

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



July 23, 2018

Mr. Thomas L. Shelley, Manager
Freeport-McMoRan Chino Mines Company
P.O. Box 10
Bayard, NM 88023

RE: Reclamation Scope of Work – Submit Cost Estimate and Supporting Documentation for Revision 17-2 Nine Waste Rock Stockpile, New Unit Expansion, Chino Mine, Grant County, New Mexico, Permit No. GR009RE

Dear Mr. Shelley:

The Mining and Minerals Division (“MMD”) has reviewed the technical responses for Revision 17-2 from Freeport-McMoRan Chino Mines Company (“Chino”) dated May 17, 2018 and has also reviewed the original application for Revision 17-2. The scope of work presented by Chino for the 9 Waste Rock Stockpile (“9WRS”) is acceptable, with the exception of several aspects of the direct/indirect earthwork cost estimate presented in Appendix A of the application, as discussed at length with Chino.

MMD recognizes that a collaborate workgroup process between Chino, MMD and Gila Resources Information Project (“GRIP”) is scheduled to begin in late July in an attempt to resolve these issues. However, if an agreement cannot be reached on cost estimating issues, a third-party review of the 9WRS cost estimate, and/or a more comprehensive cost estimate such as Revision 18-1, may be required.

MMD requests submittal of the financial assurance cost estimate and supporting documentation for the 9 Waste Rock Stockpile CCP within 30-days after receipt of this letter. If you have any questions, please feel free to contact me at (505) 476-3434 or by email at david.ennis@state.nm.us.

Sincerely,

David J. (D.J) Ennis, P.G., Permit Lead
Mining and Minerals Division

cc: Mine File (GR009RE)