

DCA (HFD) response to request for comments

State of New Mexico
Energy, Minerals and Natural Resources Department

98608

Susana Martinez
Governor

David F. Martin
Cabinet Secretary - Designate

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



Fernando Martinez, Director
Mining and Minerals Division



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HISTORIC PRESERVATION DIVISION

January 27, 2014

Ms. Michelle Ensey, Archaeologist
Historic Preservation Division
NM Department of Cultural Affairs
407 Galisteo Street, Suite 236
Santa Fe, NM 87503

RE: Request for Partial Release of Financial Assurance, Modification 13-1 to Permit GR009RE, Chino Mine

Dear Ms. Ensey:

On December 23, 2013 the Mining and Minerals Division (MMD) received an application from Freeport-McMoRan Chino, Inc. (Chino) requesting a modification to the Chino Mine permit. The application for modification is requesting a reduction in the amount of financial assurance required for implementation of the closeout plan for the Chino Mine. Specifically, in accordance with § 19.10.12.1210 NMAC, Chino is requesting that the financial assurance be reduced for reclamation work completed at the Tailing Ponds 1, 2, and 4 (4 West, and 4 East).

Pursuant to § 19.10.12.1210.A.4 and § 19.10.5.505.B.3 NMAC, you are hereby notified that MMD has received an application from Chino for a partial release of the financial assurance for the Chino Mine; and MMD is requesting comments from your agency for the application for modification (partial financial assurance release) of the Chino Mine Permit No. GR009RE. A copy of the Chino application package for financial assurance release can be viewed at this link:

<http://www.emnrd.state.nm.us/MMD/MARP/GR009REMod13-1.html>

If your agency has comments related to this document, please respond within 30 days of receipt of this letter.

The application includes information supporting the request for partial release of financial assurance. The supporting information includes:

- Approved 2006 Financial Assurance Cash Flow and NPV [Net Present Value] Calculation used as the starting basis for the NPV calculations.
- The approved cost estimate broken out by tailing pond.
- The current and NPV amounts Chino is requesting for release compared to the approved 2006 cost estimate.

RE: Partial Release of Financial Assurance, Request for Modification 13-1, Permit GR009RE, Chino Mine

- Detailed cost calculation for each tailing pond corresponding to the summary in Attachment B.
- Public Notice documentation as required by 19.10.9.903 NMSA.

If your agency would like to review a hard copy of any of the application package, please contact MMD.

Pursuant to § 19.10.12.1210.B NMAC, within 30 days receipt of the application package, or as soon thereafter as weather conditions permit, MMD will conduct an inspection and evaluation of the reclamation or closeout measures completed. The inspection is scheduled for 8AM on January 29, 2014. In a correspondence dated January 9, 2014 your agency was given advanced notice of this inspection, and representatives of your agency have been invited to attend the release inspection.

If you have any questions, please contact me at (505) 476-3438.

Sincerely,



Chris Eustice, Permit Lead
Mining Act Reclamation Program (MARP)
Mining and Minerals Division

Enclosure

cc: Holland Shepherd, MARP Program Manager
Fernando Martinez, Director, MMD
Mine File (GR009RE)

NO COMMENT

2/25/14 *M* michelle Ensey
for the New State Historic
Preservation Officer

GOVERNOR
Susana Martinez



INTERIM DIRECTOR AND SECRETARY
TO THE COMMISSION
R.J. Kirkpatrick

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STATE OF NEW MEXICO DEPARTMENT OF GAME & FISH

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Alto

RALPH RAMOS
Las Cruces

February 5, 2014

Chris Eustice, Permit Lead
EMNRD Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe NM 87505



RE: Chino Mine, Modification 13-1 to Permit GR009RE; NMDGF Project No. 16168

Dear Mr. Eustice:

In response to your letter dated January 27, 2014, the New Mexico Department of Game and Fish (Department) has reviewed the document referenced above. Freeport-McMoRan Chino Inc. seeks a partial release of financial assurance for reclamation conducted on Tailings Ponds 1, 2 and 4 (4 West and 4 East). Department staff did not conduct a site inspection related to this request.

Stormwater channels on the top surfaces are lined with Gila conglomerate and limestone riprap. Horizontal channels on the outslopes are constructed using riprap. Spillways where these channels meet and discharge off the corners of the tailings ponds are constructed of articulated concrete block. The stormwater conveyance system as a whole appears to be robust. The state will retain enough funds to reseed the Tailings Ponds if necessary.

As required by the Closeout Plan conditions (part of the Mining and Minerals Division permit), a wildlife habitat feature has been constructed on the reclaimed areas. The rockpile on the tailings pond top surface is constructed in a V shape to block the wind, and large boulders were used with various three-dimensional gaps. Wildlife use of this and other features may be limited until vegetation becomes established because it is distant from existing undisturbed habitat. The federal Office of Surface Mining recommends an average of one rockpile feature per 80 acres of reclaimed habitat.

Thank you for the opportunity to comment on this permit modification. No significant adverse impact to wildlife or important habitat is expected to result from partial release of financial assurance as requested. If there are any questions please contact Rachel Jankowitz, Mining Habitat Biologist at 505-476-8159 or rjankowitz@state.nm.us.

Sincerely,

Matthew Wunder, Ph.D.
Chief, Ecological and Environmental Planning Division



SUSANA MARTINEZ
Governor

JOHN A. SANCHEZ
Lieutenant Governor

NEW MEXICO
ENVIRONMENT DEPARTMENT

Ground Water Quality Bureau

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RYAN FLYNN
Secretary

BUTCH TONGATE
Deputy Secretary

MEMORANDUM

February 24, 2014

TO: Holland Shepherd, Program Manager, Mining Act Reclamation Program

FROM: Keith Ehlert, NMED Acting Mining Act Team Leader

RE: **Comments on Modification 13-1, Chino Mine, Application for Partial Release of Financial Assurance, Permit No. GR009RE**

On January 29, 2014 the New Mexico Environment Department (NMED) received a request for comments on the application from Freeport McMoRan Chino, Inc. (Chino) for partial release of financial assurance associated with reclamation work performed on Tailing Ponds 1, 2, and 4 (4 West and 4 East). The Ground Water Quality Bureau, the Surface Water Quality Bureau, and the Air Quality Bureau have reviewed the application and have no comments at this time.

If you have any questions, please contact Keith Ehlert at (505) 827-9687.

xc: Jerry Schoeppner, Chief, GWQB
James Hogan, Chief-Acting, SWQB
Richard Goodyear, Chief, AQB
Fernando Martinez, Director, EMNRD-MMD
Chris Eustice, EMNRD-MMD
Kurt Vollbrecht, Program Manager, MECS
George Llewellyn, MECS Silver City

Ennis, David, EMNRD

From: Myers, Kevin, OSE
Sent: Thursday, February 06, 2014 2:32 PM
To: Eustice, Chris, EMNRD
Cc: Johnson, Mike S., OSE; Jackson, Charles L., OSE
Subject: OSE Comments for Modification Request 13-1 MMD Permit No. GR009RE Chino Mine - Partial FA release

Chris,

New Mexico Office of the State Engineer (NMOSE) Hydrology Bureau has reviewed the Modification 13-1 requested by Freeport McMoRan Chino Inc. (Chino) – MMD Permit No. GR0009RE.

On January 27, 2014, MMD requested review and comment of this modification for partial financial assurance (FA) release. This partial FA release is related to reclamation work completed at Tailing Ponds 1, 2 and 4 (4 West and 4 East) southeast of Hurley, NM. NMOSE reviewed the modification request. NMOSE Hydrology staff did not attend the field inspection on January 29, 2014, yet staff have been on site as recently as 2012.

1. OSE supports the reduction of third party guarantee financial instrument for this partial FA release of approximately \$4.83 M (2003 dollars) or \$4.68 M NPV.

2. In order to have a complete picture of the changes to wells, NMOSE requests a summary table of wells modified due to reclamation of Tailing Ponds 1, 2 and 4. Specifically, which wells have been plugged, replaced (or will be replaced) or modified (e.g., extended casing). For example, plugging plans of operation have been filed with NMOSE District 3 for points of diversion (PODs): M-10670-POD8 (Chino well number 214-05-03), M-10670-POD10 (Chino well number 214-05-05), and M-10170-POD96 (Chino well DM-16-SR). At a minimum, the summary table should include the final disposition, NMOSE POD number (& Chino well number) and location of each well that was modified due to reclamation at the older tailings area.

If you have any questions about the above, contact me.

Kevin Myers, Hydrologist
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<http://www.ose.state.nm.us/>