middle Looking South, 9/12/95



Poison Canyon Mine, Middle Looking West, 9/12/95

Poison Canyon Mine, Reclaimed Declined Shaft, 9/12/95

Poison Canyon Mine, Small Depression, 9/12/95

Poison Canyon Mine, Erosion Feature, 9/12/95

Faith

PRIOR RECLAMATION INSPECTION

DATE: 5/31/95

CONDITIONS 12:30 pm

reclaimed in 1986, backfilled shaft, covered cesspool. Large natural
escape to northeast of these features - had to do some recent (last year?)
maintenance on backcutting or headcutting from this escape

SITE: Faith Mine

OPERATOR: SFPC

PRESENT:

c:\priorec.tab

MK

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

New Mexico DRUG FREE It's a State of Mind!

BRUCE KING
GOVERNOR

December 14, 1994

ANITA LOCKWOOD
CABINET SECRETARY

Mr. Tim Leftwich
Santa Fe Pacific Gold Corp.
P. O. Box 218
Albuquerque, New Mexico 87110

RE: Evaluation Guidelines for Prior Reclamation Sites.

Dear Mr. Leftwich:

The Mining and Minerals Division (MMD) will be conducting inspections for the purposes of prior reclamtion for the site(s) you have requested release. Based on Section 69-36-5 E. of the New Mexico Mining Act, the MMD has developed inventory of items to determine whether the completed reclamation satisfies the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the applicable regulatory standards.

This checklist is included for your use to determine if your site meets all of the ten criteria. Based on site-specific information, the MMD will be using this checklist to establish criterion based decisions to release the site from further responsibilities under the Act or not.

MMD will begin inspection of prior reclamtion sites in early 1995 and will make a determination by September 30, 1995. If you have any questions regarding the checklist or questions regarding the inspection of your reclamation sites, please contact me or Joe DeAguero at 505\827-5970.

Sincerely,

Holland Shepherd
Bureau Chief
Mine Act Reclamation Bureau
Mining and Minerals Division

PRIOR RECLAMATION GUIDELINES FOR RELEASE FROM REQUIREMENTS OF THE NEW MEXICO MINING ACT.

THE PURPOSE OF THIS CHECKLIST IS TO EQUITABLY CONDUCT EACH INSPECTION OF RECLAIMED AREAS TO DETERMINE WHETHER THE COMPLETED RECLAMATION SATISFIES THE REQUIREMENTS OF THE NEW MEXICO MINING ACT AND THE SUBSTANTIVE REQUIREMENTS FOR RECLAMATION PURSUANT TO THE APPLICABLE REGULATORY STANDARDS. IF THE DIRECTOR DETERMINES THAT THOSE REQUIREMENTS ARE MET, THE OPERATOR OR OWNER SHALL BE RELEASED FROM FURTHER REQUIREMENTS UNDER THE NEW MEXICO MINING ACT.

YES	NO		
_____	_____	1)	Have all disturbed or affected areas of the mining operation been mitigated?
_____	_____	2)	Has there been topdressing or topsoil replacement? If yes, approximate depth:_____.
_____	_____	3)	Is the material on the ground surface suitable for the re-establishment of vegetation and the post mining land use?
_____	_____	4)	Is the reclaimed surface devoid of waste, ore or other mining debris (e.g. equipment & structures) that would hinder revegetation.
_____	_____	5)	Has the mitigated area been stabilized to effectively control erosion which would either disrupt the post-mining land use or the re-establishment of vegetation?
_____	_____	6)	Do the reclaimed areas, to the extent practicable, provide stabilization that will minimize future impacts to the environment and protect air and water resources
_____	_____	7)	Are the reconstructed slopes at lengths and gradients sufficient to allow vegetation establishment without excess erosion?
_____	_____	8)	Do reconstructed drainages discharge onto undisturbed areas in a manner that will not cause accelerated erosion?
_____	_____	9)	If rip-rap has been placed on reconstructed drainages, has it been placed correctly and is it of durable material and of suitable size?
_____	_____	10)	Has the disturbed area been reclaimed to a condition that will allow a self-sustaining ecosystem to establish as defined in Rule 1.

SANTA FE
PACIFIC
GOLD
CORPORATION

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

November 8, 1994

RECEIVED
NOV 15 1994
MINING & MINERALS DIVISION

Mr. Holland Shephard
Chief, Mining Act Reclamation Bureau
2040 Pacheco Drive
Santa Fe, New Mexico 87505

Re: Request for additional information concerning prior reclamation

Dear Mr. Shephard:

I have received your September 19, 1994 letter requesting additional information on the sites potentially eligible for prior reclamation which we brought to your attention in our letter of August 31, 1994. With this letter we attempt to provide some of the information requested as to some of the sites. As in your August 31, 1994 letter, however, Santa Fe Pacific Gold Corporation ("SFPGC") again preserves all of its positions relating to the Act. Also, by providing certain information that is readily available to us and within the scope of your requests, SFPGC would like to preserve the position that the information requested is not "required" by any statutory or regulatory provision.

As you know, although Santa Fe holds interests in the properties it voluntarily identified in the August 31 letter, it did not own, conduct, or otherwise control any of the operations which were undertaken by third party mining companies pursuant to certain leases. As a result, SFPGC typically is not in a position to describe such things as all waste units, impoundments, stockpiles, leach piles, open pits or adits which may previously have been located at the sites. Similarly, SFPGC did not in many instances conduct the reclamation work, and so is not able to precisely describe such things as seed mixes, reclamation design, etc. Although SFPGC has voluntarily undertaken its own reclamation program at certain sites, (even prior to passage of the New Mexico Mining Act) it has done so voluntarily in the sense that it was motivated by its own corporate philosophy toward the environment rather than pursuant to any statutory, regulatory or other legal obligation.

Enclosed is the additional information we can provide, including what our latest records show as the names and addresses of the operators which should be able to provide the bulk of your desired data. We have also provided names and addresses of surface owners, since they are in the best--if not the only--position to know about post-mining land uses.

I hope this helps the Mining Act Reclamation Bureau. Please give me a call if you or your staff would like to discuss this further.

Very truly yours,

Tim Leftwich
Vice President -
Environmental Quality

TL:pt

Enclosure

Gallup Title Company

ABSTRACTS · ESCROWS · TITLE INSURANCE

CHARLES F. HEADEN
PHILIP G. GARCIA

October 13, 1994

Mr. G.R. Wagner
Santa Fe Pacific Gold Corp.
6200 Uptown Blvd., NE, Suite 400
Albuquerque, NM 87110

VIA FAX: (505) 880-5435

Dear George:

Pursuant to your request of October 7, 1994 following are land ownerships and addresses of owners that you asked that I check on for you, to wit:

T.13N., R.8W, Section 7: Fernandez Company
5000 San Mateo
San Mateo, NM 87050

T.13N., R.9W, Sections 1,7,17,21,23,29,and 31:
Isabel O. Marquez and Solomon Marques, trustees of the Isabel O. Marquez Trust
P.O. Box 3526
Milan, NM 87021

Section 19:
Isabel O. Marquez
(above address)

T.13N., R.10W, Section 19:
Donna ~~Jean~~ McKinnon &
Frances Laree Fathree
C/O Volton Tietjen
P.O. Box 125
Continental Divide,NM 87312

Section 25:
Berryhill Ranch, Ltd.
7000 W. 66 Ave.
Bluewater, NM 87005

T.13N., R.11W., Section 12(SW1/4):
Elkins Real Estate
P.O. Box 50
Prewitt, NM 84045

Continued...

Continued.....

T.14N., R.10W, Sections 13 & 15:

Jerry & Luann Elkins
1010 W. 66 Ave.
Gallup, NM 87301

Sections 23 & 25:

Homestake Mining Co.
P.O. Box 98
Grants, NM 87020-0011

If you need anything further, please advise.

Very truly yours

Philip A. Garcia

Philip Garcia
ar

Sec. 13, T 1N, R 6W (Socorro Co, NM)

B.L. Henderson
P.O. Box 286
Magdalena, N.M. 87825

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 3, 1994

Mr. Tim Leftwich
Santa Fe Pacific Gold Corp.
Post Office Box 27019
Albuquerque, NM 87125

Re: Santa Fe Pacific Gold Corporation's Prior Reclamation Status, Faith Mine et al, McKinley Mine

Dear Mr. Leftwich:

Thank you for your letter dated August 31, 1994, requesting approval for the prior reclamation of Section's 1, 13, 17, 31, 19, 25 and Faith, Isabella, Johnny M, Marquez, SW 1/4 Sec. 13, and Poison Canyon Mine Areas.

Section 5.10 of the New Mexico Mining Commission Rule 94-1, requires that we conduct an inspection of your mine to determine if the prior reclamation "satisfy the requirements of the Act and the substantive requirements for reclamation pursuant to ..." the rules. In this case the Director of the Mining and Minerals Division will make a determination on the adequacy of your reclamation by September 30, 1995.

Your letter and a subsequent letter did include checks totalling $3,000.00, since the Mining and Minerals Division has interpreted the rules to require $250.00 for each mine site. The maps submitted identified the general areas where the mines were located. However, the following information is required before the application for prior reclamation status can be considered complete:

1. a map of 1:24000 or larger scale (1:12000) showing the limits of the reclaimed area and the location, and a description, of any waste units, impoundments, stockpiles, leach piles, open pits or adits that are within this area;

2. a discussion of post-mining land use for the site reclaimed;

3. a detailed description of the reclamation work performed, including types of reclamation conducted, amount of acres revegetated, the seed mix used, the current condition of the revegetation, etc., and how the reclamation project has been designed to achieve a self-sustaining ecosystem; and,

4. if part of the reclamation, a discussion of how the current reclamation of waste units, impoundments, stockpiles, tailings piles open pits or adits, have been designed to ensure compliance with all applicable federal and state standards for air, surface and ground water protection and to eliminate any future hazards to health and public safety.

Please call me at (505)827-5970 if you have any questions concerning the new regulations, the permit process or any other related issues.

Sincerely,

HOLLAND SHEPHERD, Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

HS/AJ/fg

SANTA FE
PACIFIC
GOLD
CORPORATION

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

A Santa Fe Pacific Company

September 19, 1994

Mr. John Lingo, Acting Director
Mining and Minerals Division
New Mexico Energy, Minerals and
Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Sir:

Enclosed is Santa Fe Pacific's check in the amount of $3,000 which should have been enclosed with our letter of August 31, 1994 regarding our request for approval of prior reclamation in connection with the 1993 New Mexico Mining Act.

If you have any questions or need additional information, please contact me.

Very truly yours,

G. R. Wagner
Manager - Lease Records

GRW:bls
Enclosure

cc: T. J. Leftwich

INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	VOUCHER NUMBER		PAYMENT AMOUNT
09/07/94	4721190907	3,000.00	09-05717		
This check covers prior reclamation fees for the attached 12 mine sites. ARJ					
TOTALS →					3,000.00

SANTA FE PACIFIC GOLD CORP. VEN#:59566 DATE:09/16/94

MICR#:09191790 SYS#:09037820

SANTA FE PACIFIC GOLD CORP.

Box 27019
Albuquerque, New Mexico 87125-7019
(505) 880-5300

A SANTA FE PACIFIC COMPANY

THE NORTHERN TRUST COMPANY 2-16/710
CHICAGO, ILLINOIS

No. 191790

09/16/94

$****3,000.00

PAY ********** THREE THOUSAND AND 00/100 DOLLARS **********

TO THE ORDER OF

NM ENERGY, MIN. & NAT. RES. DE
MINING & MINERALS DIV.
2040 PACHECO STREET
SANTA FE , NM 87505

Robert M. Nutter

⑈191790⑈ ⑆071000152⑆ 30399708⑈

Check # 472190907 for $3,000.00
Covers these mines for prior reclamation. arl

REQUESTS FOR PRIOR RECLAMATION

Rcvd	Fee Paid By	Pd	1 Mine Name	2 Location Sec	T	R	3 Present/Former Operator	4 Mineral Ownership	5	6	7 Map	8 Required Info	9
8/31/94	Santa Fe Pac. Gold Corp.	250	Unknown	13	1N	6W	M.P. Grace	Santa Fe Pacific Gold Corp.					
"													
"	Homestake Mng. Co	250	Unknown	25	14N	10W	Homestake-Sapin	"			✓	✓	
"	"	250	"	23	14N	10W	" "	"			✓	✓	
"	"	250	"	15	14N	10W	" "	"			✓	✓	
"	"	250	"	13	14N	10W	" "	"			✓	✓	
"	Hecla Mng. Co	250	Hope Mine	19	13N	9W	Ranchers Explor.	"			✓	Oct. 15	
"	"	250	Doris Mine	21	13N	9W	" "	"			✓	Oct. 15	
"	Santa Fe Pacific Gold Corp	250	Faith Mine	29	13N	9W	" "	"			✓		
"	"	✓ 250	Isabella "	7	13N	9W	" "	"					
"	"	✓ 250	Johnny M	7	13N	9W	" " (Hecla reclam.)	"					
"	"	✓ 250	Unknown	17	13N	9W	United Nuclear	"			✓		
"	"	✓ 250	"	31	13N	9W	" "	"			✓		
"	"	✓ 250	Marquez	23	13N	9W	" "	"			✓		
"	"	✓ 250	SW 1/4	13	13N	11W	Todilto Explor.	"			✓		
"	"	✓ 250	Unknown	19	13N	10W	" "	"			✓		
"	"	✓ 250	Poison Canyon	19	13N	9W	Reserve Oil & Min.	"			✓		
"	"	✓ 250	Sec. 25	25	13N	10W	" " "	"			✓		
"	"	✓ 250	Unknown	1	13N	9W	Kerr-McGee	"					
9/1/94	Quivera Mining Co.	250	Sec. 17	17	14N	9W	Quivera Mng. Co.	Quivera Mng. Co.					
	"		" 19	19	14N	9W	" " "						
	"		" 22	22	14N	10W	" " "						
	"		" 24	24	14N	10W	" " "						
	"		" 30	30	14N	9W	" " "						
	"		" 30W	30	14N	9W	" " "						
	"		" 33	33	14N	9W	" " "						
	"		" 36	36	14N	9W	" " "						
8/30/94	Kerr-McGee Corp.	250	Church Rock I	35	17N		" " "				✓	✓	
"			" " IE	36	17N		" " "				✓	✓	
"			" " II				" " "				✓	✓	

SANTA FE PACIFIC GOLD CORPORATION

BOX 27019 ALBUQUERQUE, NEW MEXICO 87125
6200 UPTOWN BLVD NE, SUITE 400
ALBUQUERQUE, NM 87110
TEL 505-880-5300 FAX 505-880-5435

A Santa Fe Pacific Company

RECEIVED
AUG 31 1994
MINING & MINERALS DIVISION

August 31, 1994
HAND DELIVERED

Mr. John Lingo, Director
Mining & Minerals Division
Energy, Minerals & Natural
Resources Department
2040 Pacheco Street
Santa Fe, New Mexico 87505

Re: Santa Fe Pacific Gold Corporation's Requests for Approval of Prior Reclamation

Dear Mr. Lingo:

On behalf of Santa Fe Pacific Gold Corporation, this letter is being hand-delivered along with a series of one-page submittals and accompanying maps identifying certain properties which it believes were previously mined by other companies for recovery of uranium ores. These submissions are made in a spirit of cooperation even though Santa Fe Pacific Gold Corporation believes it is not required to make the submittals or undertake any other action under the New Mexico Mining Act, if that Act is deemed to apply at all to the uranium operations conducted at the site. Further, these submissions are made with the expectation that they may overlap with submissions by companies which conducted or owned the operations causing any disturbances.

For each site, Santa Fe Pacific Gold Corporation would like to request that the Director of the Mining and Minerals Division approve prior reclamation efforts pursuant to the New Mexico Mining Act if the Director believes that the Mining Act may be applicable to the operations previously conducted thereon. Pursuant to our attorney's recent discussions with you, these submissions are made with the express understanding that Santa Fe Pacific Gold Corporation fully preserves and does not waive any of its positions that it has no obligations whatsoever under the Mining Act with respect to these sites including, but not limited to, the following positions:

1. That any commodities or other materials produced from the properties or activities thereon constitute commodities, materials or activities regulated by the Nuclear Regulatory Commission such that the Mining Act does not apply;

2. That minerals were not produced from the properties in marketable quantities for a total of two years since January 1, 1970;

3. That as mere owner of mineral interests and lessor under instrument(s) pursuant to which operations owned and conducted by others occurred on the properties, Santa Fe Pacific Gold Corporation was not and is not an operator or owner of the operations with responsibilities, if there be any, under the Mining Act; and

4. That Santa Fe Pacific Gold Corporation has no obligation whatsoever to request approval of prior reclamation or carry out other responsibilities, if there be any, pertaining to the properties in relation to the Mining Act.

Santa Fe Pacific Gold Corporation makes these submissions with the further understanding that neither the submissions themselves, nor anything stated therein, nor the fact of making the submissions shall be advanced in any context, form or respect by the State of New Mexico or any agency or subdivision thereof as evidence or as an admission of any kind on any issue which may exist or hereafter arise in relation to Santa Fe Pacific Gold Corporation or its mineral properties in connection with the Mining Act. The same understanding applies in all respects to this letter.

With the exception of two mines, Santa Fe Pacific Gold Corporation believes these submissions cover all of its New Mexico properties that might conceivably be argued as properties on which "existing mining operations" are situated. The first such exception is the Northeast Church Rock Mine in Section 35, Township 17 North, Range 16 West. The Northeast Church Rock Mine was operated by United Nuclear Corporation under a lease with Santa Fe Pacific Minerals Corporation, now Santa Fe Pacific Gold Corporation. That lease recently terminated after the adoption of the New Mexico Mining Act.

The second uranium mine for which submission is not made with this letter is the Old Church Rock Mine in Section 17, Township 16 North, Range 16 West. Santa Fe Pacific Gold Corporation believes that ongoing mining operations exist or are contemplated at that site by its most current lessee, Hydro Resources, Inc., and is informed that that company is already in contact with MMD

concerning any Mining Act responsibilities that may be applicable to the operations.

Santa Fe Pacific Gold Corporation's purpose for voluntarily submitting the enclosed requests for approval of prior reclamation, and for identifying in this letter the two leased uranium mine sites for which no submissions are made, is to cooperate fully and in a spirit of good faith so as to assist the Mining and Minerals Division in its tasks of identifying and narrowing down the potential Mining Act-regulated operations that may require a greater level of regulatory involvement.

If you have any questions concerning this letter, the enclosed submissions or the nonwaiver/preservation of rights language included, please do not hesitate to call.

Very truly yours,

Tim Leftwich for

260530

Request For Approval Of Prior Reclamation

RECEIVED
AUG 31 1994
MINING & MINERALS DIVISION

Name Of Mine: Faith Mine

Topographic Location Of Mine: Section 29, T.13N., R.9W.

Operator Name: Ranchers Exploration

Description Of Site Condition: Ranchers operated a mine on this section under a lease from Santa Fe Pacific Minerals Corporation. Open mine features were backfilled and the site reclaimed in 1987. Areas of surface disturbance were revegetated with native species and topography returned to natural contour to the extent possible.

Date Of Request: August 31, 1994

Non-waiver/Preservation Of Rights: This request for approval of prior reclamation is made with the express understanding that Santa Fe Pacific Gold Corporation fully preserves and does not waive any of its positions that it has no obligations whatsoever under the Mining Act with respect to these sites including, but not limited to, the following positions:

1. That any commodities or other materials produced from the properties or activities thereon constitute commodities, materials or activities regulated by the Nuclear Regulatory Commission such that the Mining Act does not apply;

2. That minerals were not produced from the properties in marketable quantities for a total of two years since January 1, 1970;

3. That as mere owner of mineral interests and lessor under instrument(s) pursuant to which operations owned and conducted by others occurred on the properties, Santa Fe Pacific Gold Corporation was not and is not an operator or owner of the operations with responsibilities, if there be any, under the Mining Act; and

4. That Santa Fe Pacific Gold Corporation has no obligation whatsoever to request approval of prior reclamation or carry out other responsibilities, if there be any, pertaining to the properties in relation to the Mining Act.

Santa Fe Pacific Gold Corporation makes this submission with the further understanding that neither the submission itself, nor anything stated therein, nor the fact of making the submission shall be advanced in any context, form or respect by the State of New Mexico or any agency or subdivision thereof as evidence or as an admission of any kind on any issue which may exist or hereafter arise in relation to Santa Fe Pacific Gold Corporation or its mineral properties in connection with the Mining Act.