

Freeport-McMoRan Chino Mines Company  
P.O. Box 10  
Bayard, NM 88023

April 2, 2015

**Certified Mail #70142120000248985472**  
**Return Receipt Requested**

Mr. Chris Eustice  
Mining and Minerals Division  
Mining Act Reclamation Program  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Eustice:

**Re: Freeport-McMoRan Chino Mines Company,**  
**Modification Request for Permit No. GR009RE: Closure Closeout Plan Update**

Freeport-McMoRan Chino Mines Company (Chino) submits this application request to modify Permit No. GR009RE to update the Chino Closure Closeout Plan (CCP). The change results mainly from the demolition of an overpass planned to be built across highway 152. The overpass and associated road construction addressed in this modification occurs within the Chino permit boundary and design limits (Figure 1). Cobre Mining Company (Cobre) on August 22, 2014 submitted a revision application to change the permit boundary and design limits associated with the construction of the haul road. The Cobre haul road will be extended and used to deliver copper ore to Chino for processing.

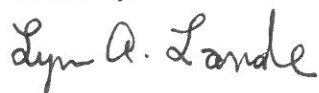
The haul road within the Chino permit boundary begins just north of highway 152. Chino has hired a New Mexico professional engineering firm to design the haul road and overpass. The overpass will be approximately 56 feet long and 216 feet wide and will meet the Department of Transportation (DOT) construction and maintenance standards. The haul road from the overpass to the rim of the open pit will occupy approximately four acres of land located on Chino property. The haul road will be approximately 120 feet wide, which includes 90 feet of running surface and about 7 feet high safety berms. Figure 2 illustrate a plan and profile view of the haul road.

Table 1 (attached) provides the financial assurance (FA) cost estimate for the demolition and reclamation of this area. Chino has requested and received approval for FA release from reclamation work that has been completed at the mine site in the tail pond area. As explained in previous communications, Chino proposes to leave this substantial amount of financial assurance in place to ensure adequate FA remains for this haul road and other mine projects. Attached is the reclamation FA cost estimate (approximately \$148,200) associated with the demolition of the overpass and haul road grading, vegetation and maintenance. The cost estimate is consistent with design criteria and indirect cost calculation listed in permit GR009RE and will not change the closeout plan (CCP).

Mr. Chris Eustice  
March 24, 2015  
Page 2

Enclosed is a \$1,000 application fee for the processing of this modification. Thank you for reviewing this information. Please contact me at (575) 912-5235 should you require additional information.

Sincerely,

A handwritten signature in black ink that reads "Lynn A. Lande". The signature is written in a cursive style with a large initial "L".

Lynn Lande,  
Chief Environmental Engineer

LAL:rlm  
Attachments

c: Brad Reid, Ground Water Quality Bureau, NMED  
20150402-001



Freeport-McMoRan Inc.  
333 North Central Ave  
Phoenix AZ 85004

For inquiries, contact us via e-mail:  
AP@FMI.com<mailto:AP@FMI.com> Self-service  
website: http://partners.fmi.com



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NM ENRGY MNRLS & NAT RES DPT  
MINING ACT RECLAMATION BUREAU  
1220 SOUTH ST FRANCIS DR  
SANTA FE NM 87505

Page 1 OF 1

INVOICE NUMBER	INVOICE DATE	PURCHASE ORDER	COMPANY	GROSS AMOUNT	DISCOUNT	NET AMOUNT
080814 GR009RE MOD REQUEST	08/08/14 -CHINO'S PORTION		FREEPORT MINERALS CORPORA	1,000.00	0.00	1,000.00
Check Number		Date	Vendor Number	Name		Total Amount
0000832348		01/14/15	0000101184	NM ENRGY MNRLS & NAT RES DPT		\$1,000.00

CH249 v.0.02 01-12-2012

ORIGINAL DOCUMENT IS PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER - DO NOT CASH IF THE WORD VOID IS VISIBLE.

**FREEPORT-McMoRAN**  
Freeport-McMoRan Inc.  
333 North Central Ave  
Phoenix AZ 85004

CHECK NO. 64-1278/611 GA  
0000832348

DATE OF CHECK  
01/14/15

PAY: ONE THOUSAND AND 00/100 DOLLARS

TO THE ORDER OF NM ENRGY MNRLS & NAT RES DPT  
MINING ACT RECLAMATION BUREAU  
1220 SOUTH ST FRANCIS DR  
SANTA FE NM 87505

CHECK AMOUNT  
\$1,000.00

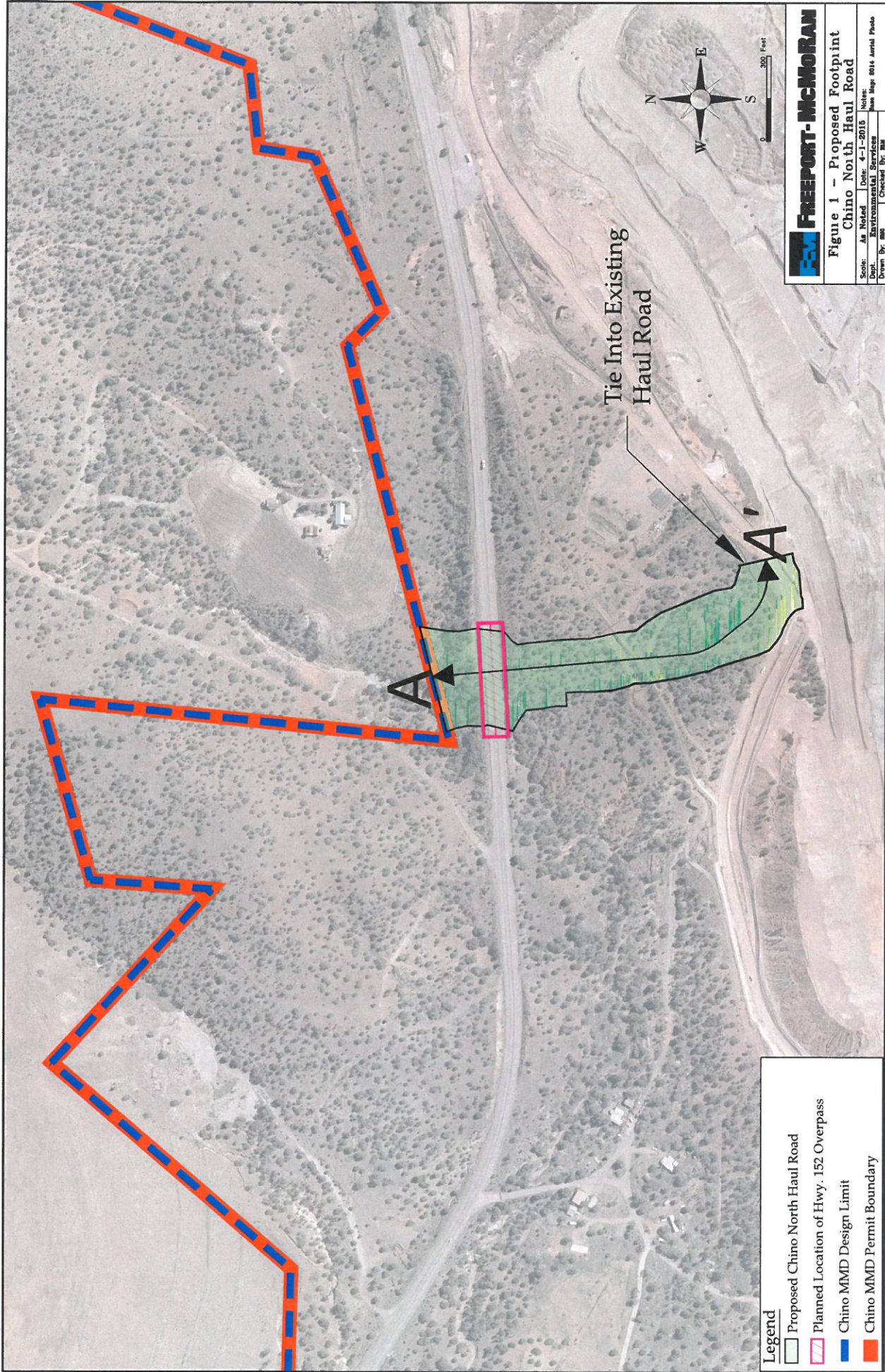


Bank of America, N.A.

Authorized Signature

DOCUMENT CONTAINS A TRUE WATERMARK. DO NOT CASH IF THE WATERMARK IS NOT VISIBLE. SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES.

⑈0000832348⑈ ⑆061112788⑆ 3299998445⑈



**Legend**

- Proposed Chino North Haul Road
- Planned Location of Hwy. 152 Overpass
- Chino MMD Design Limit
- Chino MMD Permit Boundary

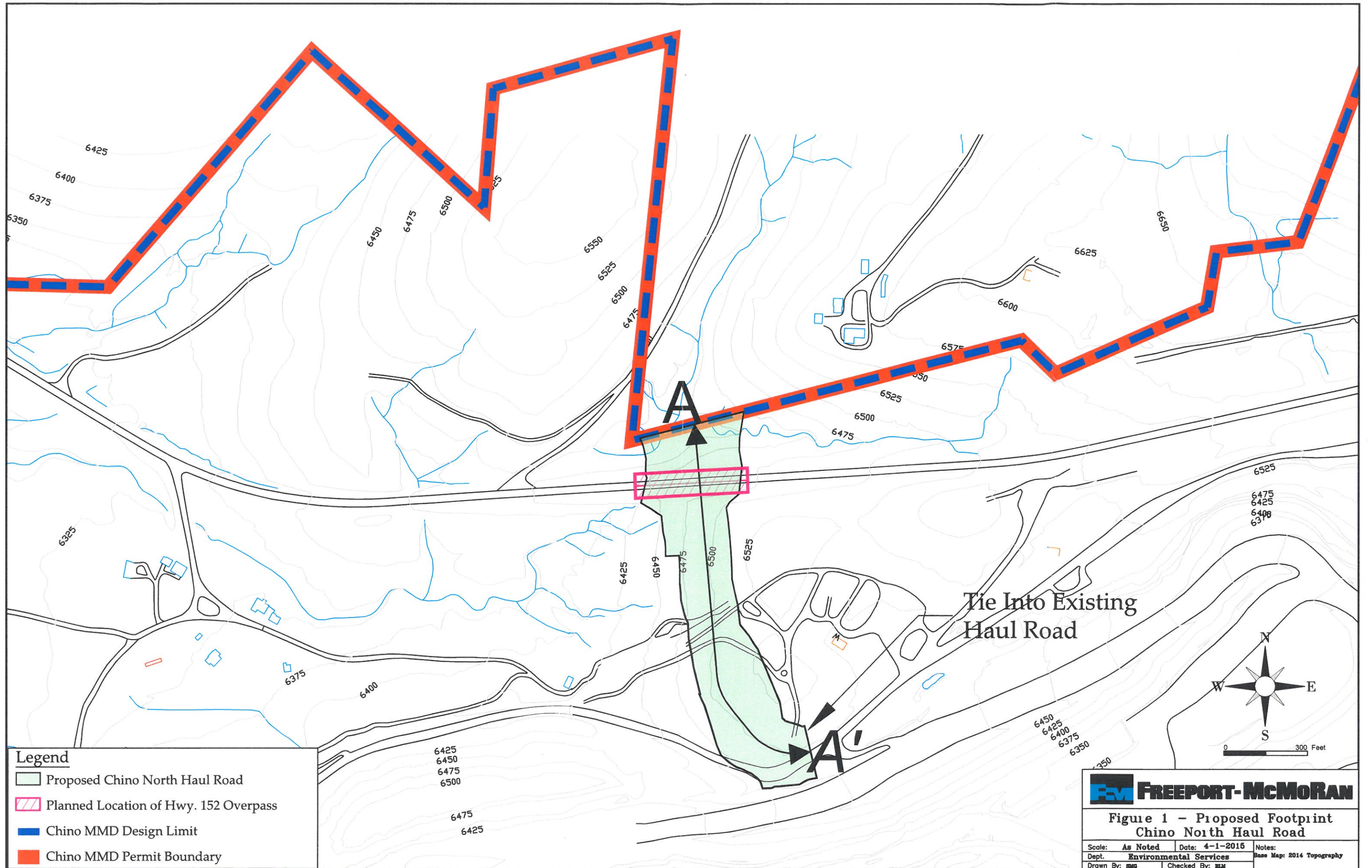
**FREEPORT-MCMORAN**

**Figure 1 - Proposed Footprint  
Chino North Haul Road**

Scale: As Noted	Date: 4-1-2015	Note:
Drawn By: MBI	Checked By: MBI	Issue: May 2014 Permit Package
Dept.: Environmental Services		

Tie Into Existing  
Haul Road





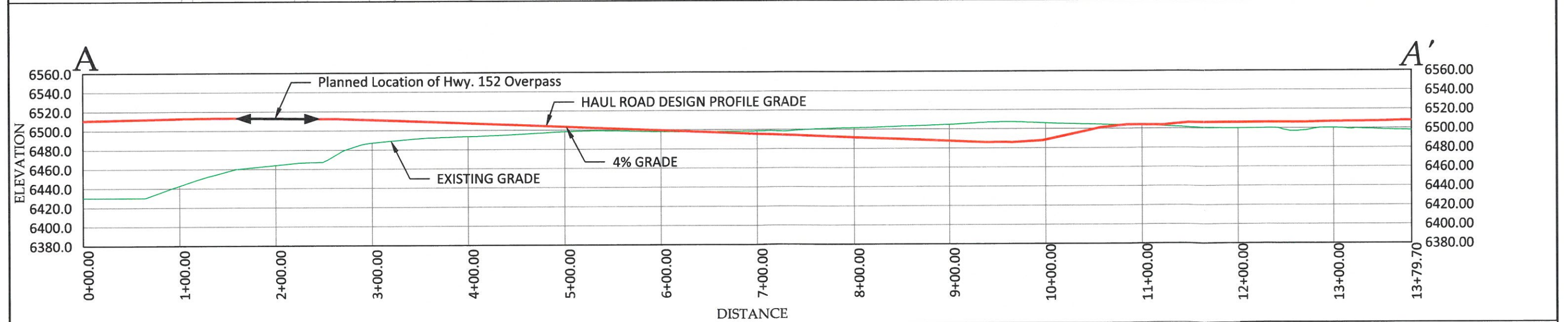
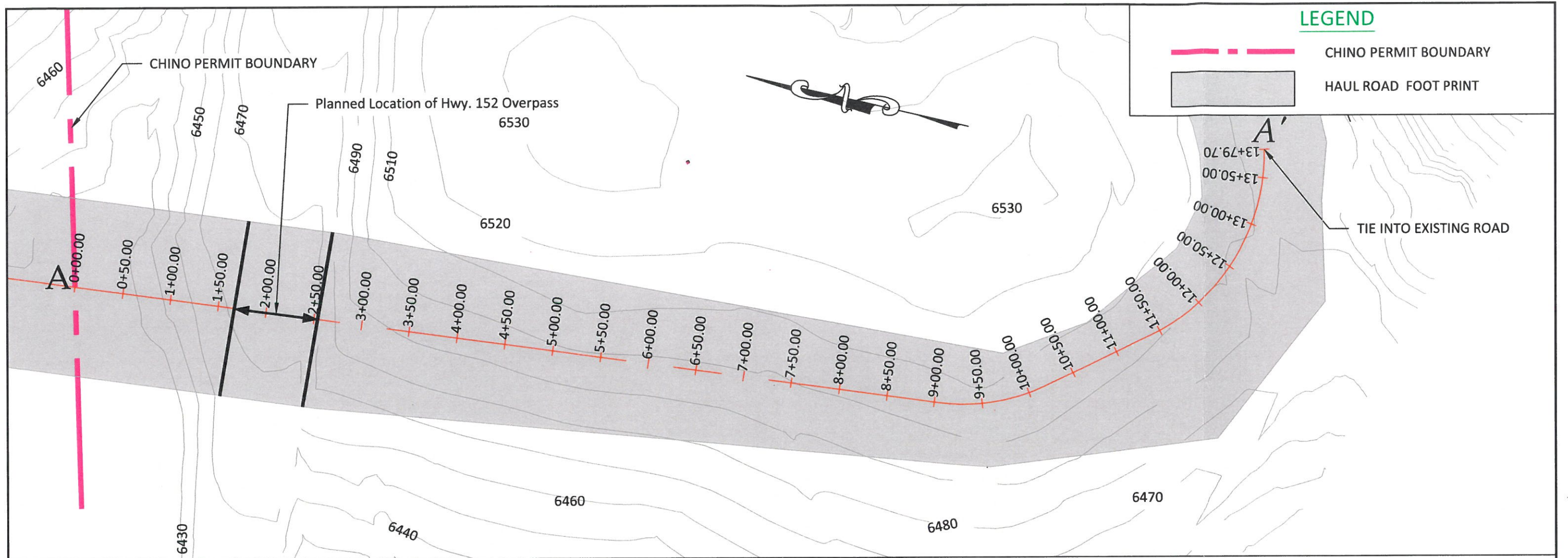
**Legend**

- Proposed Chino North Haul Road
- Planned Location of Hwy. 152 Overpass
- Chino MMD Design Limit
- Chino MMD Permit Boundary

**FM FREEPORT-McMORAN**

**Figure 1 - Proposed Footprint  
Chino North Haul Road**

Scale: As Noted	Date: 4-1-2015	Notes:
Dept. Environmental Services	Base Map: 2014 Topography	
Drawn By: MMG	Checked By: MMG	



**FV FREEPORT-McMORAN**

Plan and Profile View of Chino North Haul Road Connection

Scale: As Noted	Date: 4-1-2015	Notes:
Dept. Environmental Services		
Drawn By: PS/MS	Checked By: RM	

**Demolition**

Item	Quantity	Unit	Unit Cost (\$/unit)	Direct Item Cost (\$)	Reference	Means Line Item	Means Page	Description
Demolish Highway 152 Crossing	6.600	sqft	\$15.20	\$100,320	R.S. Means	323420.10-0100	325	Pedestrian Bridges precast concrete, complete in place 8'wide 100' span, bare labor costs, no location factor applied; Unit rate is comparable to reported elevated roadway/bridge removal in Florida, Arkansas, and other US averages.
<b>Demolition Total Direct Cost:</b>				<b>\$100,320</b>				

**Productivity and Hours Required for Dozer Use---Grading**

Task Description	Location	Equipment	Area (acres)	Productivity (acres/hr)	Task Time (hours)	Owning and Operating Cost (\$/hr)	Labor Cost (\$/hr)	Direct Cost (\$)	PERFORMANCE FACTORS											
									Material Factor	Grade Factor	Soil Weight (lb/cy)	Production Method/ Blade	Effective Blade Width (feet)	Speed (miles/hr)	Work Hour (min/hr)	Visibility Factor	Elevation Factor	Direct Drive Trans.	Grade (%)	Operator Factor
Grade Surface	CHR Chino Section	D11R CD	4.75	2.980495868	1.5936945	509.12	47.58	887.209752	1.2	0.98	3300	1.2	16	2.5	50	1	1	1	1	0.75
Water Truck*	CHR Chino Section	Water Truck			0.3984236	171.97	25.34	78.6129676												

**Grading Total Direct Cost 965.82272**

\*Assume there is a water truck running 1 hour twice a day when the dozers are running over an 8 hour work day.

EQUIPMENT	Equipment Description	Fuel Consumption (gal/hr)	Fuel Cost (\$/hr)	Owning and Operating Cost (w/out fuel) (\$/hr)	Fuel- Adjusted Own/Op Cost (\$/hr)	Reference
Off-Hwy Water Tanker Truck, 10,000-gal.	15.3437014	49.33	122.64	171.97	1	

FUEL	Oil Broker Quote	3.215	per gallon	2
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LABOR	Labor Description	NMDOL Type A Operator Group	NMDOL Type A Operator Classification	Nominal Total Rate (\$/hr)	Reference
Off-Hwy Water Tanker Truck, 10,000-gal.	N/A	N/A	25.34	3	

1. Equipment unit rates from EquipmentWatch Custom Cost Evaluator Version 6.15.0B (<http://www.equipmentwatch.com>).
2. Western Refining Quote, Lordsburg NM (June 18, 2014).
3. Labor rates based on NM Department of Labor Type H (Heavy Engineering) labor rates. Rate development available upon request.



**Revegetation Costs**

**Description:**

Includes scarifying (ripping), discing, rangeland drill seeding, mulching, crimping, and daily per diem

Unit or Disturbance	Area (acres)	Unit Cost* (\$/acre)	Direct Cost (\$)
<b>Revegetation Areas</b>			
CHR Chino Section	4.8	826	3,923
		<b>Reveg Total Direct Cost</b>	<b>\$3,923</b>

\*Rocky Mountain Reclamation Quote June, 18 2014, \$1153/acre minus 39.6% indirect costs. Quote includes cost for scarifying (ripping) surface.

**Reclamation Summary**

<b>Chino Mine</b>		Current
<b>DIRECT COSTS</b>	Facility and Structure Removal	Value
	Earthmoving	\$100,320
	Revegetation	\$966
	<b>Subtotal, Direct Costs</b>	<b>\$3,923</b>
<b>INDIRECT COSTS</b>		
	Mobilization and Demobilization	\$1,157.20
	Contingencies	\$2,104
	Engineering Redesign Fee	\$4,734
	Contractor Profit and Overhead	\$26,300
	Project Management Fee	\$5,260
	State Procurement Cost	\$2,104
	Indirect Percentage Sum =	
	<b>Subtotal, Indirect Costs</b>	<b>\$41,700</b>
<b>TOTAL COST</b>		<b>\$146,900</b>

**Vegetation Maintenance Costs**

Cobre Haul Road Chino Section  
 O&M Vegetation Maintenance  
 1/8/2015

Activity	Total Area (acres)	# yrs veg Maint.	% loss per year	Quantity	Unit	Unit Cost* (\$/unit)	Item Cost (\$)
CHR Chino Section	4.8	12	2%	0.1	acres	\$826	\$942

**Veg Maintenance Total Direct Cost: \$942**

\*Rocky Mountain Reclamation Quote June, 18 2014, \$1153/acre minus 39.6% indirect costs.  
 Quote includes cost for scarifying (ripping) surface. 826 \$/acre

**Operations and Maintenance Summary**

**Chino Mine**

	Current Value
<b>DIRECT COSTS</b>	
Facility and Structure Removal	\$0
Earthmoving	\$0
Vegetation	\$0
Other	\$942
<b>Subtotal, Direct Costs</b>	<b>\$900</b>
<b>INDIRECT COSTS</b>	
Mobilization and Demobilization	1.1% \$10
Contingencies	2.0% \$18
Engineering Redesign Fee	4.5% \$41
Contractor Profit and Overhead	25.0% \$225
Project Management Fee	5.0% \$45
State Procurement Cost	2.0% \$18
Indirect Percentage Sum =	39.6%
<b>Subtotal, Indirect Costs</b>	<b>\$400</b>
<b>TOTAL COST</b>	<b>\$1,300</b>

**Table 1 Cobre Haul Road Chino Section**

Item	Subtotal, Direct Costs	Subtotal, Indirect Costs 39.6%	Total Cost
Capital			
Demolish Highway 152 Crossing	\$100,320	\$39,727	\$140,000
Grade Surface CHR	\$966	\$382	\$1,300
CHR Revegetation	\$3,923	\$1,554	\$5,500
<b>Total Capital Cost</b>	<b>\$105,200</b>	<b>\$41,700</b>	<b>\$146,900</b>
Operations and Maintenance			
		39.6%	
<b>Total Operations and Maintenance</b>	<b>\$900</b>	<b>\$400</b>	<b>\$1,300</b>
<b>Total Current Dollar Cost</b>	<b>\$106,100</b>	<b>\$42,100</b>	<b>\$148,200</b>