



NEW MEXICO  
ENVIRONMENT DEPARTMENT



*Ground Water Quality Bureau*

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RON CURRY  
Secretary  
SARAH COITRELL  
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:

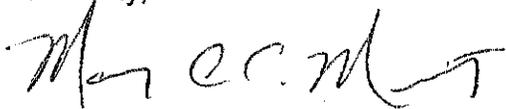
The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) dated July 22, 2010, regarding Rio Grande Resources Corporation's (RGRC) request for Standby Status for the Mt. Taylor Mine. MMD requested that NMED either provide the written determination 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