

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd Leahy, JD, PhD
Deputy Cabinet Secretary

Jerry Schoeppner, Director
Mining and Minerals Division



August 10, 2020

Ms. Sherry Burt-Kested, Manager
Freeport-McMoRan Chino Mines Company
P.O. Box 10
Bayard, NM 88023

RE: Approval of Financial Assurance Proposal, Revision 18-1, Chino Mine, Grant County, New Mexico, Permit No. GR009RE

Dear Ms. Burt-Kested:

The Mining and Minerals Division ("MMD") received and reviewed the Financial Assurance Proposal dated August 5, 2020. The proposal is for the following amounts:

- Cash Trust Floor Amount of \$138,811,000
- 3rd Party Guarantee Amount of \$89,582,363

The increase to the 3rd Party Guarantee amount requires implementation of a Certificate of Face Value Adjustment by Chino to be signed by the Director of MMD and Secretary of the New Mexico Environment Department ("NMED"). In consultation with NMED, MMD hereby approves the Cash Trust Floor Amount and 3rd and Party Guarantee Amount. Please pursue the change to the Certificate of Face Value Adjustment and return three original signature versions to MMD for completion.

If you have any questions, please feel free to contact me at (505) 372-8634 or by email at david.ennis@state.nm.us.

Sincerely,

David J. (DJ) Ennis, P.G., Permit Lead
Senior Reclamation Specialist
Mining and Minerals Division

cc: Brad Reid, NMED Permit Lead
Mine File (GR009RE)