HOUSE BILL 466

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

MI CHAEL OLGUIN

AN ACT

RELATING TO MINING; AMENDING SECTIONS OF THE NEW MEXICO MINING ACT TO EXCLUDE CERTAIN OPERATORS, CHANGE THE MEMBERSHIP OF THE MINING COMMISSION AND PROVIDE FOR MINING INSPECTION SCHEDULES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 69-36-3 NMSA 1978 (being Laws 1993, Chapter 315, Section 3) is amended to read:

"69-36-3. DEFINITIONS.--As used in the New Mexico Mining Act:

- A. "affected area" means the area outside of the permit area where the land surface, surface water, ground water and air resources are impacted by mining operations within the permit area;
- B. "commission" means the mining commission established in the New Mexico Mining Act;

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- C. "director" means the director of the division or his designee;
- D. "division" means the mining and minerals division of the energy, minerals and natural resources department;
- E. "existing mining operation" means an extraction operation that produced marketable minerals for a total of at least two years between January 1, 1970 and [the effective date of the New Mexico Mining Act] June 18, 1993;
- F. "exploration" means the act of searching for or investigating a mineral deposit, including sinking shafts, tunneling, drilling core and bore holes, digging pits, making cuts and other works for the purpose of extracting samples prior to commencement of development or extraction operations and the building of roads, access ways and other facilities related to such work; however, activities that cause no or very little surface disturbance, such as airborne surveys and photographs, use of instruments or devices that are hand-carried or otherwise transported over the surface to perform magnetic, radioactive or other tests and measurements, boundary or claim surveying, location work or other work that causes no greater disturbance than is caused by ordinary lawful use of the area by persons not engaged in exploration, are excluded from the meaning of "exploration";
- G. "mineral" means a nonliving commodity that is extracted from the earth for use or conversion into a saleable

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or usable product, but does not include clays, adobe, flagstone, potash, sand, gravel, caliche, borrow dirt, quarry rock used as aggregate for construction, coal, surface water or subsurface water, geothermal resources, oil and natural gas together with other chemicals recovered with them, commodities, byproduct materials and wastes that are regulated by the nuclear regulatory commission or waste regulated under Subtitle C of the federal Resource Conservation and Recovery Act of 1976;

H. "mining" means the process of obtaining useful minerals from the earth's crust or from previously disposed or abandoned mining wastes, including exploration, open-cut mining and surface operation, the disposal of refuse from underground and in situ mining, mineral transportation, concentrating, milling, evaporation, leaching and other processing. "Mi ni ng" does not [mean] include the exploration and extraction of potash, sand, gravel, caliche, borrow dirt [and] or quarry rock used as aggregate in construction; the exploration and extraction of natural petroleum in a liquid or gaseous state by means of wells or pipes; the development or extraction of coal; the extraction of geothermal resources; smelting, refining, cleaning, preparation, transportation or other off-site operations not conducted on permit areas; or the extraction, processing or disposal of commodities, byproduct materials or wastes or other activities regulated by the federal nuclear regulatory commission. "Mining" also does not include those

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operations involving less than twenty-five acres that do not use chemical processing;

- "new mining operation" means a mining operation that engages in a development or extraction operation after [the effective date of the New Mexico Mining Act] June 18, 1993 and that is not an existing mining operation;
- "permit area" means the geographical area defined J. in the permit for a new mining operation or for an existing mining operation on which mining operations are conducted or cause disturbance; and
- "reclamation" means the employment during and after a mining operation of measures designed to mitigate the disturbance of affected areas and permit areas and, to the extent practicable, provide for the stabilization of a permit area following closure that will minimize future impact to the environment from the mining operation and protect air and water resources. "
- Section 2. Section 69-36-4 NMSA 1978 (being Laws 1993, Chapter 315, Section 4) is amended to read:
- "69-36-4. INTERIM PROGRAM - LIMITATIONS - EXEMPTIONS FROM ACT. --
- Nothing in the New Mexico Mining Act shall supersede current or future requirements and standards of any other applicable federal or state law.
 - В. [After the effective date of the New Mexico

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Mining Act and] Until the commission adopts regulations
necessary to carry out the provisions of the New Mexico Mining
Act, county mining laws or ordinances shall apply to mining
within their jurisdictions in New Mexico.

C. The provisions of the New Mexico Mining Act do not apply to any existing mining operation abandoned as of June 18, 1993 or reclaimed prior to September 30, 1995 unless the mining operation applies for a permit as an existing mining operation by December 31, 1997.

Section 3. Section 69-36-6 NMSA 1978 (being Laws 1993, Chapter 315, Section 6, as amended) is amended to read:

"69-36-6. MINING COMMISSION--CREATED--MEMBERS.--

A. The "mining commission" is created. The commission shall consist of [seven] <u>nine</u> voting members, including:

- (1) <u>the secretary of energy, minerals and</u> natural resources or his designee;
- (2) the director of the bureau of mines and mineral resources of the New Mexico institute of mining and technology or [an academic from a mining-related field to be appointed for a four-year term by the governor with the advice and consent of the senate] his designee;
- $\left[\frac{(2)}{(3)}\right]$ the secretary of environment or his designee;
 - [(3)] (4) the state engineer or his designee;

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	[(4)] <u>(5)</u>	the commissioner of public lands or
his designee;		

[(5)] <u>(6</u>	<u>the</u>	di rector	of	the	department	of
game and fish or his desi	gnee:	and				

[(6) two] (7) three members of the public and an alternate for each, all to be appointed by the governor with the advice and consent of the senate. The public members shall be chosen to represent [and to balance] the interests of environmental groups and large and small mining [interests while minimizing conflicts of interest] operations. No more than [one] two of the public members and [one] two of the alternates appointed may belong to the same political party. When the initial appointments are made, one of the public members and his alternate will be designated to serve for two-year terms, after which all public members shall serve for four years. An alternate member may vote only in the absence of the public member for whom he is the alternate.

[B. The chairman of the soil and water conservation commission and the director of the agricultural experiment station of New Mexico state university or their designees shall be nonvoting ex-officio members to the commission.

 \mathbb{C} .] \underline{B} . The commission shall elect a chairman and other necessary officers and keep records of its proceedings.

 $[rac{D.}{.}]$ C. The commission shall convene upon the call of the chairman or a majority of its members.

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[E.] D. A majority of the voting members of the
commission shall be a quorum for the transaction of business.
However, no action of the commission shall be valid unless
concurred upon by at least [four] <u>five</u> of the members present.

- [F.] E. No member of the commission, with the exception of [one] two of the public members and [his alternate] their alternates, shall receive or shall have received during the previous two years, more than ten percent of his income directly or indirectly from permit holders or applicants for Each member of the commission shall, upon acceptance of his appointment and prior to the performance of any of his duties, file a statement of disclosure with the secretary of state stating:
- the amount of money or other valuable consideration received, whether provided directly or indirectly, from persons subject to or who appear before the commission;
- the identity of the source of money or **(2)** other valuable consideration; and
- whether the money or other valuable consideration was in excess of ten percent of his gross personal income in either of the preceding two years.
- [G.] F. No commissioner with any financial interest affected or potentially affected by a permit action may participate in proceedings related to that permit action."
 - Section 4. Section 69-36-7 NMSA 1978 (being Laws 1993,

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Chapter 315, Section 7) is amended to r	read	d:
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"69-36-7. COMMISSION -- DUTIES. -- The commission shall:

[within one year of the effective date of the New Α. Mexico Mining Act] before June 18, 1994, adopt and file reasonable regulations [consistent with the purposes and intent of the New Mexico Mining Act necessary to implement [that] the provisions of the New Mexico Mining Act, including regulations that:

- **(1)** consider the economic and environmental effects of their implementation;
- require permitting of all new and existing mining operations and exploration; and
- require annual reporting of production (3) information to the commission, which shall be kept confidential if otherwise required by law;
- adopt regulations for new mining operations that allow the director to select a qualified expert who may:
- (1) review and comment to the director on the adequacy of baseline data gathered prior to submission of the permit application for use in the permit application process;
- (2) recommend to the director additional baseline data that may be necessary in the review of the proposed mining activity;
- (3) recommend to the director methodology guidelines to be followed in the collection of all baseline

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(4) review and comment on the permit application;

adopt regulations that require and provide for the issuance and renewal of permits for new and existing mining operations and exploration and that establish schedules to bring existing mining operations into compliance with the requirements of the New Mexico Mining Act; provided the term of a permit for a new mining operation shall not exceed twenty years and the term of renewals of permits for new mining operations shall not exceed ten years;

adopt regulations that provide for permit D. The commission shall establish criteria to modi fi cati ons. determine which permit modifications may have significant environmental impact. Modifications that the director determines will have significant environmental impact shall require public notice and an opportunity for public hearing pursuant to Subsection K of this section. A permit modification to the permit for an existing mining operation shall be obtained for each new discrete processing, leaching, excavation, storage or stockpile unit located within the permit area of an existing mining operation and not identified in the permit of an existing mining operation and for each expansion of such a unit identified in the permit for an existing mining operation that exceeds the design limits specified in the permit. The

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regulations shall require that permit modifications for such units be approved if the director determines that the unit will:

- (1) comply with the regulations regarding permit modifications;
- (2) incorporate the requirements of Paragraphs(1), (2), (4), (5) and (6) of Subsection II of this section; and
- (3) be sited and constructed in a manner that facilitates, to the maximum extent practicable, contemporaneous reclamation consistent with the closeout plan;
- E. adopt regulations that require new and existing mining operations to obtain and maintain permits for standby status. A permit for standby status shall be issued for a maximum term of five years; provided that upon application the director may renew a permit for standby status for no more than three additional five-year terms. The regulations shall require that before a permit for standby status is issued or renewed an owner or operator shall:
- (1) identify the projected term of standby status for each unit of the new or existing mining operation;
- (2) take measures that reduce, to the extent practicable, the formation of acid and other toxic drainage to prevent releases that cause federal or state environmental standards to be exceeded;
- (3) meet applicable federal and state environmental standards and regulations during the period of

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standby status;

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- stabilize waste and storage units, leach **(4)** piles, impoundments and pits during the term of standby status;
- (5)comply with applicable requirements of the New Mexico Mining Act and the regulations adopted pursuant to that act: and
- (6)provide an analysis of the economic viability of each unit proposed for standby status;
- F. establish by regulation closeout plan requirements for existing mining operations that incorporate site-specific characteristics, including consideration of disturbances from previous mining operations, and that take into account the mining method utilized;
- G. establish by regulation a procedure for the issuance of a permit for an existing mining operation and for modifications of that permit to incorporate approved closeout plans or portions of closeout plans and financial assurance requirements for performance of the closeout plans. The permit shall describe the permit area of the existing mining operation and the design limits of units of the existing mining operation based upon the site assessment submitted by the operator. The permit shall contain a schedule for completion of a closeout The permit shall thereafter be modified to incorporate pl an. the approved closeout plan or portions of the closeout plan once financial assurance has been provided for completion of the

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closeout plan or the approved portions of the closeout plan. The permit may be modified for new mining units, expansions beyond the design limits of a unit at an existing mining operation or standby status;

- H. establish by regulation permit and reclamation requirements for new mining operations that incorporate sitespecific characteristics. These requirements shall, at a mi ni mum:
- (1) require that new mining operations be designed and operated using the most appropriate technology and the best management practices;
- assure protection of human health and (2) safety, the environment, wildlife and domestic animals;
- include backfilling or partial backfilling (3) only when necessary to achieve reclamation objectives that cannot be accomplished through other mitigation measures;
- require approval by the director that the permit area will achieve a self-sustaining ecosystem appropriate for the life zone of the surrounding areas following closure unless conflicting with the approved post-mining land use;
- require that new mining operations be **(5)** designed in a manner that incorporates measures to reduce, to the extent practicable, the formation of acid and other toxic drainage that may otherwise occur following closure to prevent releases that cause federal or state standards to be exceeded;

	(b)	requi r	e tna	nonpoi ni	t sour	ce s	urrace	
releases of acid	or o	other to	xic s	ubstances	shall	be	contai ne	ed
within the permit	t are	ea;						

- (7) require that all waste, waste management units, pits, heaps, pads and any other storage piles are designed, sited and constructed in a manner that facilitates, to the maximum extent practicable, contemporaneous reclamation and are consistent with the new mining operation's approved reclamation plan; and
- (8) where sufficient topsoil is present, take measures to preserve it from erosion or contamination and assure that it is in a usable condition for sustaining vegetation when needed:
- I. adopt regulations that establish a permit application process for new mining operations that includes:
- (1) disclosure of ownership and controlling interests in the new mining operation or submission of the applicant's most recent form 10K required by the federal securities exchange commission;
- (2) a statement of all mining operations within the United States owned, operated or directly controlled by the applicant, owner or operator and by persons or entities that directly control the applicant and the names and the addresses of regulatory agencies with jurisdiction over the environmental aspects of those operations and that could provide a compliance

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history for those operations and over the preceding ten years.

The operator shall assist the applicant in obtaining compliance history information;

- (3) a description of the type and method of mining and the engineering techniques proposed;
- (4) the anticipated starting and termination dates of each phase of the new mining operation and the number of acres of land to be affected;
- (5) the names of all affected watersheds, the location of any perennial, ephemeral or intermittent surface stream or tributary into which surface or pit drainage will be discharged or may possibly be expected to reach and the location of any spring within the permit area and the affected area;
- (6) a determination of the probable hydrologic consequences of the new mining operation and reclamation, both on and off the permit area, with respect to the hydrologic regime, quantity and quality of surface and ground water systems, including the dissolved and suspended solids under seasonal flow conditions;
- (7) cross-sections or plans of the permit area depicting:
- (a) the nature and depth of the various formations of overburden;
- (b) the location of subsurface water, if encountered, and its quality;

1	(c) the nature and location of any ore
2	body to be mined;
3	(d) the location of aquifers and springs;
4	(e) the estimated position and flow of
5	the water table;
6	(f) the proposed location of waste rock,
7	tailings, stockpiles, heaps, pads and topsoil preservation
8	areas; and
9	(g) premining vegetation and wildlife
10	habitat features present at the site;
11	(8) the potential for geochemical alteration of
12	overburden, the ore body and other materials present within the
13	permit area;
14	(9) a reclamation plan that includes a detailed
15	description of the proposed post-mining land use and how that
16	use is to be achieved; and
17	(10) premining baseline data as required by
18	regulations adopted by the commission;
19	J. adopt regulations to coordinate the roles of
20	permitting agencies involved in regulating activities related to
21	new and existing mining operations and exploration, including
22	regulatory requirements, to avoid duplicative and conflicting
23	administration of the permitting process and other requirements;
24	K. except for regulations enacted pursuant to
25	Subsection L of this section, adopt regulations that ensure that

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the public and permitting agencies receive notice of each application for issuance, renewal or revision of a permit for a new or existing mining operation, for standby status, or exploration, a variance or an application for release of financial assurance and any inspection prior to the release of financial assurance, including a provision that no action shall be taken on any application until an opportunity for a public hearing, held in the locality of the operation, is provided and that all interested persons shall be given a reasonable chance to submit data, views or arguments orally or in writing and to examine witnesses testifying at the hearing. These regulations shall require at a minimum that the applicant for issuance, renewal or revisions of a permit or a variance or an application for release of financial assurance and any inspection prior to release of financial assurance shall provide to the director proof that notice of the application has been:

- (1) provided by certified mail to the owners of record, as shown by the most recent property tax schedule, of all properties within one-half mile of the property on which the mining operation is located or is proposed to be located;
- (2) provided by certified mail to all municipalities and counties within a ten-mile radius of the property on which the mining operation is or will be located;
- (3) published once in a newspaper of general circulation in each county in which the property on which the

mining operation is or will be located; provided that this notice shall appear in either the classified or legal advertisements section of the newspaper and at one other place in the newspaper calculated to give the general public the most effective notice and, when appropriate, shall be printed in both English and Spanish;

- (4) posted in at least four publicly accessible and conspicuous places, including the entrance to the new or existing mining operation if that entrance is publicly accessible and conspicuous; and
- (5) mailed to all persons who have made a written request to the director for notice;
- L. adopt regulations to provide for permits, without notice and hearing, to address mining operations that have minimal impact on the environment; provided that such permits shall require general plans and shall otherwise reduce the permitting requirements of the New Mexico Mining Act;

M establish by regulation a schedule of annual administrative and permit fees, which shall equal and not exceed the estimated costs of administration, implementation, enforcement, investigation and permitting pursuant to the provisions of the New Mexico Mining Act. The size of the operation, anticipated inspection frequency and other factors deemed relevant by the commission shall be considered in the determination of the fees. The fees established pursuant to

this subsection shall be deposited in the mining act fund;

N. establish by regulation a continuing process of review of mining and reclamation practices in New Mexico that provides for periodic review and amendment of regulations and procedures to provide for the protection of the environment and consider the economic effects of the regulations;

- 0. adopt regulations governing the provision of variances issued by the director, stating the procedures for seeking a variance, including provisions for public notice and an opportunity for a hearing in the locality where the variance will be operative, the limitations on provision of variances, requiring the petitioner to present sufficient evidence to prove that failure to grant a variance will impose an undue economic burden and that granting the variance will not result in a significant threat to human health, safety or the environment;
- P. provide by regulation that, prior to the issuance of any permit for a new mining operation pursuant to the provisions of the New Mexico Mining Act, the permit applicant or operator:
- (1) shall provide evidence to the director that other applicable state and federal permits required to be obtained by the new or existing mining operation either have been or will be issued before the activities subject to those permits begin; and
 - (2) shall provide to the director a written

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determination from the secretary of environment stating that the permit applicant has demonstrated that the activities to be permitted or authorized will be expected to achieve compliance with all applicable air, water quality and other environmental standards if carried out as described;

- require by regulation that the applicant file with the director, prior to the issuance of a permit, financial The amount of the financial assurance shall be assurance. sufficient to assure the completion of the performance requirements of the permit, including closure and reclamation, if the work had to be performed by the director or a third party contractor and shall include periodic review to account for any inflationary increases and anticipated changes in reclamation or closure costs. The regulations shall specify that financial requirements shall neither duplicate nor be less comprehensive than the federal financial requirements. The form and amount of the financial assurance shall be subject to the approval of the director as part of the permit application; provided, financial assurance does not include any type or variety of self-guarantee or self-insurance:
- R. require by regulation that the permittee may file an application with the director for the release of all or part of the permittee's financial assurance. The permittee shall not file an application for release of financial assurance more than once per year for each mining operation. The application shall

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describe the reclamation measures completed and shall contain an estimate of the costs of reclamation measures that have not been completed. Prior to release of any portion of the permittee's financial assurance, the director shall conduct an inspection and evaluation of the reclamation work involved. The director shall notify persons who have requested advance notice of the inspection. Interested members of the public shall be allowed to be present at the inspection of the reclamation work by the director.

The director may release in whole or in (1) part the financial assurance if the reclamation covered by the financial assurance has been accomplished as required by the New Mexico Mining Act; provided that the director shall retain financial assurance at least equal to the approved estimated costs of completing reclamation measures that have not been completed; and provided further that for revegetated areas, the director shall retain the amount of financial assurance necessary for a third party to reestablish vegetation for a period of twelve years after the last year of augmented seeding, fertilizing, irrigation or other work, unless a post-mining land use is achieved that is inconsistent with the further need for revegetation. For new mining operations only, no part of the financial assurance necessary for a third party to reestablish vegetation shall be released [so] as long as the lands to which the release would be applicable are contributing suspended

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solids above background levels to streamflow of intermittent and perennial streams.

- A person with an interest that is or will **(2)** be adversely affected by release of the financial assurance may file, with the director within thirty days of the date of the inspection, written objections to the proposed release from financial assurance. If written objections are filed and a hearing is requested, the director shall inform all the interested parties of the time and place of the hearing at least thirty days in advance of the public hearing and hold a public hearing in the locality of the new or existing mining operation or exploration operation proposed for release from financial The date, time and location of the public hearing shall be advertised by the director in a newspaper of general circulation in the locality for two consecutive weeks, and all persons who have submitted a written request in advance to the director to receive notices of hearings shall be provided notice at least thirty days prior to the hearing;
- establish coordinated procedures that avoid duplication for the inspection, monitoring and sampling of air, soil and water and enforcement of applicable requirements of the New Mexico Mining Act, regulations adopted pursuant to that act and permit conditions for new and existing mining operations and exploration. The regulations shall require, at a minimum:
 - (1) inspections by the director occurring on an

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irregular basis [averaging not less than one inspection per
month when the mining operation is conducting significant
reclamation activities and one on-site inspection per calendar
quarter at all other times and on a schedule to be established
by the commission for mining operations having a minimal impact
on the environment and exploration operations covered by each
permit] according to the following schedule:

(a) at least one inspection per month when a mining operation is conducting significant reclamation acti vi ti es:

(b) at least two inspections per year for active mining operations;

(c) at least one inspection per year on inactive sites:

(d) at least one inspection per year following completion of all significant reclamation activities, but prior to the release of financial assurances; and

(e) on a schedule to be established by the commission for exploration operations and for mining operations having a minimal impact on the environment;

- inspections shall occur without prior notice to the permittee or his agents or employees except for necessary on-site meetings with the permittee;
- (3) when the director determines that a condition or practice exists that violates a requirement of the

New Mexico Mining Act, a regulation adopted pursuant to that act or a permit issued under that act, which condition, practice or violation also creates an imminent danger to the health or safety of the public or will cause significant imminent environmental harm, the director shall immediately order a cessation of the new or existing mining operation or the exploration operation or the portion of that operation relevant to the condition, practice or violation. The cessation order shall remain in effect until the director determines that the condition, practice or violation has been abated or until modified, vacated or terminated by the director or the commission:

(4) when the director determines that an owner or operator is in violation of a requirement of the New Mexico Mining Act, a regulation adopted pursuant to that act or a permit issued pursuant to that act, but the violation does not create an imminent danger to the health or safety of the public or will not cause significant imminent environmental harm, the director shall issue a notice to the owner or operator fixing a reasonable time, not to exceed sixty days, for the abatement of the violation. If, upon expiration of the period of time as originally fixed or subsequently extended for good cause shown, the director finds that the violation has not been abated, he shall immediately order a cessation of new or existing mining operations or exploration operations or the portion thereof

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relevant to the violation. The cessation order shall remain in effect until the director determines that the violation has been abated: and

- when the director determines that a pattern of violations of the requirements of the New Mexico Mining Act or of the regulations adopted pursuant to that act or the permit required by that act exists or has existed, and if the director also finds that such violations are caused by the unwarranted failure of the owner or operator to comply with the requirements of that act, regulation or permit or that such violations are willfully caused by the owner or operator, the director shall immediately issue an order to the owner or operator to show cause as to why the permit should not be suspended or revoked;
- provide for the transfer of a permit to a T. successor operator, providing for release of the first operator from obligations under the permit, including financial assurance, following the approved assumption of such obligations and financial assurance by the successor operator; and
- [U. adopt regulations providing that the owner or operator of an existing mining operation or a new mining operation who has completed some reclamation measures prior to the effective date of the regulations adopted pursuant to the New Mexico Mining Act may apply for an inspection of those reclamation measures and a release from further requirements pursuant to that act for the reclaimed areas if, after an

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inspection, the director determines that the reclamation
measures satisfy the requirements of that act and the
substantive requirements for reclamation pursuant to the
applicable regulatory standards; and

 $$V_{\cdot\cdot}$]$ $\underline{U}_{\cdot\cdot}$ develop and adopt other regulations necessary and appropriate to carry out the purposes and provisions of the New Mexico Mining Act."

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