

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Fernando Martinez, Director**  
Mining and Minerals Division



7008 0500 0001 4875 0689

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

March 26, 2013

Mr. Thomas L. Shelley, Manager  
Reclamation  
Freeport-McMoRan Copper & Gold  
Tyrone Operations  
P.O. Drawer 571  
Tyrone, NM 88065

**RE: Application for Request Financial Assurance Release, Modification 12-3,  
Permit No. GR010RE, Tyrone Mine**

Dear Mr. Shelley,

The New Mexico Mining and Minerals Division (“MMD”) received a submittal from Freeport-McMoRan Copper & Gold, Tyrone Operations (“Tyrone”) entitled, “Tyrone Mine Financial Assurance Reduction Request for Modification of Permit No. GR010RE, Revision 01-1,” (“Application”), dated December 17, 2012. The Application requested financial assurance (“F.A.”) release for reclamation work completed at the No. 1C/7A stockpile unit at the Tyrone Mine including the cost for cover material placed on the 1C/7A stockpile, and for the completion of specific additional studies required by Revision 01-1 to Permit No. GR010RE.

MMD reviewed the Application and assigned it Permit Modification No. 12-3 (“Permit Mod.12-3”). On January 14, 2013, in accordance with 19.10.12.1210.A(4) NMAC, MMD notified the New Mexico Environment (“NMED”), the New Mexico Department of Game & Fish (“NMDG&F”), the New Mexico State Forestry Division, the New Mexico Office of the State Engineer (“NMOSE”), and the New Mexico Department of Cultural Affairs of the Application and requested comments from these agencies. In accordance with 19.10.12.1210.B NMAC, MMD conducted an inspection of the reclamation work at the No. 1C/7A stockpile on January 31, 2013. Representatives from MMD, NMED, NMDG&F, and the Gila Resource Information Project (“GRIP”) participated in the inspection.

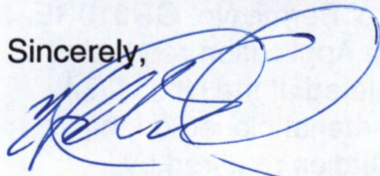
Following the inspection of the No. 1C/7A stockpile, MMD received written comments from the NMDG&F, NMOSE, and GRIP on the Application. In their written comments, the NMDG&F and GRIP expressed concern regarding the apparent lack of vegetation growing on the reclaimed areas of the No. 1C/7A stockpile including the test plot areas.

On March 11, 2013, MMD received a submittal from Tyrone entitled, "Little Rock and Tyrone Leach Cap Test Plots Status Report Discharge Permit 1341 Condition 76, GR010RE Condition L and Revision 10-1 of GR007RE section 8.O.1(a)", ("Test Plot Status Report"), dated March 8, 2013. In addition, on March 21, 2013, MMD received a draft Construction Quality Assurance Report ("Draft CQAR"), dated February 18, 2013, from Tyrone for the reclamation work done at the No. 1C/7A stockpile. The Draft CQAR contains information on the cover material types, amounts and locations placed for the reclaimed 1C/7A stockpile. MMD plans to review the Test Plot Status Report and the Draft CQAR before making a decision regarding the application for F.A. release for the reclaimed No. 1C/7A stockpile and test plot areas.

19.10.12.1210.D NMAC requires MMD to notify the permittee of the decision whether to release all or a part of the F.A., requested to be released, within 45 days of the inspection, if no public hearing is held pursuant to 19.10.12.1210.C NMAC. MMD is hereby notifying Tyrone that it is delaying its decision on the F.A. release requested in the Application until it can complete its review of the relevant information cited above on the reclamation of the No. 1C/7A stockpile and the leach cap test plots. This review may take up to an additional 45 days to complete. During the review, MMD may provide written comments and the comments of the other agencies and GRIP to Tyrone and request that Tyrone respond to those comments.

Please contact me at 505-476-3437 or David Ogori of my staff at 505-476-3432 or at [David.Ogori@state.nm.us](mailto:David.Ogori@state.nm.us) if you have any questions.

Sincerely,



Holland Shepherd, Manager  
Mining Act Reclamation Program ("MARP")

cc:

Fernando Martinez, Director, Mining and Minerals Division  
David Ogori, Permit Lead, MARP  
Kurt Vollbrecht, Mining Act Team Leader, Mining Environmental Compliance  
Section, NMED Ground Water Quality Bureau  
Sally Smith, GRIP  
Mine File (GR010RE)