

Ennis, David, EMNRD

From: Ennis, David, EMNRD
Sent: Friday, November 9, 2018 11:19 AM
To: 'Lloyd-Mills, Rita'
Cc: Reid, Brad, NMENV
Subject: 9WRS Agency Comments
Attachments: 2017-06-28 HPD Comments_Mod 17-2_9WRS_Chino Mine_GR009RE.pdf; 2017-08-02 Forestry Comments_Rev 17-2_9WRSP_Chino_GR009RE.pdf; 2017-10-20 G&F Comments_9 Waste Rock Stockpile_Rev 17-2_Chino Mine_GR009RE.pdf; 2017-11-01 NMED Combined Comments_Chino_GR009RE_Rev_17-2.pdf; 2017-11-03 NMOSE Comments_Rev 17-2_9 Waste Rock Stockpile_GR009RE.pdf; 2018-11-08 NMED_MMD Chino_9 WRStockpile_FA Cost Estimate_GR009RE_Rev 17_2.pdf

Hi Rita,

In a conversation with Brad today, it looks like I neglected to include the Agency Comments with MMD's letter dated March 19, 2018, which I have now attached for Chino to review and address. I apologize for not having submitted this to Chino before now.

Please let me know if you have any questions.

Thanks,
DJ

DJ Ennis, P.G.
Mining and Minerals Division / 1220 S. St. Francis Drive / Santa Fe, NM 87505
(505) 476-3434 / david.ennis@state.nm.us



Susana Martinez
Governor

STATE OF NEW MEXICO
DEPARTMENT OF CULTURAL AFFAIRS
HISTORIC PRESERVATION DIVISION

BATAAN MEMORIAL BUILDING
407 GALISTEO STREET, SUITE 236
SANTA FE, NEW MEXICO 87501
PHONE (505) 827-6320 FAX (505) 827-6338

June 28, 2017

Fernando Martinez
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Permit Revision 17-2: 9 Waste Rock Stockpile (9RWS) Chino Mine, Grant County, New Mexico,
GR009RE

Dear Mr. Martinez:

This letter is in response to the aforementioned permit modification application received at the Historic Preservation Division (HPD) on June 5, 2017.

I reviewed our records to determine if cemeteries, burial grounds or cultural resources listed on the State Register of Cultural Properties or the National Register of Historic Places exist within or near the permit area. Our records show that there are no cultural resources listed on the National Register or State Register within or near the proposed permit area and no known cemeteries or burial grounds. Although there are no cultural resources listed on the State or National Register, our records show five archaeological surveys within or near the permit area.

Our records also show that the Bureau of Land Management Las Cruces District Office (BLM) is the lead federal agency for a Section 106 consultation, under which these five sites were recently revisited and documented. However, the BLM has not yet initiated Section 106 consultation with the State Historic Preservation Officer determine if these properties are eligible for listing in the National Register of Historic Places (NRHP) or how the expansion of 9RWS will affect them. The Section 106 consultation needs to be substantially complete before the expansion at the mine can proceed.

The SHPO/HPD will keep the Mining and Minerals Division apprised of the status of the consultation. Please do not hesitate to contact me if you have any questions regarding these comments. I can be reached by telephone at (505) 827-4225 or by email at bob.estes@state.nm.us.

Sincerely,

Bob Estes Ph.D.
HPD staff Archaeologist

Cc. David J. Ennis, P.G.
Permit Lead
Mining Act Reclamation Program
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Ennis, David, EMNRD

From: Roth, Daniela, EMNRD
Sent: Wednesday, August 2, 2017 3:56 PM
To: Ennis, David, EMNRD
Cc: Zoe Davidson (zdavidson@blm.gov); 'palexander@blm.gov'
Subject: RE: Request for comments on Revision 17-2, Chino Mine (No. GR009RE)

Dear David Ennis:

Thank you for providing me with the opportunity to review and comment on Revision 17-2, for the construction of 9 Waste Rock Stockpile New Unit expansion and extension of the Santa Rita Beneficiation Design Limit at the Chino Mine in Grant County, New Mexico (No. GR009RE). I do not anticipate any impacts to state listed endangered plants from the proposed expansion of the design limit area, or the updated closure closeout plan.

However, part of the proposed expansion of the design limit boundary may contain a known location for Mimbres figwort (*Scrophularia macrantha*), a State and USFWS Species of Concern, and a BLM Sensitive Species. More information on this species can be found

at: http://nmrareplants.unm.edu/rarelist_single.php?SpeciesID=165

The occurrence is located on the west side of the Kneeling Nun. The BLM has more precise location information available. It is one of only three locations where this species is known to occur, in the world. The largest population of Mimbres figwort occurs in the Black Range, on Forest Service lands. Unfortunately most of these plants burned during the 2013 Silver Fire and their habitat was destroyed. Losing the Kneeling Nun population as well might push this species closer to state and federal listing. I would highly recommend avoiding the location and protecting it from any mining impacts, if at all possible.

Please let me know if I can be of further assistance.

Sincerely,

Daniela Roth

Botany Program Coordinator
EMNRD – Forestry Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3347
<http://www.emnrd.state.nm.us/SFD/>

GOVERNOR
Susana Martinez



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STATE OF NEW MEXICO DEPARTMENT OF GAME & FISH

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20 October 2017

David J. (DJ) Ennis, P.G., Permit Lead
Mining Act Reclamation Program
Mining and Minerals Division (MMD)
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Construction of 9 Waste Rock Stockpile New Unit Expansion and Extension of the Santa Rita Beneficiation Design Limit, Revision 17-2, Chino Mine, Permit No. GR009RE; NMDGF Project No. 17951

Dear Mr. Ennis,

In response to your letter dated 24 July 2017, the New Mexico Department of Game and Fish (Department) has reviewed the above referenced project. Freeport-McMoRan Chino Mines Company (FMI) has submitted an application proposing to increase the existing Santa Rita Beneficiation Design Limit by approximately 248 acres and updating the Closure Closeout Plan to allow construction of the 9 Waste Rock Stockpile (9 WRS) and associated infrastructure. A site inspection was conducted on 18 October 2017 by staff from the Department, MMD and FMI.

The proposed 9 WRS will be located in the North Mine Area in a section that currently encompasses the operational 9 Reservoir. The 9 Reservoir contains water that has been impacted by acid mine drainage. During the most recent sampling event on 12 January 2017, the 9 Reservoir had a pH of 2.54, indicating a hazard to wildlife. The construction of the 9 WRS would require filling in the 9 Reservoir, thereby eliminating this hazard and creating a net benefit to wildlife. The radar-activated mechanical falcons that are currently deployed in the 9 Reservoir to deter bird use should be relocated to another area in the mine complex that poses a potential hazard to migratory and/or resident birds.

The expansion and extension of the Santa Rita Design Limit to allow for the construction of the 9 WRS will require the disturbance of Alligator Juniper-Oak Woodland and Alligator Juniper-Oak/Grama Woodland Alliance habitats. To avoid potential destruction of occupied migratory bird nests, eggs or nestlings and to comply with the Migratory Bird Treaty Act, ground disturbance and vegetation removal activities should be conducted outside of the breeding season for songbirds and raptors (1 April – 1 September). If ground disturbing and clearing activities during the migratory bird breeding season cannot be avoided, the area should be surveyed for active nest sites prior to any disturbance. For active nests detected, an adequate buffer zone should be established to minimize disturbance to nesting birds. Buffer distances should be at least 100 feet from songbird and raven nests, and 0.25 mile from raptor nests. Active nest sites in trees or shrubs that must be removed should be mitigated by qualified

biologists or wildlife rehabilitators. Department biologists are available for consultation regarding nest site mitigation, and can facilitate contact with qualified personnel.

The application information states that Chino continually characterizes excavated materials during operations for routing to appropriate stockpile storage facilities. The Department supports the use of improved materials handling techniques to enhance the quality of reclamation cover materials for revegetation, and recommends that the Chino Mine operators commit to salvaging and separately stockpiling topsoil when mining operations are expanded into undisturbed areas. The salvaged topsoil should be used to augment cover material during reclamation activities.

Thank you for the opportunity to review and comment on the proposed project. If you have any questions, please contact Ron Kellermueller, Mining and Energy Habitat Specialist, at (505) 476-8159 or ronald.kellermueller@state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Wunder", is written over a light blue horizontal line.

Matt Wunder, Ph.D.
Chief, Ecological and Environmental Planning Division

cc: USFWS NMES Field Office



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BUTCH TONGATE
Cabinet Secretary

J.C. BORREGO
Deputy Secretary

MEMORANDUM

Date: November 1, 2017

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

Through: Jeff Lewellin, Mining Act Team Leader, Mining Environmental Compliance Section

From: John Moeny, Surface Water Quality Bureau
Neal Butt, Air Quality Bureau
Brad Reid, Mining Environmental Compliance Section

Subject: **NMED Comments, Freeport-McMoRan Chino Mines Company, Chino Mine, Construction of 9 Waste Rock Stockpile New Unit Expansion and Extension of the Santa Rita Beneficiation Design Limit, Grant County, New Mexico, MMD Permit No. GR009RE, Revision 17-2**

The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) on July 24, 2017 requesting NMED review and provide comments on the above-referenced MMD permitting action. The revision is submitted to increase the existing Santa Rita Beneficiation Design Limit by approximately 248 acres and update of the Closure/Closeout Plan to allow construction of the 9 Waste Rock Stockpile (9WRS) and associated infrastructure. MMD requested comments within 60 days of receipt in accordance with Section 19.10.5.505.B(3) and 19.10.5.506.E NMAC. On September 19, 2017 David Ennis of MMD granted and extension for submission of comments until October 31, 2017 to facilitate an inspection of the proposed action at Chino Mine. NMED has the following comments.

Background

The applicant proposes to expand the existing Santa Rita Beneficiation Design Limit (DL) boundary (6,350 acres) to the south and northeast of Reservoir 9 by approximately 248 acres to allow construction of the 9WRS and associated infrastructure. The footprint of the 9WRS is expected to cover approximately 159 acres. Approximately 99 acres will be located beyond the currently approved DL. The 9WRS is designed to contain approximately 76 million tons of mine waste rock. The applicant also proposes to incorporate into the permit a closure/closeout plan (CCP) and proposed financial assurance for the 9WRS.

Air Quality Bureau

The Air Quality Bureau comments are attached under separate letterhead.

Surface Water Quality Bureau

The Surface Water Quality Bureau comments are attached under separate letterhead.

Mining Environmental Compliance Section

MECS has not received a discharge permit application for the proposed Reservoir 9WRS. NMED anticipates that this permitting activity will be addressed under a modification to Discharge Permit 459 (DP-459). MECS will likely have additional comments on the Closure/Closeout plan (CCP) based on technical review of the forthcoming application and associated operational, monitoring and closure plans pursuant to the Water Quality Act (WQA) and the Water Quality Control Commission (WQCC) Regulations, including the Copper Mine Rule (20.6.7 NMAC). As such, comments will be submitted under separate letterhead directly to the Applicant (Freeport-McMoRan Chino Mines Company) with copy to MMD. MECS will coordinate response to these documents with MMD prior to issuance of a comment letter to the Applicant.

MECS cannot approve a closure plan for a proposed waste rock stockpile until it receives a discharge permit application and deems it technically complete. However, MECS has reviewed the CCP dated March 30, 2017 for the proposed 9WRS and associated Mining Act application document titled, "Freeport-McMoRan Chino Mines Company: Application to Revise Mining Permit GR009RE for 9 Waste Rock Stockpile," dated April 5, 2017 and offers the following comments.

Comments pertaining to the document titled, "Freeport-McMoRan Chino Mines Company: Application to Revise Mining Permit GR009RE for 9 Waste Rock Stockpile," dated April 5, 2017"

- 1) Surface and Ground Water (p.4): This paragraph states that the proposed 9WRS will be inside the "open pit capture zone." It is stated later in the paragraph that, "additional ground water information in this area will be supplied under DP-376." The "open pit capture zone" in this area is based primarily on a modeled projection as there is insufficient ground water data to determine whether the proposed 9WRS will be inside or outside the open pit capture zone. NMED will be unable to determine the location of the 9WRS relative the open pit capture zone and/or Open Pit Surface Drainage Area ("OPSDA"; Section 20.6.7.7(42) NMAC) until a ground water discharge permit application, including the additional groundwater information referenced above is submitted to MECS and deemed technically complete.
- 2) Right-hand column of Paragraph (a) of Table 1 on page 6: It is stated that the, "9WRS is located in the OPSDA..." NMED seeks clarification of the use of the term "open pit capture zone" discussed in comment 1 above and the use of the OPSDA in paragraph (a) of Table 1. In addition, NMED stands by comments made above that there is insufficient ground water data to determine the location of the OPSDA relative to the proposed 9WRS.

It is stated later that, “an application to modify DP-376 to include the construction of this stockpile has been submitted to NMED for review and approval.” This statement is incorrect as NMED has not received a discharge permit application. Furthermore, when an application is submitted, NMED expects it be submitted to modify DP-459 and not DP-376.

- 3) Right-hand column of Paragraph (b) of Table 1 on page 6: It is stated that: “Currently, stormwater in the 9WRS basin flows into the open pit.” This statement contradicts with the statement made in Section 3.3.4 of the CCP: “Surface water discharge in this small basin is now collected in Reservoir 9 to prevent discharge, towards the north, into the Santa Rita Pit.” NMED seeks clarification on this contradiction.

Comments pertaining to the document titled, “9 Waste Rock Stockpile Closure/Closeout Plan,” dated March 30, 2017

- 4) Subsection B of 20.6.24 NMAC of the Copper Mine Rule states the following: “Leach stockpiles, waste rock piles, and other regulated mine units in and surrounding an open pit surface drainage area shall be designed and located to minimize the size of the open pit surface drainage area to the extent practicable.” The CCP submitted for the 3A Waste Rock Stockpile approved in DP-459 is designed such that drainage off the top surface of the reclaimed waste rock stockpile at closure will be directed south and away from the OPSDA, to the extent practicable. NMED will seek clarification during the permitting process on why a similar design is not being proposed for the 9WRS.
- 5) Currently, fluids collected in the Rustler Canyon Containment are pumped to Reservoir 9. The applicant will be required to submit a revised water management plan to NMED for the Rustler Canyon Containment as part of the application to modify DP-459.
- 6) In order for the CCP to be in accordance with the Copper Mine Rule NMED will, at a minimum, be seeking additional information to fulfill the requirements of Subsection A of 20.6.7.33 NMAC (i.e., Design storm event) for all permanent storm water conveyances, ditches, channels and diversions required for closure.
- 7) Except for Comments #4 and #6 above, the CCP for the 9WRS appears to conform with Copper Mine Rule (Part 20.6.7 NMAC) reclamation requirements for a waste rock stockpile located outside an OPSDA.

NMED Summary Comment

NMED finds that it is likely environmental standards will be met pending review of the CCP and the application for modification of DP-459 by MECS, and if the above comments are addressed.

Determination

NMED is withholding issuance of the determination pending completion of technical review of the application for modification of DP-459 and the CCP.

Holland Shepherd, Program Manager
November 1, 2017
Page 4 of 4

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

cc: Bruce Yurdin, Division Director, NMED-WPD
Shelly Lemon, 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



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BUTCH TONGATE
Cabinet Secretary

J. C. BORREGO
Deputy Secretary

MEMORANDUM

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

FROM: John Moeny, Surface Water Quality Bureau

SUBJECT: **Request for Comments, Construction of 9 Waste Rock Pile New Unit Expansion and Extension of the Santa Rita Beneficiation Design Limit, Freeport-McMoRan Chino Mines Company, Chino Mine, Grant County, MMD Permit No. GR009RE, Revision 17-2**

DATE: September 18, 2017

On July 24, 2017, the NMED received a request for comments regarding an expansion and extension of design limits at the Chino Mine. The applicant, Freeport-McMoRan (FMI), seeks to expand the current boundary to accommodate a new waste rock storage unit, "9 Waste Rock Pile" near the southern boundary of the Santa Rita Beneficiation unit.

Summary of Proposed Action

The new 9 Waste Rock Pile would fill a small headwater drainage adjacent to the existing Reservoir 9 stormwater pond. Reservoir 9 drains the Upper South Stock Pile but would be filled under the proposed action. The waste rock pile would be bounded by existing topography on three sides and an extant haul road on the north side. The proposed action would occur on lands administered by the Bureau of Land Management.

Relevant State and Federal Water Quality Regulations

No perennial or intermittent water bodies are known within the proposed design limit expansion. However, stormwater impoundments created by ditches or berms to prevent erosion or collect water and sediment may be considered waters of the state under NMAC 20.6.4.7 and subject to the State's Antidegradation Policy as described in NMAC 20.6.4.8. due to their location on federally administered public land. Stormwater emanating from the stockpile would report to the

Santa Rita Open Pit, which acts as a hydrologic break to other nearby surface waters in the Mimbres Basin including Whitewater Creek.

The Chino Facility currently has coverage under Section 402 (NPDES) of the Clean Water Act, under the Multi-Sector General Permit (MSGP) #NM R053259. The most recent inspection occurred in April 2016. There are no violations on file under this NPDES permit. The proposed action may require updating the existing SWPPP to include erosion and stormwater controls at the new waste rock storage facility. If you have questions about this coverage please contact Sarah Holcomb, SWQB, at (505) 827-2798

Construction activities in ephemeral drainages may require a federal Clean Water Act Section 404 Dredge and Fill Permit and the corresponding Section 401 State of New Mexico Certification of the federal permit. For details contact the US Army Corps of Engineers Las Cruces Regulatory Office at (575) 268-8612.

Impacts to Surface Water Quality

The SWQB finds that FMI's proposed design limit expansion and 9 Waste Rock Pile is likely to have minimal impacts to surface waters of the state if operated and reclaimed with the approved permits including relevant stormwater management, post-mining cover requirements and revegetation standards specified in "Closure Requirements of Copper Mine Facilities-- NMAC 20.6.7.33

If you have any questions, please phone me at (575) 956-1545.



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BUTCH TONGATE
Cabinet Secretary
JUAN CARLOS BORREGO
Deputy Cabinet Secretary

MEMORANDUM

DATE: July 26, 2017

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

FROM: Neal Butt, Environmental Analyst
Air Quality Bureau

RE: Request for Agency Comments, Construction of 9 Waste Rock Stockpile
New Unit Expansion and Extension of the Santa Rita Beneficiation Design Limit,
Revision 17-2, 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) holds a Title V Operating Permit #P066R2 and a revised NSR Permit # 0298-M8 that was issued on July 12, 2016. To ensure compliance with state and federal air regulations, the permit includes conditions that limit the emissions, hours of operation, production rate, and conditions that will require record keeping and reporting to the Department.

Details

The applicant proposes to expand the existing Santa Rita Beneficiation Design Limit (DL) boundary (6,350 acres) to the south and northeast of Reservoir 9 by approximately 248 acres to allow construction of the 9 Waste Rock Stockpile (9WRS) and associated infrastructure. The footprint of the 9WRS is expected to cover approximately 159 acres. Approximately 99 acres will be located beyond the currently approved DL. The 9WRS is designed to contain approximately 76 million tons of mine waste rock. The applicant also proposes to incorporate into the permit a closure/closeout plan (CCP) and proposed financial assurance (FA) for the 9WRS.

Recommendation

The AQB has no objection to the current request for permit modification.

The applicant is expected to comply with all requirements of federal and state laws pertaining to air quality. This written evaluation does not supersede the applicability of any forthcoming state or federal regulations.

If you have any questions, please contact me at (505) 476-4317.

From: [Rappuhn, Doug H., OSE](#)
To: [Ennis, David, EMNRD](#)
Cc: [Musharrafieh, Ghassan R., OSE](#)
Subject: Freeport-McMoRan Chino Mines Company request - MMD Permit GR009RE revisions: 9 Waste Rock Stockpile; Closeout Plan / Financial Assurance
Date: Thursday, November 2, 2017 9:32:23 PM

Hello Mr. Ennis –

Thank you for forwarding materials related to Freeport-McMoRan Chino Mines Company request to revise mining permit to expand the Santa Rita Beneficiation Design Limit boundary to include the proposed 9 Waste Rock Stockpile and incorporate a related closeout plan and financial assurance.

The proposed activity does not appear to relate to the request for a new water right or transfer of a water right, or for direct approval of construction or plugging of any well (although the plugging / replacement of one or more monitor wells is referenced in Section 3.1 of the 9WRS Closure / Closeout Plan, and reference is made regarding the installation of additional monitor wells in Section 3.3.8 of Closure / Closeout Plan).

The applicant is directed to make inquiry to our Deming Water Resource Allocation Program Office (Office of the State Engineer – District 3, PO Box 844, Deming, NM 88030; 575-546-2851) regarding the need to file for and receive approval of a Well Plugging Plan of Operations prior to plugging / abandonment of the unneeded well(s), and for well construction permits as may be needed for additional or replacement monitor wells.

In the event the proposed project revisions affect status of a NMOSE regulated dam (dams that equal or exceed 25 feet in height, which exceed 15 acre-feet of storage or dams that equal or exceed 50 acre-feet storage, which equal or exceed 6 feet in height are under the jurisdiction of the State Engineer), the applicant is directed to make inquiry to our Dam Safety Bureau (5550 San Antonio Drive NE, Albuquerque, NM 87109; 505-383-4134). Persons or entities who plan to construct a new dam or modify an existing dam must obtain approval from the Dam Safety Bureau. Dams that have the potential to cause loss of life during a failure or potential to damage property and lifeline infrastructure are required to prepare and exercise an emergency action plan. The Dam Safety Bureau reviews these plans for completeness.

Thank you.

Douglas H. Rappuhn, P.G.

Hydrology Bureau / New Mexico Office of the State Engineer

5550 San Antonio Drive NE

Albuquerque, NM 87109-4127

Phone: 505-383-4000; Fax: 505-383-4030

e-mail: doug.rappuhn@state.nm.us



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BUTCH TONGATE
Cabinet Secretary

BRUCE YURDIN
Acting Deputy Secretary

MEMORANDUM

Date: November 9, 2018

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

Through: Jeff Lewellin, Mining Act Team Leader, Mining Environmental Compliance Section

From: Anne Maurer, Mining Environmental Compliance Section

Subject: **NMED Comments, Freeport-McMoRan Chino Mine, 9 Waste Rock Stockpile Financial Assurance Cost Estimate, Grant County, New Mexico, MMD Permit No. GR009RE, Revision 17-2**

The New Mexico Environment Department (NMED) received correspondence from the Mining and Minerals Division (MMD) on September 11, 2018 requesting NMED review and provide comments on the above-referenced MMD permitting action. In accordance with 19.10.5.505 B. (3) NMAC, NMED is providing comments within the 60-day comment period prescribed by the regulation. NMED has the following comments.

Background

Freeport-McMoRan (FMI) Chino Mine (Applicant) has submitted a financial assurance cost estimate for reclamation of the 9 Waste Rock Stockpile (WRS). The NMED received an application to modify the Discharge Permit 459 (DP-459) on February 26, 2018 for the construction of the 159-acre 9 WRS and incorporation of the existing Highway to Heaven WRS and associated containment system. The application was deemed administratively complete on May 7, 2018. NMED received the proposed cost estimate for Closure/Closeout of the 9 WRS from MMD on September 11, 2018, which is part of the request to modify DP-459. NMED is in the process of technically reviewing the application to modify DP-459.

Mining Environmental Compliance Section

NMED, MMD, FMI, and the Gila Resources Information Project are currently participating in a Financial Assurance working group to resolve issues associated with FMI cost estimates. If resolution is not achieved, MMD will require a third-party contractor to review the FMI cost estimates. NMED agrees with this approach. Based on the outcome of the working group or the

third-party cost estimate review, the 9 Waste Rock Stockpile cost estimate will need to conform with the decisions made during that process.

NMED Summary Comment

NMED will continue to coordinate with the working group to resolve any outstanding matters associated with approval of the proposed financial assurance cost estimate.

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

cc: Shelly Lemon, Bureau Chief, SWQB
Liz Bisbey-Kuehn, Bureau Chief, AQB
Fernando Martinez, Division Director, EMNRD-MMD
DJ Ennis, Lead Staff, EMNRD-MMD
Kurt Vollbrecht, Program Manager, MECS
Brad Reid, Permit Lead, MECS