



Freeport-McMoRan Chino Mines Company
 P.O. Box 10
 Bayard, NM 88023

Chad D. Fretz
 President and General Manager
 Telephone: 575-912-5706
 e-mail: cfretz@fmi.com



March 13, 2020

Certified Mail #70182290000160737870
Return Receipt Requested

Mr. Jerry Schoeppner, Director
 Mining and Minerals Division
 Energy, Minerals and Natural Resources Department
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

Dear Mr. Schoeppner:

Re: Freeport-McMoRan Chino Mines Company –
Permit GR002RE (Continental Mine) Modification Application

Freeport-McMoRan Chino Mines Company (“Chino”) submits this application to modify its permit GR002RE to update the financial assurance information in the permit and to change the face amount of the third-party guarantee issued by Freeport Minerals Corporation (“FMC”) on February 8, 2017. This application is in accordance with the direction provided by the Energy, Minerals and Natural Resources Department, Mining and Minerals Division (MMD) and the New Mexico Environment Department in the joint letter dated February 18, 2020.

By this application, Chino seeks to modify Section 8 of Revisions 15-2 and 16-1 of MMD Permit No. GR002RE to reflect MMD’s and NMED’s approval of the final net present value amount of required financial assurance of \$21,444,901 and to adjust the amounts of the financial assurance instruments. As discussed in the letter dated February 18, 2020, the Collateral and Surety Bond amounts shall remain the same as in the current Permit GR002RE. The changes are to the minimum required balance in the Cast Trust Fund (to \$5,760,000) and to the amount of the Third-Party Guarantee (\$1,143,389). The updated figures are presented in the February 18, 2020 letter, as adjusted per subsequent email correspondence. Consequently, the permit should be modified to specify that the required financial assurance shall be covered by the following financial assurance instruments in the following amounts:

Cash Trust Fund Minimum Amount:	\$ 5,760,000
Real Estate Collateral:	\$13,908,900
Surety Bond:	\$ 632,612
Third Party Guarantee:	<u>\$ 1,143,389</u>
Total:	\$21,444,901

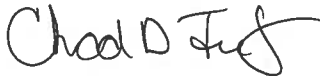
The only financial assurance instrument that needs to be changed to reflect the modified permit is a change to the amount of the Third Party Guarantee. Three originals of an executed Certificate of Face Amount Adjustment to change the face amount of the Third Party Guarantee will be submitted under separate cover and will be effective upon approval by MMD and NMED. Please return one of the fully-executed originals to the undersigned.

Mr. Schoeppner, MMD
March 13, 2020
Page 2

An application for a permit modification or revision must be accompanied by sufficient information for the Director to determine whether any of the factors listed in 19.10.5.505 NMAC are present. Based upon the factors set forth in 19.10.5.505(B) NMAC, this application for a modification should not be treated as a revision. In particular, the requested modification would not have a significant environmental impact because it does not change the "design limits" currently specified in the permit, it does not change the amount of financial assurance, and does not depart from the nature of scale of the current permit.

Also enclosed is a check in the amount of \$1,000 as the fee for the application. We appreciate your attention to this matter and look forward to timely action on this request.

Sincerely,



Chad D. Fretz,
President and General Manager of Chino Acquisition LLC
Freeport-McMoRan Chino Mines Company Inc., General Partners
Freeport-McMoRan Chino Mines Company

CDF
20200313-002

c: William Brancard, General Counsel, NM Energy, Minerals & Natural Resources Dept
Dana David, Attorney, MMD
Holland Shepherd, Manager, Mining Act Reclamation Program, MMD
Rebecca Roose, Director, Water Protection Division, NMED
Kurt Vollbrecht, Manager, Mining Environmental Compliance Section, NMED

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

EEE0007033

Date: 3/20/2020 **OFFICIAL RECEIPT**

Received From: Freeport McMoRan
One thousand dollars & no/100



* EEE0007033 *

Dollars

Center Code	Revenue Code	Amount	Work Order No.
0640	416902	1,000 ⁰⁰	

Center Code	Revenue Code	Amount	Work Order No.

State Treasurer Deposit Number _____

Total \$ 1,000⁰⁰ (80)

Description: Permit Modification
20-1 for G002RE
Continental Mine
CR# 0000942558

Signed: [Signature]
ASB-White Copy / Customer-Yellow Copy / Retained in Book-Pink Copy

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

FREEPORT MINERALS CORPORATION
333 NORTH CENTRAL AVE
PHOENIX, AZ 85004-2121



0000942558

March 10, 2020

64-1278/611
VOID AFTER 180 DAYS
PAY IN US DOLLARS



Amount: **One Thousand dollars and 00 cents**

\$1,000.00

Pay to the order of STATE OF NEW MEXICO
NM ENRGY MNRLS & NAT RES DPT

Bank of America N.A.
Atlanta, Dekalb County, Georgia

[Signature]

AUTHORIZED SIGNATURE

⑈0000942558⑈ ⑆061112788⑆ 3299998445⑈