



Freeport-McMoRan Chino Mines Company
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Environmental Services
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February 26, 2019

Certified Mail #7018068000000228822
Return Receipt Requested

Mr. Holland Shepherd
Energy, Minerals and Natural Resources Department
Mining and Minerals Division (MMD)
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Certified Mail #7018068000000228839
Return Receipt Requested

Mr. Kurt Vollbrecht
New Mexico Environment Department (NMED)
P.O. Box 5469
Santa Fe, New Mexico 87502

Dear Messrs Shepherd and Vollbrecht:

Re: Freeport-McMoRan New Mexico Operation –
(FMNMO) Financial Assurance Cost Estimate Schedule

Freeport-McMoRan New Mexico Operations (FMNMO) on January 12, 2019 submitted a letter to the Mining and Minerals Division (MMD) and the New Mexico Groundwater Quality Bureau NMED documenting the agreement on cost estimating procedures as agreed upon by the Financial Assurance (FA) work group. In a letter dated January 16, the agencies confirmed the cost estimate procedures as detailed in FMNMO's January 12 letter and requested a more detailed schedule with milestones planning purposes. Below is the proposed schedule for submitting the FA cost estimate and the other milestones.

Chino Schedule/Milestones (assume all dates are "on or before"):

- March 20, 2019 – Chino submit cost estimate and NPV
- March 28 to May 15 – review/comment/approve/meet to discuss- resolve
- Approval + 45 days – Chino submit FA proposal

Continental Schedule/Milestones

- April 2, 2019 – Chino submit cost estimate and NPV
- Approval + 45 days – Chino submit FA proposal

Tyrone Schedule/Milestones –

- May 2, 2019 – Tyrone submit earthwork cost estimate
- June 28 – Tyrone submit water treatment cost estimate and NPV
- Approval + 45 days - Tyrone submit FA proposal

Please contact Rita Lloyd-Mills at (575) 912-5778 if you have any questions or concerns.

Sincerely,

Sherry Burt-Kested, Manager
Environmental Services

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