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June 7, 2019

State of New Mexico  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

RE: Kennecott's Responses to Agency Review Comments and Request for Additional Information, Kennecott Steeple Rock Minimal Impact Exploration Project, Permit No. GR082EM-Grant County, New Mexico

To Whom It May Concern:

Pursuant to the May 14, 2019 Letter from the State of New Mexico requesting additional information from Kennecott Exploration Company's ("Kennecott") "Steeple Rock" project, Permit No. GR082EM, Kennecott provides the following responses:

**MMD Comments:**

- A. Please provide the width of the drill pads

RESPONSE:  
100x100'

- B. Please provides the width of Mud/Fluid Pits.

RESPONSE:  
2 Pits per site: 25x10x4'

- C. Please describe the extra measures that will be taken through the use of BMP's to reduce erosion for each area that is within 100 ft. of Bitter Creek.

RESPONSE:  
Kennecott will ensure that no material enters the stream bed due to our work. Straw wattles and silt fence will be installed on the perimeter of the drill pad to reduce erosion and prevent any drill pad materials from entering Bitter Creek.

- D. Please describe the reclamation that will occur to ensure ephemeral stream bank stability in areas where ephemeral streams will be crossed for this project.

RESPONSE:

Only one potential drill site crosses the stream. At this site, there is a pre-existing drill trail. Kennecott will re-contour the stream bank to original state and will plant appropriate seed. Kennecott will not introduce any fill into the streambed.

- E. What measures will be taken to ensure traffic safety and road stability on drill sites that are adjacent to Bitter Creek Rd.?

RESPONSE:

Kennecott has a high commitment to safety. The drill site will have physical barricades as well as signage warning people to keep out. While visitors are always welcome to any site, only authorized people are allowed on site, unless properly inducted and escorted. Designated parking areas will be constructed within the disturbance footprint and signed to ensure no unnecessary degradation occurs. There will also be a strict 30 MPH speed limit on all dirt roads.

- F. MMD recommends mulching all reclaims areas at rate of 2 t/ac of weed free straw.

RESPONSE:

Kennecott will mulch according to recommendations.

**NMED Mining Environmental Compliance Section, Ground Water Quality Bureau Comments (“MECS”):**

Please review the comment letter received by NMED MECS Ground Water Quality.

RESPONSE:

If Kennecott encounters water, Kennecott will plug and abandon the hole according to OSE regulations. If there is any water produced from the exploration holes, Kennecott will contain the water at the drill site.

**NMED Surface Water Quality Bureau Comments:**

Please review the comment letter received by NMED Surface Water Quality Bureau.

RESPONSE:

After examining the workflow, Kennecott does not believe a SWPPP is required because: (1) each drill site is independent without any certainty that any or all will actually be drilled, with each site being 0.23 acres; and (2) even if more than one acre is disturbed that could trigger a discharge, no rain, snowmelt or other discharge will go into the waters of the U.S or a storm sewer. Kennecott does not anticipate any water discharge from any site. Regardless, Kennecott will have BMP’s in place, including berms, straw

wattles, and “secondary” containment for all equipment together with having spill kits readily available.

**NMED Air Quality Bureau Comments:**

Please review the comment letter received by NMED Air Quality Bureau.

**RESPONSE:**

If dust becomes an issue on site, Kennecott will apply water to suppress fugitive dust.

**NMDCA/HPD Comments:**

Please review the comment letter received by NMDCA/HPD.

**RESPONSE:**

Kennecott has reviewed the letter from the Department of Cultural Affairs, received by the MMD on 10 April 2019, agrees with the content and has no further comment.

**NMOSE Comments:**

Please review the comment letter received by NMOSE and respond to question regarding which type of well decommissioning products will be used in the approval WD-08 (Well Plugging Plan of Operations) regarding this exploration project.

**RESPONSE:**

Sealant for “**Wet Holes**”, boreholes that do encounter groundwater, shall be **Portland neat cement**, mixed according to manufacturer’s recommendations and with a maximum of 6 gallons of water per 94 pound sack of Portland Cement developing a slurry weight of approximately fifteen (15) pound per gallon, to be placed the total depth from bottom of borehole to within 2 feet of ground surface, followed by 2 feet of topsoil/topdressing.

Sealant for “**Dry Holes**”, boreholes that do not encounter groundwater, shall be High Density Bentonite Clay,  $\geq 20\%$  active solids; i.e. **QUIK-GROUT** manufactured by Baroid Industrial Products, or approved equal, mixed according to manufacturer’s recommendations, placed from total depth to within 12 feet of ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

**NMDG&F Comments:**

- A. Please provide the approved BLM Seed Mix planned to be used on this project.

RESPONSE:

Kennecott has been using Pure Live Seed at Kennecott's nearby "Lordsburg project". The vegetation is similar at Steeple Rock so Kennecott suggests using the blue mixture:

Species LBS/AC PLS

Blue grama

(*Bouteloua gracilis*) 3.0

Sand Dropseed 1.0

(*Sporobolus cryptandrus*)

Purple Three-Awn 2.0

(*Artistida purpurea*)

Bush Muhly

(*Muhlenbergia porteri*) 1.0

Winter Fat 4.0

(*Krascheninnikovia lanata*)

Desert Globemallow 0.25

(*Sphaeralcea ambigua*)

Desert marigold .025 (*Baileya multiradiata*)

- B. Please describe in more detail the fencing and netting procedures for wildlife protections regarding the drill mud pit. NMDG&F recommends a small diameter mesh be wrapped around the bottom 2 ft. of mud pit fencing.

RESPONSE:

Kennecott will fence the drill mud pit and use a small diameter mesh around the bottom 2 feet of the mud pit fencing.

- C. Please discuss option of moving drill sites 19PDS-Ar and 19PDS-Br to at least 100 ft. from either side of Bitter Creek.

RESPONSE:

Kennecott has reviewed the option of moving the drill sites. Unfortunately, due to the steep nature of the terrain, moving the site is not feasible.

- D. Please discuss any measures that will be taken to avoid unintentional take of the Gila Monster (*Heloderma suspectum*) while construction activity is occurring related to the exploration project. NMDG&F is available for consultation on methods of avoidance and relocation.

RESPONSE:

Kennecott will train all people who are involved in constructing the pads on how to identify Gila Monsters. If one is encountered, Kennecott will stop work and wait for it to leave on its own. If it doesn't, Kennecott will contact appropriate authorities and get recommendations for further action.

Should you have additional questions or comments, please don't hesitate to contact me at [erik.best@riotinto.com](mailto:erik.best@riotinto.com).

Sincerely,

KENNECOTT EXPLORATION COMPANY



Erik Best  
Land Manager

cc. D. Simpson  
C. Roberts  
R. Patterson