United States Department of Agriculture
Forest Service
Santa Fe National Forest

Pecos-Las Vegas Ranger District
P.O. Drawer 429, 32 South Main Street
Pecos, NM 87552
505-757-6121
Fax: 505-757-2737

File Code: 2810; 1950
Date: December 2, 2019

Dear Friends and Neighbors of the Santa Fe National Forest:

The Santa Fe National Forest (SFNF) received a proposal from Comexico LLC (Comexico) to conduct exploratory drilling on previously identified mineral deposits located on National Forest System (NFS) lands in the Sangre de Cristo Mountains. Comexico is a registered New Mexico corporation and a wholly owned subsidiary of New World Cobalt, an Australian company. The project under consideration is not a mining proposal.

This letter initiates the scoping period, the first step in the Forest Service's environmental analysis of the proposal in accordance with the National Environmental Policy Act (NEPA). The Forest Service is seeking input from the public to help identify issues and concerns around the Comexico proposal for exploratory drilling. The public comment period ends on Friday, January 17, 2020.

The project site is in the Jones Hill area on the Pecos/Las Vegas Ranger District on the SFNF, which was first explored for minerals from the 1890s into the early 1900s at the same time the Pecos Mine (also known as the Tererro Mine) was discovered. From the 1970s through the early 1990s, various companies conducted exploratory drilling within the project area. This exploration project left behind a network of roads and drill sites which would be utilized by the proposed Comexico project. A "mining camp" of several modular buildings and a water well was constructed at that time, and some of the buildings remain. At some point after the early 1990s, the water well was converted to livestock. The Comexico plan of operations proposes temporarily using that well for the exploratory drilling project.

The SFNF's analysis under the 2005 Travel Management Rule (36 CFR part 212) determined that many of the roads that had been constructed for the earlier exploration project were useful to the Forest Service for administrative use only. They have been closed to public access since the forest implemented its travel management plan.

In 2019, Comexico researched the published information about earlier exploration and began staking claims in the area. The plan of operations submitted by Comexico is for exploratory drilling only.

Purpose and Need

The scoping process under NEPA gives the lead agency the opportunity to engage stakeholders early in the environmental analysis and solicit their input to identify concerns, potential impacts and possible alternative actions. In general, a purpose and need statement clarifies the expected outcome and provides a broad justification for a given project.

The Forest Service's purpose and need is to analyze the environmental effects of the proposed exploratory drilling described in the Comexico plan of operations and determine whether changes or additional design features are needed to meet regulatory requirements to protect

resources and minimize potential environmental impacts. Depending on the findings of the NEPA analysis, the Forest Service may require Comexico to modify its proposal.

The General Mining Law of 1872 (as amended) grants individuals and corporations the right to prospect for and develop mineral deposits on federal lands. Comexico is asserting the right to prospect and is entitled to conduct operations to explore for locatable minerals on its mining claims pursuant to applicable U.S. laws and regulations. The purpose of the exploration is to determine the location, concentration, quality and type of deposits in the area, and to help establish the feasibility of possible future mining operations.

The Forest Service is obligated to allow exploratory/prospecting operations on NFS land under the authorities of mining laws and regulations. Forest Service regulations at 36 CFR 228 Subpart A – Locatable Minerals set forth rules and procedures for the management of mining-related activity on NFS land to minimize adverse environmental impacts on surface resources.

NEPA Analysis

The NEPA analysis initiated by this scoping letter is only for the specific exploratory drilling project proposed by Comexico. The Comexico proposal is not a mining proposal. Any future proposed projects would require new NEPA analysis.

Under regulations at 36 CFR 220.6, a proposed action may be categorically excluded from further analysis and documentation in an Environmental Impact Statement (EIS) or Environmental Assessment (EA) if there are no extraordinary circumstances and it fits into an established category. Agencies can use Categorical Exclusions (CEs) for actions that have a large body of previous environmental analysis and consistent findings that these types of projects do not individually or cumulatively have a significant effect on the human environment.

Comexico's proposed plan of operation fits the category described in 36 CFR 220.6(e) (8): "Short-term (1 year or less) mineral, energy, or geophysical investigations and their incidental support activities that may require cross-country travel by vehicles and equipment, construction of less than 1 mile of low standard road, or use and minor repair of existing roads."

The Code of Federal Regulations (CFR) specifies resource conditions to be considered in determining whether extraordinary circumstances related to a proposed action warrant further analysis and documentation in an EA or EIS. These resource conditions are listed in 36 CFR 220.6(b), which also states, "The mere presence of one or more of these resource conditions does not preclude use of a categorical exclusion (CE). It is the existence of a cause-effect relationship between a proposed action and the potential effect on these resource conditions, and if such a relationship exists, the degree of the potential effect of a proposed action on these resource conditions that determines whether extraordinary circumstances exist."

Our initial analysis indicates the Jones Hill area has five of the resource conditions cited in the regulation:

- Federally listed threatened or endangered species or designated critical habitat, species proposed for Federal listing or proposed critical habitat, or Forest Service sensitive species,
- Floodplains, wetlands, or municipal watersheds,
- Inventoried roadless area,
- American Indian religious or cultural sites, and

- Archaeological sites, or historic mine properties or areas.

The Forest Service expects to prepare a decision memo for the Comexico exploratory core drilling project based on the CE described in 36 CFR 220.6(e)(8). Although the project area does include five resource conditions, the Forest Service expects the proposed exploratory drilling project to have no adverse effects on any of these values. If the scoping period raises uncertainty over the degree of potential effects and their significance, the Forest Service will conduct additional NEPA analysis.

Proposed Action

The proposal is an exploratory drilling operation, not a mining proposal. Comexico will be looking for copper, lead and zinc in a previously identified ore body. The proposed project will cause approximately 5-7 acres of surface disturbance in an area that has been previously disturbed by earlier exploration activities. All operations and reclamation will occur within one year of the start date. The complete Plan of Operations and amendments are posted at https://www.fs.usda.gov/project?project=56733.

Project Location

The proposed Comexico project is in Santa Fe County on unpatented mining claims on the Pecos/Las Vegas Ranger District of the SFNF. The project is on Jones Hill between Indian Creek and Macho Canyon within the northern half of section 1, Township 17 N., Range 11 E., New Mexico Prime Meridian.

The core drilling project area is identified as #1 on the enclosed map, and the Indian Creek and Macho Canyon access road to the project area is denoted as #2.

Comexico's plan of operations is summarized below:

Road Use

- No new roads are proposed.
- About 1.2 miles (about 1,900 meters) of Forest Roads 192 (Indian Creek) and 120 (Macho Canyon) would be maintained, and best management practices for erosion control would be implemented to prevent watershed and water quality issues. Road maintenance will disturb up to 1.75 surface acres.
- Less than 1,150 feet of cross-country travel on previously used roads is proposed.
- All of the roads used would remain at Forest Service standards for level 2 (four-wheel drive) roads for the duration of the project.
- Vehicles will not ford streams.

Drill Sites

- Comexico has identified 32 potential drill site locations, none of which would exceed 60 by 40 feet. All potential drill sites are located within already disturbed areas (existing roads or previous drill sites).
- The project may require less than 30 drill sites since one drill site may be used to drill more than one hole.

Assuming 30 drill sites and 1 acre for the laydown area (storage site), we anticipate 2.7 acres of surface disturbance. This does not include the road maintenance on existing Forest Service roads described above.

Drilling

- There will be two drill rigs: a truck-mounted rig which uses a mud drilling system and a track-mounted rig which uses an air drilling (reverse circulation or RC) system.
- Comexico would drill no more than 30 core holes.
- The holes would be either 3.5 inches or 5 inches in diameter, depending on the drilling technique.
- The holes' expected final depth would range between 500 to 4,000 feet. The holes may be angled to intersect the ore body.

Water

- The project would use water from the existing water well (UP 00826) currently permitted to the SFNF by the Office of the State Engineer (OSE) for livestock use. Comexico will apply to the OSE to temporarily change the permitted use to minerals production for one year.
- The well is located adjacent to the proposed laydown area near the old mining camp from earlier exploration. Up to 1 acre of surface disturbance may occur at this site.
- Water storage tanks adjacent to the well would be used to truck water to the active drill rig.
- The estimated amount of water needed for drilling operations is less than 3 acre feet (977,490 gallons).

Heritage Resources

- Comexico's plan of operations avoids known archaeological sites and historic properties.

Wildlife and Plants

- Drilling would be prohibited during the Mexican spotted owl breeding season.
- All proposed drill holes are upland from Rio Grande cutthroat trout habitat. The closest known perennial stream is more than 100 feet from drill site locations.
- Pre-existing drill collars would be capped or covered to prevent wildlife entrapment.
- Holy Ghost ipomopsis sites would be avoided.
- Conifer saplings may be cut for road access and drill site clearing.

Reclamation

- Drill holes will be plugged as soon as possible but no later than 30 days after completion and in compliance with OSE and New Mexico Environment Department requirements. The hole casing will be removed prior to plugging.
- The roads and drill sites will be reshaped and reseeded.
- The seed mix will be approved by the Forest Service prior to application.
- The roads will be returned to Forest Service standards for level 1 (closed) roads.
- Vehicles will be staged and parked outside known weed sites.

Forest Service Mitigation Measures or Modifications to Comexico Proposed Plan

- Drilling waste "mud" would be placed in surface tanks and removed from the project site to a state-approved disposal site, not put in lined pits on each drill site as proposed by Comexico.

- Since there is a known weed site on state land administered by the New Mexico Department of Game and Fish near the project area, the Forest Service will require Comexico to follow noxious weed prevention practices, up to and including washing vehicles and heavy equipment.
- Heritage Resources
    - The Forest Service recognizes the cultural significance of the area surrounding the project site to several federally recognized pueblos and tribal nations. The Forest Service has met individually and collectively with tribal governments as part of the tribal consultation process and will continue to do so throughout the project. Tribal officials joined Forest Service and Comexico representatives on a field trip to the project site.
    - A draft Cultural Resources Report has been shared with tribal leadership, including the Tribal Historic Preservation Offices. The Forest Service expects to use comments from pueblos and tribes received during the scoping period to mitigate physical impacts to cultural resources and preserve the sacred nature of the tribal nations' connection to the land.
    - Project impacts on traditional cultural properties will be addressed in consultation between Comexico, the SFNF and tribal communities. The Forest Service will facilitate tribal access to traditional cultural properties and traditional uses during operations.
- Comexico has not received authorization to begin operations from either the Forest Service or the New Mexico Mining and Minerals Division, which makes the proposed start date of October 1, 2019, with completion of the core drilling by February 29, 2020, moot. Based on the Mexican spotted owl's breeding season, the Forest Service will modify the proposal for drilling to begin after October 1 of the year following final authorization with all operations to be completed within 12 months of the project's initiation.

Public Meeting

The Forest Service will host a public meeting on the proposed Jones Hill core drilling project on Thursday, December 12, 2019, from 6:00 p.m. to 8:00 p.m. at Pecos High School in Pecos, New Mexico. The purpose of this meeting is to present information about the exploratory drilling proposal and the NEPA process, answer questions, and share information on how to submit comments during the scoping period.

Opportunity to Comment by January 17, 2020

The Forest Service values public input and welcomes your comments on issues, opportunities, concerns and suggestions for the proposed Comexico core drilling project. The public comment period ends at 11:59:59 p.m. on Friday, January 17, 2020. Please make your comments specific to the information provided here and in Comexico's plan of operations, specifically in relation to resource impacts and strategies to mitigate those impacts. Comments should be within the scope of the proposed action, have a direct relationship to the proposed action outlined in this letter, and include supporting reasons for the Forest Service to consider. All comments received during scoping will be considered in our environmental analysis of the project.

Comments can be submitted online, by mail, in person, or by email. The Forest Service will place all written and electronic comments received, including the names and addresses of those who comment, in the project file, and that information will become a matter of public record. You may submit comments through the following options:

- Submit a comment online through the Comment and Analysis Response Application (CARA). This is the preferred method to comment. To access CARA, go to the project webpage (https://www.fs.usda.gov/project?project=56733), click on "Comment/Object on Project" under the "Get Connected" heading on the right side of the page, and use the online form to submit your comment.
- Send an email to comments-southwestern-santafe-pecos-lasvegas@fs.fed.us with "Comexico Proposal" in the subject line. If you are attaching a document, please use .doc, .txt, .pdf, or .rtf formats only.
- Send postal mail to: Santa Fe National Forest, Pecos/Las Vegas District
  P.O. Drawer 429
  Pecos, NM 87552
- Hand-deliver comments to the Pecos/Las Vegas Ranger Station at 32 South Main Street in Pecos, NM, between 8:00 am and 4:30 pm.

For more information concerning the proposal, please contact Larry Gore, SFNF Forest Geologist, at 575-289-3264 or larry.gore@usda.gov.

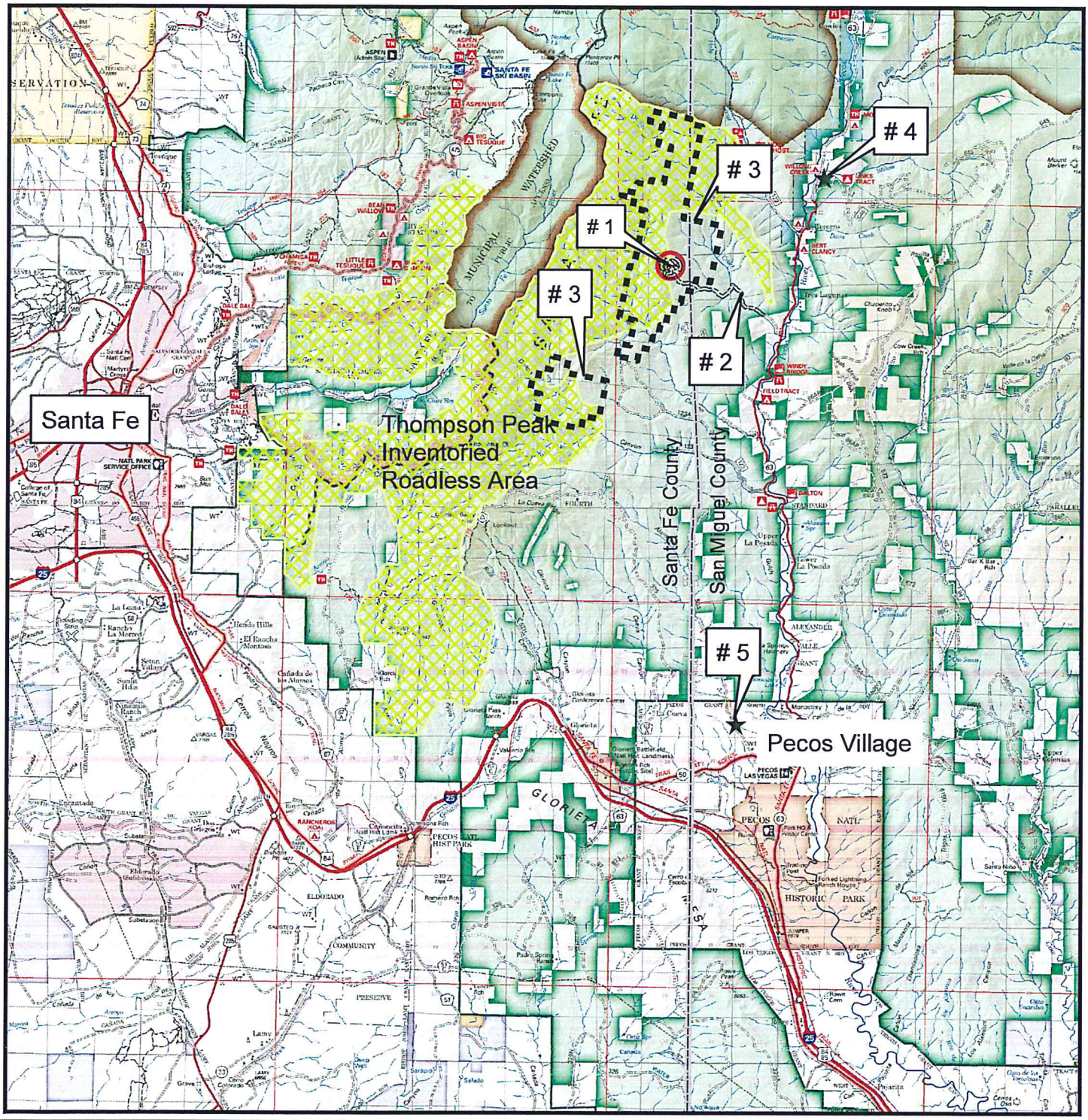
Thank you for your interest and participation in the management of the Santa Fe National Forest.

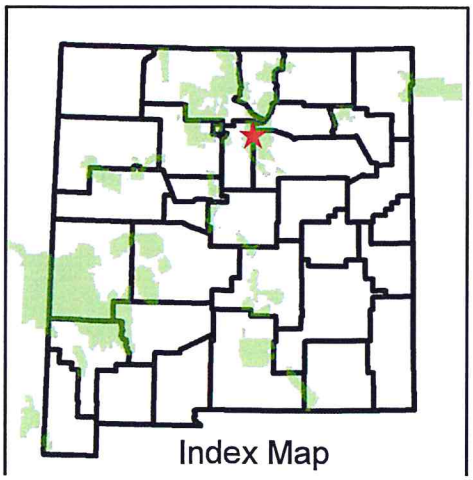
Sincerely,

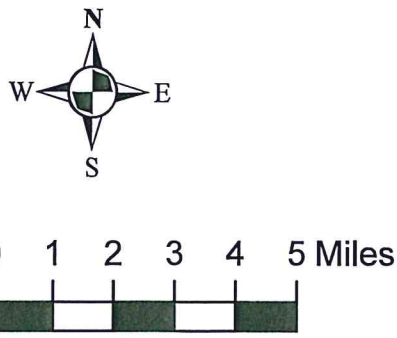
STEVE ROMERO
District Ranger

Enclosure: Map of Comexico project area

Comexico LLC Project Area







KEY

1 - Exploration core drilling project area

2 - Existing Indian Creek - Macho Canyon access roads

3 - Comexico LLC unpatented mining claim blocks

4 - Pecos (Tererro) Mine

5 - El Molino Millsite