

D. Name, address and phone number of any other lessees, assigns, agents, etc., and briefly describe their involvement with the operation, if applicable:

None

III. PROPERTY OR AREA

Table 1: Name of claim, BLM claim number, and legal land description of where the claims are located.

Claim Name	BLM Mining Claim Number	Township	Range	Section
LBP 1 to 261	NMMC – 199211 - 199270	23 S	20 W	7,8,9,10, 15, 17, 18, 19, 20, 21, 22
WP 21 to 130	Pending	23 S	20 W	5, 6, 7, 18

IV. DESCRIPTION OF THE OPERATION

A and B. Access / Map:

Maps Needed: Mondel, NM, 1964, USGS 1:24,000 Scale Topographic Map. Lordsburg, NM, 2009, BLM Surface Management Status 1:100,000 Scale Topographic Map.

Attached is a portion of the Mondel, NM USGS 1:24,000 topo map showing the project area and the proposed access route. To get to the LBP Claim Project area, proceed west from Lordsburg, NM on Interstate 40 for 17 miles and exit at the Steins off ramp. Cross the railroad tracks and proceed north on a well-maintained gravel road for approximately 8.1 miles. Turn right or east onto a two-track road following the Kinder Morgan pipe line right of way, go through the gate restricting playa access and proceed for .5 miles to a north south trending two track road. Drill Hole 1 is located approximately 1 mile to the north and is accessed by an existing two track road. Drill Hole 2 is located approximately 1 mile to the south and can be accessed by an exiting two track road. All access roads and drill sites are marked with orange flagging. Road construction if / when necessary, will consist of lightly smoothing the vegetation. The vegetation acts as a wick and pulls sediment up into the base of the plant creating a very rough surface for driving on. Cross country access roads will be approximately 10 feet wide. Four other drill hole locations are also shown on the map and will only be drilled if favorable assays are obtained from the first two drill holes.

Frank Bain at this time has verbal permission from Kinder Morgan to use pickup trucks on the pipeline ROW. Permission was secured from Deborah White, KM ROW Specialist at 918-891-0384. An application has been submitted to KM to secure access on the ROW for the required drilling equipment.

C. Project Description:

Frank Bain is permitting six potential drill sites within the boundaries of its LBP Claim Block. The locations are shown on the Drill Hole Location and Access Map and the UTM's for each site are described below. The UTM's are in Zone 12. The UTM's for the drill hole locations are approximate and are listed below.

Hole Number	Mining Claim #	UTM N	UTM E
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1.	LBP-5	3577525 N - 694625 E
2.	WP – 26	3575990 N - 693243 E
3.	LBP-59	3577575 N - 695800 E
4.	LBP-67	3576210 N - 695525 E
5.	LBP-76	3574425 N - 695400 E
6.	LBP-129	3577860 N - 696920 E

At this time, Mr. Bain is proposing to drill only 2 holes. Drill Hole 1 will be on claim number 5 near an historic salt well that was drilled in the 1950's and the other on the West Playa Claim 26. The remaining holes are being permitted so that if a discovery is made additional drilling can take place without the need for additional review by NMMD or the BLM. All drill holes will be 6 inches in diameter. Drill holes will be up to 750 feet in depth. Geophysical logging will take place upon completion of the hole. Constructed drill pads will not be necessary, but a sump for containing produced water and for mixing drilling mud will be constructed and vegetation cleared if necessary for fire prevention. The sump would be approximately 10 feet in length and width and 10 feet in depth initially and enlarged as necessary with the onsite backhoe to contain produced water; will be fenced to keep wildlife and domestic animals out, and one pit wall will be sloped to provide an escape way for animals. A working area of approximately 50 by 30 feet will be required for each drill site. Compressed air, foam, and or bentonite-based drilling mud will be used as the circulation medium in the drill hole. For bonding purposes, the first two drill holes will be reclaimed upon completion and if additional drilling is warranted, Mr. Bain would like to have the bond for Drill Holes 1 and 2 transferred to the remaining drill sites.

Surface disturbing activities will consist of lightly grading existing 2 track access roads where necessary to remove obstructions and repair washouts. The areas needing grading will be marked for BLM inspection in the field. Travel to and from the drill site by pickup trucks and other equipment and pits to contain drill cuttings and produced water. A backhoe will be onsite to aid in drill site access, construction of sumps and for reclamation purposes. Drill holes will be abandoned and plugged in compliance with BLM and New Mexico State Rules and Regulations.

A request has been made to Kinder Morgan, owner of the pipeline ROW, to allow Mr. Bain to do repairs to the 2 track road following the pipeline because of safety concerns associated with working near a 36 inch gas pipeline. Three areas on the portion of the pipeline ROW that Mr. Bain is proposing to use will require repair.

D. Equipment and Vehicles.

- 1, Track mounted reverse circulation or core drill; weight approximately 90,000 lbs.
- 1, 4,000 gallon water truck; weight 35,000 pounds
- 2, Pickup trucks for access to and from drill site's
- 1, Flatbed trailer for hauling drill pipe, hole plugging material, and miscellaneous equipment.
- 1, Backhoe for digging sumps when necessary and as needed for drill site and access road reclamation.

E. Structures:

No structures of any kind are planned for this operation.

V. ENVIRONMENTAL PROTECTION MEASURES

A. Air Quality:

Describe measures proposed to minimize impacts on air quality such as obtaining a burning permit for slash disposal or dust abatement on roads.

Operations are of a scale that will only have very minimal or no impact on air quality. All personnel associated with the project will be required to maintain a prudent vehicle speed on dirt roads, especially while on the "playa" in an effort to reduce impacts from dust. The operator is aware of problems associated with dust blowing across Interstate Highway 10 that originates on the playa and if necessary, the onsite water truck will be used for dust suppression on access roads.

B. Water Use and Water Quality:

State how applicable state and federal water quality standards will be met. Describe measures or management practices to be used to minimize water quality impacts and meet applicable standards.

1. State weather water is to be used in the operation, and describe the quantity, source, methods of design of diversions, storage, use, disposal, and treatment facilities.

A minimal amount of water may be necessary for injecting to aid in removal of drill cuttings in the drill hole and for geophysical logging purposes and will be obtained from the City of Lordsburg or possibly from a local ranch.

2. Describe the methods to control erosion and surface runoff from all disturbed areas including waste and tailings dumps.

The proposed drilling operations will not cause erosion. The proposed equipment to be used will only mash vegetation. Access routes will be bladed as necessary, however the prospect area is essentially a flat, lightly vegetated or barren playa and erosion is not anticipated.

3. Describe proposed surface water and groundwater quality monitoring, if required, to demonstrate compliance with federal or state water quality standards.

Ground water monitoring is not required for this project

4. Describe the measures to be used to minimize potential water quality impacts during seasonal closures, or for a temporary cessation of operations.

Should subsurface water be encountered, any water brought to the surface will be contained in an appropriately sized pit and be allowed to percolate back into the underlying sediments or evaporate. When the pit has dried it will be back filled and reclaimed as necessary. If lithium mineralization is found in economic quantities, the drill hole will be completed as a production well. A barren hole will be plugged in compliance with New Mexico Rules and Regulations.

5. If land application is proposed for waste water disposal, the location and operation of the land application system must be described. Also describe how vegetation, soil, and surface and groundwater quality will be protected if land application is used.

N/A

C. Solid Waste:

Describe the quantity and the physical and chemical characteristics of solid waste produced by the operation. Describe how the wastes will be disposed of including location and design of facilities, or treated so as to minimize adverse impacts.

A minimal amount of general refuse, associated with the drilling operations will be created. All refuse generated during the project will be removed and disposed of in an appropriate offsite facility, consistent with applicable regulations. No refuse will be disposed of or left on site.

D. Scenic Values:

Describe protection of scenic values such as slash disposal, or timely reclamation.

The proposed operation will have no impacts to the visual quality of the area as any visual impacts will be temporary in nature. Disturbed areas will be reclaimed as best as possible back to its original state after operations have ceased.

E. Fish, Wildlife and Plants:

Describe measures to maintain and protect fisheries, wildlife, and plants, and their habitat affected by the operations.

Should any protected plant species be identified they will be avoided by all exploration related activities. The proposed exploration activities will have no effect on wildlife.

F. Cultural Resources:

Describe measures for protecting known historic and archaeological values, or new sites in the project area.

An archaeological assessment and clearance will be requested to be performed by staff Archaeologists of the BLM Las Cruces Field Office before commencement of the project. If any eligible cultural resource sites are found, the sites will be avoided by all exploration related activities. If previously undiscovered / unreported cultural resources are exposed as a result of operations under this Notice, the operator will cease operations, leave the discovery intact and notify the BLM Archaeologist or Field Manager. The operator will not proceed until notified by the appropriate official that compliance with provisions for mitigating unforeseen impacts as required by 36 CFR Chapter II Part 228.4(e) Subpart A have been satisfied.

G. Hazardous Substances:

1. Identify the type of all hazardous materials and toxic substances which will be used or generated in the operations including cyanide, solvents, petroleum products, mill process and laboratory reagents.

Hazardous substances employed at the project will include diesel fuel, gasoline, lubricants, and other fluids typically used in operating and maintaining heavy equipment.

2. For each material or substance, describe the methods, volume, and frequency of transport procedures for use of materials or substance, methods, volume, and containers for disposal of material and substances, security (fencing), identification (signing / labelling), or other special operations requirements necessary to conduct the proposed operation.

Approximately 100 gallons of diesel fuel and gasoline will be stored in fuel tanks on the drill rig and in support vehicles. Approximately 20 gallons of drilling foam and lubricants will be stored on the equipment at the project site.

3. Describe the measures to be taken for release of a reportable quantity of a hazardous material or the release of a toxic substance. This includes plans for spill prevention, containment, notification, and cleanup.

All onsite refueling will take place over spill mats. In the event that hazardous or regulated materials are spilled, measures will be taken to control the spill immediately and the BLM will be notified as required. Any resulting waste will be transferred off site in accordance with all applicable local, state and federal regulations to a licensed treatment or permanent storage facility.

H. Fire Safety:

Operator will comply with all applicable BLM and NM State fire laws, regulations, guidelines and requests. All reasonable measures to prevent and suppress fires in the project area will be taken by contractors and other on site personnel.

J. Noxious Weed / Undesirable Plant Control:

Equipment used for drilling, road construction, reclamation, etc., will be washed with the intent of removing plant material before it enters BLM administered land. This will reduce the transport of noxious weeds / undesirable plant seeds from other areas onto BLM administered lands

K. Drill Hole Abandonment:

Nonmineralized drill holes will be properly abandoned in accordance with BLM and New Mexico State regulations upon completion of testing. Specifically - High-density bentonite clay ($\geq 20\%$ active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

L. Reclamation:

Describe the annual and final reclamation standards based on the anticipated schedule for construction, operations, and project closure. Include such items as the removal of structures and facilities including bridges and culverts, a revegetation plan, permanent containment of mine tailings, waste, or sludges which pose a threat of a release into the environment, closing ponds and eliminating standing water, a final surface shaping plan, and post operations monitoring and maintenance plans.

The intent of the reclamation on this project is to restore any area that is disturbed area back to its original state and to ensure visual and functional compatibility with surrounding areas

Reclamation will be completed to the standards described in 36 CFR 3809.401(b)(3) and the standards set in 43 CFR 3809.420.

Drill cuttings, if any, and subsurface water will be disposed of on site in an appropriately sized pit and buried 3 feet below surface level when the pit has dried.

The exploration drilling operations will be managed to minimize surface disturbing activity. The BLM will be notified when drilling activities and reclamation work is complete.

Compacted soils with smashed vegetation will be scarified and reseeded as necessary with a BLM approved mix for playa soils. Barren playa surfaces will be heavily watered when drill pads and roads are abandoned so that a crust is formed to prevent dust. Scarification and reseeded will not be necessary.

In areas where seeding is necessary, the seed will be sown immediately after reclamation while the soil surface is still loose. If sown after rains have sealed the surface the seed will be raked into the soil. The reclaimed surfaces will be left in a rough textures condition.

The bond for this project was estimated using a Nevada BLM form that calculates the bond amount based on total disturbance and drill hole depth. Accordingly a bond amount of \$10,917 was calculated. The spreadsheet is attached.

VI. BUREAU OF LAND MANAGEMENT EVALUATION OF NOTICE

- A. Required changes or modifications for Plan:
- B. **Bond.** Reclamation of all disturbances connected with this Notice is covered by Reclamation Performance Bond No. _____, dated _____, signed by _____ (Principal) and _____ (Surety), in the amount of _____. This Reclamation Performance Bond is a guarantee of faithful performance with the terms and conditions listed below, and with the reclamation requirements agreed upon in the plan of operations. This Reclamation Performance Bond also extends to and includes any unauthorized activities conducted in connection with this operation.

The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet. The bond amount may be adjusted during the term of this proposed plan of operations in response to changes in the operations or to changes in the economy. Both the Reclamation Performance Bond and the bond calculation worksheet are attached to and made part of this plan of operations.

Acceptable bond securities include:

1. Certified or cashier's check, bank draft, Post Office money order, cash or assigned certificate of deposit.

VII. TERMS AND CONDITIONS

- A. The bond amount must be decided on before the Plan is approved and must be in place before field operations can begin.
- B. Approval of this Plan does not relieve the claimant(s) of their responsibility to comply with other applicable state or federal laws, rules, or regulations.
- C. If previously undiscovered cultural resources (historic or prehistoric objects, artifacts, or

sites) are exposed as a result of operations, those operations will not proceed until notification is received from the Authorized Officer that provisions for mitigating unforeseen impacts as required by 36 CFR 228.4(e) and 36 CFR 800 have been complied with.

D. This Plan of Operations has been approved to begin on _____ and will remain valid for two years from the date of signing. A revised Plan will be submitted in accordance with 36 CFR's as required if operations are to be continued.

VIII. OPERATING PLAN ACCEPTANCE

I have reviewed and agree to comply with all conditions in this Plan of Operations including any modifications, special mitigation, and reclamation requirements. I understand that the bond will not be released until the Authorized Officer in charge gives written approval.

Operator (or Authorized Representative) (Date)

IX. OPERATING PLAN APPROVAL

(Name) (Title)

(Authorized Officer) (Date)

