

**PERMIT MODIFICATION 14-1 TO PERMIT NO. GR010RE  
TYRONE MINE  
EXISTING MINING OPERATION**

**MINING AND MINERALS DIVISION  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

This Permit Modification 14-1 ("Modification 14-1") to Permit No. GR010RE is issued by the Director of the Mining and Minerals Division ("MMD") of the New Mexico Energy, Minerals and Natural Resources Department to:

Freeport-McMoRan Tyrone Inc. ("FMTI")  
Whose correct address is: P.O. Drawer 571  
Tyrone, NM 88065

("Permittee") for the Tyrone Mine, located in Grant County, New Mexico.

This Modification 14-1:

- A. Approves (i) an expansion of the No. 9A waste rock stockpile at the Tyrone Mine designated as the No. 9AX waste rock stockpile by an additional 64 acres, as shown in Figure 2 of the 14-1 PMP (hereinafter defined) and (ii) the closeout plan and financial assurance for the No. 9AX waste rock stockpile. The financial assurance for the No. 9AX waste rock stockpile closeout plan is a Third Party Guarantee Certificate of Face Amount Adjustment increasing the Face Amount of the Tyrone Third Party Guarantee by \$1,071,764 Net Present Value ("NPV").

In order to accomplish the approval contemplated by this Modification 14-1, the following subparagraphs are added to Permit No. GR010RE:

**Section 1 (14-1). STATUTES AND REGULATIONS**

- A. This Permit modification is issued pursuant to the New Mexico Mining Act, NMSA 1978, §69-36-1, et seq. (1993, as amended through 2009) ("Act") and New Mexico Mining Act Rules, Title 19, Chapter 10 of the New Mexico Administrative Code ("NMAC" or "Rules" or "Regulations").
- B. This Permit modification is subject to the Act, the Rules, and any other regulations which are now or hereafter in force under the Act; and all such regulations are made a part of this Permit by this reference.

**Section 1a (14-1). PERMIT APPLICATION PACKAGE**

- A. The permit application package for Modification 14-1 (“14-1 PMP”) consists of a written request from the Permittee, dated April 25, 2014, for the expansion of the No. 9A waste rock stockpile by approximately 64 acres at the Tyrone Mine. The expanded No. 9A waste rock stockpile is designated as the No. 9AX waste rock stockpile in the PMP and the 14-1 PMP includes a closeout plan and reclamation cost estimate for the No. 9AX waste rock stockpile.
- B. E-mail from FMTI, dated May 21, 2014, including a drawing (Figure 7) depicting the footprint of the No. 9A waste rock stockpile and the footprint of the proposed No. 9AX waste rock stockpile.
- C. E-mail from FMTI, dated June 13, 2014, including a revised reclamation cost estimate for the No. 9A waste rock stockpile dated June 11, 2014, including revised Figure 4 and 5; revised Tables 1, 2, 3, 4, 5; adding Table 6 and renumbering Table 6 to Table 7.
- D. Letter from FMTI, dated July 11, 2014, responding to MMD technical comments and comments from other state agencies including the New Mexico Office of the State Engineer (“OSE”), New Mexico Environment Department (“NMED”), the New Mexico Department of Game & Fish (“NMDG&F”), and the New Mexico State Historic Preservation Office (“SHPO”).
- E. E-mail from FMTI, dated July 29, 2014, including a revised reclamation cost estimate for the No. 9AX waste rock stockpile dated July 25, 2014.
- F. Letter from FMTI, dated August 12, 2014, responding to additional MMD technical comments and additional comments from other state agencies including the OSE, NMED, the NMDG&F, and the SHPO.
- G. E-mail from FMTI, dated August 25, 2014, including a revised reclamation cost estimate for the No. 9AX waste rock stockpile dated August 25, 2014.
- H. E-mail from FMTI, dated August 29, 2014, regarding the submission of a financial assurance proposal by FMTI for the No. 9AX waste rock stockpile closeout plan.
- I. Letter from FMTI, dated September 17, 2014, with a financial assurance proposal for the No. 9AX waste rock stockpile including a Third Party Guarantee Certificate of Face Amount Adjustment increasing the Face Amount of the Tyrone Third Party Guarantee by \$1,071,764 NPV, from \$91,529,850 NPV to \$92,601,614 NPV.

**Section 2 (14-1).**

**PERMIT AREA AND DESIGN LIMITS**

- A. The approved pre-reclamation area of disturbance (horizontal dimension) of the No. 9AX waste rock stockpile is delineated in Figure 7 of the 14-1 PMP, Proposed Operational 9AX Stockpile, dated April 23, 2014. The approved reclamation area (horizontal dimension) of the No. 9AX waste rock stockpile is delineated in Figure 4 of the 14-1 PMP, Proposed Reclamation Regrade of 9AX Stockpile (3:1 Inter Bench), dated June 11, 2014.

**Section 3 (14-1).**

**FINDINGS OF FACT**

- A. The Permittee has paid the permit modification fee of \$1,000.00 as required by 19.10.2.201 NMAC.
- B. The application for permit modification has been reviewed in accordance with 19.10.5.505 NMAC and has been determined to be a modification. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications under 19.10.5.505 NMAC.
- C. Pursuant to 19.10.5.505.B(1) NMAC, the proposed changes would not have a significant environmental impact.
- D. Pursuant to 19.10.5.505.B NMAC, the proposed change does not require public notice or the opportunity for public hearing.
- E. The Director has consulted with the applicable state and federal agencies as required by 19.5.505.B(3) NMAC.
- F. MMD provided the 14-1 PMP to the following tribal entities and requested review and comment: the Hopi Tribe and the Navajo Nation. Comments from the Hopi Tribe were received by MMD. In response to the comments from the Hopi Tribe, MMD has requested copies of the cultural resource surveys completed by the U.S. Bureau of Land Management ("BLM") for areas adjacent to the No. 9AX waste rock stockpile. Once MMD receives the cultural resource surveys from the BLM, MMD will forward them to the Hopi Tribe. The Navajo Nation responded to MMD's request for review and comment, and stated that they had no concerns regarding the 9AX waste rock stockpile.
- G. The financial assurance for reclamation of the 9AX waste rock stockpile is in the form of a Third Party Guarantee Certificate of Face Amount Adjustment increasing the Face Amount of the Tyrone Third Party Guarantee by \$1,071,764 NPV, from \$91,529,850 NPV to \$92,601,614 NPV. The NPV for the 9AX waste rock stockpile financial assurance shall be adjusted in accordance with the NPV approved as part of Revision 09-

1 to Permit No. GR010RE.

- H. The No. 9AX waste rock stockpile will consist of “leach cap” material that likely is non-acid generating, pending confirmation pursuant to NMED’s June 6, 2014 Amendment 06-02 to DP-435. Thus far, leach cap test plot studies have not demonstrated successful revegetation in this material. Those studies are not yet complete.

**Section 5. COMPLIANCE REQUIREMENTS (Permit Modification 14-1)**

- A. This permit modification 14-1 is issued pursuant to NMSA 1978, Section 69-36-1 et. seq. and Title 19, Chapter 10 NMAC. Permittee may be required to comply with other federal, State, county or local laws or ordinances before or while undertaking the activity that is the subject of this permit modification. MMD does not, by issuing this permit modification or otherwise, make any comment on Permittee’s compliance with such other laws. It is Permittee’s sole responsibility to investigate and comply with the requirements of such other laws.
- B. Permittee shall comply with all other state and federal requirements and standards including without limitation the Cultural Properties Act, NMSA 1978, Sections 18-6-1 to -27 and regulations promulgated pursuant thereto.
- C. The permit modification 14-1 does not grant or create any water rights. Nor does MMD, by approving this permit modification or otherwise, make any comment on the water rights that the Permittee may or may not have available for use in the area covered by the permit modification. Permittee is solely responsible and obligated to comply with all state and federal laws related to water rights sufficient to support the activities contemplated by the permit modification.

**Section 9 (14-1). GENERAL OBLIGATIONS AND CONDITIONS**

- A. The area of disturbance that is approved in this permit modification is subject to the reclamation standard of 19.10.5.507.A NMAC.
- B. During construction, the 9AX waste rock stockpile shall maintain at least a 150-foot “buffer zone” located between the 9AX waste rock stockpile and the McCain Spring where best management practices (“BMP’s”) are maintained to prevent stormwater runoff from the 9AX waste rock stockpile from impacting the McCain Spring including, but not necessarily limited to, a berm maintained at the base of the 9AX waste rock stockpile capable of diverting stormwater from a 100-year, 24-hour storm event away from the McCain Spring and preventing large boulders and sediment from eroding from the 9AX waste rock stockpile to the McCain Spring. In addition, during construction of

the 9AX waste rock stockpile, areas containing native topsoil will be identified, that are suitable as cover material. The location and volume of these materials will be provided and approved by MMD. These topsoil materials will be recovered segregated from other materials and used as cover material for the 9AX waste rock stockpile, as practicable.

- C. During reclamation, the slopes of the 9AX waste rock stockpile shall be regraded to a 3:1 slope, shall be no longer than 300 feet, and shall be covered with a one foot thick layer of Gila conglomerate cover material obtained from either the No. 5A stockpile or a local borrow source. If a local borrow source of Gila conglomerate is used, the borrow material shall be characterized in accordance with the approved borrow materials investigation work plan. In MMD's judgment, it has not yet been demonstrated that revegetation on leach cap material alone at the No. 9AX waste rock stockpile will be successful. The approval of a one foot thick layer of Gila conglomerate cover material for the 9AX waste rock stockpile does not affect any other cover material requirements of Permit No. GR010RE. Whether any modification or revision of the cover placement plan for the 9AX waste rock stockpile will be made, will be based upon the results of the test plot studies required pursuant to Condition 9.L.1 of Revision 01-1 to Permit No. GR010RE and other evidence and information available to MMD regarding the amount of Gila conglomerate cover, if any, that is required as a cover for leach cap material to meet the revegetation requirements of Appendix C of Revision 01-1. The final set-back distance of the reclaimed 9AX waste rock stockpile from the McCain Spring shall be determined pursuant to Revision 09-1 to Permit No. GR010RE.

**Section 10 (14-1).**

**CONCLUSIONS OF LAW**

- A. The Director has jurisdiction over the Permittee and the subject matter of this proceeding.
- B. The 14-1 PMP is complete, accurate, and complies with the requirements of the Act and Sections 19.10.5.502 NMAC and 19.10.5.503 NMAC and with conditions described in this Permit Modification document.
- C. The 14-1 PMP is complete, accurate, and complies with the requirements of Section 19.10.5.505 NMAC. The Permittee, FMTI, is permitted pursuant to the New Mexico Mining Act to conduct mining and reclamation operations at the Tyrone Mine, Grant County, New Mexico, upon the condition that the Permittee complies with the requirements of this Order, the Act, the Rules, Permit No. GR010RE, and all revisions thereof and modifications thereto.

All other provisions, modifications, and revisions for mining and reclamation contained in the Tyrone Mine Permit No. GR010RE, remain unchanged.

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To Permit No. GR010RE  
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**CERTIFICATION**

I certify that I have read, understand and will comply with the requirements of this Permit, this Permit Modification, the Act, the Rules, including without limitation that I will allow the Director to enter the Permit Area as required by the Permit and/or the Rules and/or as otherwise required by law.

David J. Bick

Authorized Representative of the Permittee

President

Title

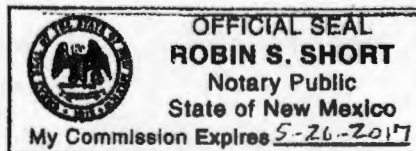
Freeport-McMoRan Tyrone Inc.  
Company

Subscribed and sworn to before me this 2nd day of October, 2014

Robin S. Short  
Notary Public

My Commission Expires

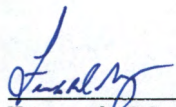
May 26, 2017



**ORDER**

NOW THEREFORE, IT IS HEREBY ORDERED that the Director approves Permit Modification 14-1 to the Tyrone Mine – Freeport McMoRan Tyrone Inc., Permit No. GR010RE, located in Grant County, New Mexico. The approval is for increasing the mine disturbance at the Tyrone Mine by 56 acres for the 9AX waste rock stockpile and approves the closeout plan and financial assurance for the 9AX waste rock stockpile.

By Order of the Director, Mining and Minerals Division, Energy, Minerals and Natural Resources Department, of the State of New Mexico.

By:  \_\_\_\_\_  
Fernando Martinez, Director  
Mining and Minerals Division  
Energy, Minerals and Natural Resources Department

Date: 10/3/2014