

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



August 5, 2015

Certified Mail # 70150640000026035218
Return Receipt Requested

Mr. Chris Eustice
Permit Lead
Mining Act Reclamation Program
Mining and Mineral Division
1220 South St. Frances Drive
Santa Fe, NM 87505

Dear Mr. Eustice:

Re: Freeport-McMoRan Chino Mines Company Responses to Additional
Comments on Proposed 3A Stockpile, Modification 14-2 to Permit GR009RE

Freeport-McMoRan Chino Mines Company (Chino) submitted a request to modify permit GR009RE to facilitate the construction of the 3A Stockpile on July 10, 2014. The Mining and Mineral Division (MMD) provided comments on that proposal in a letter to Chino dated November 14, 2014. Chino responded to MMD comments in a correspondence dated February 18, 2015 and received additional comments from MMD in a letter dated May 27, 2015. Please find below Chino's responses for only those MMD comments that solicited a response and are numbered accordingly.

Comment No. 1:

Chino's response to MMD Comment No. 1 included a proposal to "use cover material from the Upper South Stockpile". At this time MMD will allow Chino to use the blended cover material, however, approval of the blended cover material will be contingent upon the outcome of the test plots. Allowing use of the blended cover material at this time also is contingent upon Chino using only Kneeling Nun rhyolite ("KNR") as cover material in the cost estimate. Kneeling Nun rhyolite is the only cover material approved, for the mine area, by Revision 01-1 to GR009RE, unless and until the test plots are deemed successful and/or complete.

Response No 1:

Chino appreciates the numerous discussions with the agency concerning the Chino cover material program, culminating in a test plot site visit on June 18th and a face to face meeting with MMD staff on June 30th. As agreed the proposed cost estimate is consistent with previous closeout plan estimates. Chino will move forward with a request to MMD, following submittal of the test plot program final report, to approve other suitable reclamations materials mined from the Upper South layback and tested using the approved *Material Handling Plan South Pit Area* dated July 7, 2006.

Comment No. 2:

The suggested "contingencies" in Chino's response to MMD Comment No.2 are unacceptable. Please update the cost estimate to include the costs associated with segregating suitable KNR, to be used as cover material for the proposed waste rock stockpile, from the heterogeneous borrow

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stockpile. MMD will consider releasing this additional financial assurance if the outcome of the test plot study is successful if MMD approves the blended cover material as suitable cover material.

Response No. 2:

As part of the discussions in response No. 1 above on July 17th 2015 MMD and Chino met via teleconference. Chino described the overburden stockpile construction process. Consistent with 2006 material handling plan, overburden is hauled from the Upper South layback and delivered to the Upper South or STS2 stockpiles. The truck loads of overburden cover material may consist of Kneeling Nun Tuff or other rhyolite, stock and dikes, and Paleozoic sedimentary rock mostly the Colorado Formation, resulting in a heterogeneous reclamation cover source. For example, if mining occurs at the geologic contact two different rock types can be loaded in a single truck. Likewise if mining occurs at more than one location in different geologic units, the material could be mixed at the overburden stockpile dump site. Therefore segregating material at the stockpile borrow site is not feasible.

Comment No. 5:

With regard to Chino's response to MMD comment No.9, MMD requires that the previous and approvable FA releases for both Modifications 13-1 and 14-3 be completed separately and independently. For MMD to approve this Modification 14-2, Chino will have to submit the needed Certificate(s) of Face Amount Adjustment to complete Modifications 13-1 and 14-3. Please describe how the required FA will be administered for this Modification 14-2.

Response No. 5:

Chino has agreed to process the partial FA releases for the reclamation work completed on Ponds 1, 2, 4, and Lake One as specified in draft permit modifications 13-1 and 14-3.

If you have any additional comments or questions, please contact me at 575-538-1724.

Sincerely,



Lynn Lande, Chief Environmental Engineer
Reclamation

LAL
20150804-001

c: Holland Shepherd, MARP Program Manager
John Hall, Mining Act Team Leader, NMED
Brad Reid, NMED GWQB