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RYAN FLYNN
Cabinet Secretary

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Deputy Secretary

MEMORANDUM

DATE: May 23, 2016

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

FROM: Brad Reid, Mining Environmental Compliance Section (MECS)
John Moeny, Surface Water Quality Bureau (SWQB)
Neal Butt, Air Quality Bureau

THROUGH: Jeff Lewellin, Mining Act Team Leader, MECS

RE: **NMED Comments, Freeport-McMoRan Chino Mines Company, Chino Mine, Change in the Reclamation Schedule for Reservoir 5, MMD Permit No. GR009RE, Modification 16-3**

The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) on April 29, 2016 requesting NMED review and provide comments on the above referenced MMD permitting action. The modification proposes to change the anticipated Reservoir 5 reclamation schedule due to continued and on-going use of Reservoir 5 for mine stormwater management. MMD requested comments within 30 days of receipt in accordance with Section 19.10.5.505.B (3) NMAC. NMED has the following comments:

Background

Freeport-McMoRan Chino Mines Company (Chino) is requesting to modify Table 1 of Section 8.P of MMD Permit No. GR009RE to change the anticipated Reservoir 5 reclamation schedule start date. Chino continues to utilize Reservoir 5 as part of the mine stormwater management system and Modification 16-3 is submitted to address the reclamation schedule.

Air Quality Bureau

The Air Quality Bureau comments are attached under separate letterhead.

Surface Water Quality Bureau

As a stormwater management facility, Reservoir 5 is regulated under Chino's Multi-Sector General Permit #NMR053259. The SWQB completed an inspection of the facility and stormwater BMPs in April 2016, and does not anticipate any adverse impacts to water quality under the proposed action. Any changes to Chino's surface water management plan should be reflected with an updated SWPPP, and will be reviewed by the SWQB as necessary.

Ground Water Quality Bureau

Reservoir 5 falls under the regulatory authority of Discharge Permit 459 (DP-459). Condition #7 of DP-459 states that Reservoir 5 shall be reclaimed within five years of the July 10, 2011 effective date of the permit, in accordance with the Supplemental Discharge Permit for Closure, DP-1340.

MECS received an application for renewal of DP-459 from Chino, dated November 24, 2015 and received by NMED on November 30, 2015 and later supplemented with additional information on February 8, 2016. The application states Chino's intent to postpone reclamation of Reservoir 5 and maintain it for operational uses.

Technical review of the application pursuant to the Water Quality Act (WQA) and the Water Quality Control Commission (WQCC) Regulations, including the Copper Mine Rule (20.6.7 NMAC), is currently in progress. NMED will likely have additional comments based on technical review of the application and associated operational, monitoring and closure plans. As such, comments will be submitted under separate letterhead directly to Chino with copy to MMD as these reports are critical to development of the draft Ground Water Discharge Permit. NMED will coordinate response to these documents with MMD prior to issuance of a comment letter to Chino.

NMED Summary Comment

NMED finds that environmental standards will be met with no indicated substantive changes in operations associated with this permit modification.

If you have any questions, please contact Jeff Lewellin at (505) 827-1049.

cc: Trais Kliphuis, Division Director, NMED-WPD
James Hogan, Bureau Chief, SWQB
Richard Goodyear, Bureau Chief, AQB
Fernando Martinez, Division Director, EMNRD-MMD
DJ Ennis, Lead Staff, EMNRD-MMD
Kurt Vollbrecht, Program Manager, MECS
Brad Reid, Lead Staff, MECS
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Ryan Flynn
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MEMORANDUM

DATE: May 13, 2016

TO: Jeff Lewellin, Mining Act Team Leader
Mining Environmental Compliance Section, Ground Water Quality Bureau

FROM: Neal Butt, Environmental Scientist & Specialist
Air Quality Bureau

RE: Request for NMED Comments on Modification 16-3, Change in the Reclamation Schedule for Reservoir 5, Freeport-McMoRan Chino Mines Company, Chino Mine, Grant County, Permit No. GR009RE

The New Mexico Air Quality Bureau (AQB) has completed its review of the above mentioned mining project. Pursuant to the New Mexico Mining Act Rules, the AQB has the following comments:

Air Quality Permitting History

Freeport-McMoRan Chino Mines Company (Chino) has submitted an NSR Significant Revision application to revise their current construction permit, NSR Permit 0298-M7, to update operations at the Chino mine and the Cobre mine (Cobre) portions of the facility. The application file has been assigned Permit No. 0298-M8. To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, production rate, and conditions that will require record keeping and reporting to the Department.

Details

Chino is requesting to modify Table 1 of Section 8.P of Permit No. GROO9RE to change the anticipated Reservoir 5 reclamation schedule start date. Chino previously requested in a letter dated July 2, 2010 that the anticipated Reservoir 5 reclamation schedule start date be moved forward. At that time Chino believed that the Reservoir 5 site was no longer required for mine

operations, but that is no longer the case. The Chino reclamation schedule anticipated the Reservoir 5 reclamation work to start two years following completion of Lake One reclamation. Lake One reclamation was completed in August 2014, requiring reclamation of Reservoir 5 to start by August 2016. However, Chino continues to use this facility as part of the mine storm water management system. This area will be increasingly relied upon as the mine expands and closes other reservoirs. Chino has submitted to the Environment Department an application dated November 24, 2015 for the continued use of Reservoir 5. Chino requests to change the anticipated Reservoir 5 closeout reclamation permit schedule to begin five years following the cessation of leaching operations. Chino does not propose to change the duration for reclaiming this facility. Reclamation is anticipated to be completed in two years. Chino may again change the anticipated reclamation schedule upon submission of the Updated Site Wide Closure Closeout plan.

The AQB has no objection to the current request. If you have any questions, please contact me at (505) 476-4317.