Myers, Kevin, EMNRD

From: Myers, Kevin, EMNRD
Sent: Monday, May 23, 2022 11:01 AM
To: Bays, Tyson R.
Cc: Lilla, Mandy; Krueger, Christian
Subject: RE: [EXTERNAL] Cobre Drilling

Thank you for the supplemental information on these Cobre drilling projects, Ty.

When you have a moment, I have a couple of follow up questions and would like to talk by phone.
My schedule is mostly open today.

Kevin Myers

505-490-0726 office and cell phone

From: Bays, Tyson R. <tbays@fmi.com>
Sent: Monday, May 23, 2022 8:25 AM
To: Myers, Kevin, EMNRD <kevin.myers@state.nm.us>
Cc: Lilla, Mandy <mlilla@fmi.com>; Krueger, Christian <ckrueger@fmi.com>
Subject: RE: [EXTERNAL] Cobre Drilling

Mr. Myers: All holes will be plugged before the rig leaves the site. Since a well rig is needed to plug and abandon the hole it makes no sense to move the rig onto other holes and then have to return for the plugging and abandonment procedure. The only time that we may leave an open hole is when we are developing a well but even so this is a rare occurrence. I'm not clear yet that we have applied for permits on the USFS yet but if not we will be submitting those very soon and they are valid for one year form approval, so we often get these well in advance of the project. We currently have three rigs drilling at Cobre. 1. Rig 1 is drilling in the Tailing Dam and is installing grouted piezometer wells. Since this drilling will not encounter native material there is no permit requirement from OSE. 2. The second rig is drilling in the Tailing Dam as you described and is drilling into native material and doing both geochemical and core sampling. We do have permits for these holes and they are being plugged per OSE requirements after completion and before moving to the next hole. 3. The third rig is currently drilling just out of the Tailing Dam and conducting core drilling on previously disturbed ground. Likewise these holes are being plugged to OSE standards prior to moving the rig off the site.

From: Myers, Kevin, EMNRD <kevin.myers@state.nm.us>
Sent: Friday, May 20, 2022 9:21 AM
To: Bays, Tyson R. <tbays@fmi.com>
Cc: Lilla, Mandy <mlilla@fmi.com>; Krueger, Christian <ckrueger@fmi.com>
Subject: RE: [EXTERNAL] Cobre Drilling

Good morning Ty,

After reviewing the NMOSE Well App to see if there were any wells next to proposed exploration borehole, there are numerous mineral exploration boreholes with approved permits from January to April, 2022 for Cobre. NMOSE File No. M-11649 POD22 through POD 47 have been approved. These PODS appear to include 5 of the 16 boreholes you have mentioned for the Poison Spring Drilling Project. The 11 locations on the USFS and BLM do not yet show up in the NMOSE online database or Well App. The attached files show the 20 additional exploration boreholes beyond the Poison Springs project, including the one's on the main tailing dam are for mineral exploration. While the driller may

obtain some geotechnical information on the way to total depths of 1400, these are permitted as mineral exploration boreholes. The other boreholes indicate a proposed total depth 2700 feet.

Given the scale of the exploration borehole includes up to 36 boreholes, MMD will need some clarification whether or not multiple drilling rigs will be active at Cobre at the same time in different areas, and that each borehole is plugged before moving the drilling rigs to the next boreholes.

Kevin

From: Myers, Kevin, EMNRD
Sent: Thursday, May 19, 2022 4:20 PM
To: Bays, Tyson R. <tbays@fmi.com>
Cc: Lilla, Mandy <mlilla@fmi.com>; Krueger, Christian <ckrueger@fmi.com>
Subject: RE: [EXTERNAL] Cobre Drilling

Thanks for the map and clarification on upcoming exploration drilling within the MMD permit boundary, Ty.
Have no worries about apologies, and we seem to be getting on the same page.
This email copies FMI permit lead, Christian Krueger, just in case he doesn't have the same information as you and this affects the Revision 15-2 of GR002RE as you mentioned.

This is the Poison Springs Drilling Project that you provided a land status map previously, and FMI intends to start on June 15, 2022.

MMD will continue to inform and communicate with the other state and federal agencies of this Cobre exploration activity.

MMD will provide FMI a letter indicating whether or not a modification to GR002RE is needed or is the cost of reclamation less the costs set aside for "other disturbed areas – miscellaneous areas) in the existing financial assurance for the Continental/Hanover mine. A letter seems appropriate given the magnitude of the total reclamation costs would be a few million dollars if calculated for the entire 16 boreholes and other disturbances. FMI's approach is sound to plug each borehole before moving to the next borehole in order to avoid partially collapse or blockage of the borehole before placement of sealant. This approach greatly reduces the costs by a factor of 16 to a couple of hundreds of thousands of dollars.

Has FMI received an approval from USFS and BLM or do you anticipate having the approval over the next few weeks?
Has FMI received an NMOSE approval for a plugging plan of operations?

If you have any questions, please contact me.

Kevin C. Myers
Hydrologist
Mining Act Reclamation Program (MARP)-Mining and Minerals Division (MMD)

Energy, Minerals and Natural Resources Department (EMNRD)
1220 S. St. Francis Drive
Santa Fe, NM 87505
505-490-0726 office and cell phone
kevin.myers@state.nm.us
EMNRD website
https://www.emnrd.nm.gov/

From: Bays, Tyson R. <tbays@fmi.com>
Sent: Thursday, May 19, 2022 2:36 PM
To: Myers, Kevin, EMNRD <kevin.myers@state.nm.us>
Cc: Lilla, Mandy <mlilla@fmi.com>
Subject: [EXTERNAL] Cobre Drilling

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Mr. Myers: I apologize for not sending the map and more explanation in my first transmittal. I asked for some help in responding to your request from Mandy Lilla, and I failed to fully inform her of what you had asked for. Thus I hope this better transmittal better explains what we are doing now and planning on doing into the future.

Attached is a figure showing the approximate locations of the 2022 Exploration Drilling at Cobre, please note the figure uses 2018 topo. Cobre is planning to drill 16 exploration drill holes for at total depth of approximately 11,150 feet. Each drill hole will be closed before starting the next drill hole (closed per OSE and MMD regulations).

Cobre is currently conducting a geotechnical investigation on the tailing dams at Cobre (the drilling rig on the Main Tailing Impoundment at Cobre). Each of the drill holes will be plugged and abandoned from total depth, with a column of high-density bentonite clay of sufficient composition, density, weight, and viscosity to form an impermeable plug from the bottom upwards to approximately 2 feet of the original ground disturbance and the remaining hole will be backfilled with top dressing to the original ground surface, before moving to the next location. If you have any questions or need additional information, please let me know. Thank you.

From: Bays, Tyson R. tbays@fmi.com
Sent: Thursday, May 19, 2022 9:16 AM
To: Myers, Kevin, EMNRD kevin.myers@state.nm.us
Cc: Lilla, Mandy mlilla@fmi.com
Subject: [EXTERNAL] Cobre Drilling Program 2022

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Mr. Myers:

Per Permit GR002RE Rev. 15-2 Condition 8.J.9 Cobre will be conducting exploration drilling (drilling) at Cobre beginning on approximately June 15, 2022. The drilling will take place within the existing MMD permit area. The exploration drill holes will be abandoned and sealed in accordance with the OSE requirements before starting to drill the next hole.

Cobre will regrade and revegetate the new drilling disturbances in 2023 to control erosion and enhance stability. BMP's and other erosion control measures will be used for all disturbances (exploration roads, drill pads, etc.). Reclamation of pads and roads constructed solely for this project (and that will not be used in future exploration) will begin within 30 days of completion of exploration drilling.

Cobre will also identify any areas of new disturbance and related reclamation measures in the annual report submitted in April.

Continental Mine Exploration Activity proposed as of May 25, 2022 Base Map ortho-imagery 2020

0 500 1,000 2,000 Feet

N

NORTH WASTE ROCK FACILITY
NORTH OVERBURDEN STOCKPILE
HANOVER MOUNTAIN
No. 3 Shaft Stockpile
MAIN TAILING IMPOUNDMENT
MINE FACILITIES
NO. 2 MILL
MAGNETITE TAILINGS IMPOUNDMENT
OB STOCKPILE 5
FIERRO LEACH PAD
FIERRO SXEW
CONTINENTAL OPEN PIT
OB STOCKPILE 4
OB STOCKPILE 2
OB STOCKPILE 3
PEARSON-BARNES AREA
TOP SOIL STOCKPILE
OB STOCKPILE 1
COBRE HAUL ROAD
EAST WRF
WEST WRF
BUCKHORN WRF
SOUTH WRF
UNION HILL WRF
HUMBOLT LEACH PAD
SOUTH WASTE ROCK DISPOSAL FACILITY
FIERRO ROAD
COBRE HAUL ROAD
152
356
152
152

Legend

- Proposed Continental Mine Beneficiation Design Limit
- Cobre Mining Act Permit Boundary
- New Unit Facility

N
W E
S

0 500 1000 1500 2000 ft
SCALE IN FEET

FREEPORT-McMoRan
COBRE MINING COMPANY

GR002RE
CONTINENTAL MINE NEW UNIT FACILITIES

Scale: As Noted	Date: 4-5-2017
Dept. Environmental Services	
Drawn By: SMG	Checked By: RLM

PS22_014
PS22_013
PS22_015
PS22_012
PS22_010
PS022_008
PS22_004
PS22_005
PS22_009
PS22_011
PS22_016
PS22_007
PS22_006
PS22_003
PS22_002
PS22_001
7300
7200
7000
6800
6400
Continental Pit

NORTH

0 600 Feet

Legend

- Minor Contours (25')
- 7300 Major Contours (100')
- PS22_003 Exploration Drill Holes

FREEPORT-McMoRAN COPPER & GOLD

Figure 1: 2022 Cobre Mine Exploration Drill Holes

Scale: As Noted	Date: 5-19-2022	Notes: 2018 Topography
Dept. Reclamation		
Drawn By: MJL	Checked By: MJL	

PS22_014
PS22_013
PS22_015
PS22_012
PS22_010
PS22_008
PS22_004
PS22_005
PS22_009
PS22_007
PS22_006
PS22_011
PS22_016
PS22_003
PS22_002
PS22_001
Tailing Impoundment
U.S. FOREST SERVICE
Continental Pit

Legend

- Proposed Drill Hole
- Proposed New Road
- Re-Establish Existing Road
- Chino Mines Co.
- U.S. Forest Service
- B.L.M.
- BLM Land Permitted For Mining Activities

N
W E
S

0 200 400 600 800 1000ft
SCALE IN FEET

DRAFT

For Discussion Purposes Only

FREEPORT-McMoRan
CHINO MINES COMPANY

Poison Springs Drilling Project Land Status

Scale: As Noted	Date: 2/22/2022	Notes:
Dept. Environmental Services		
Drawn By: SMG	Checked By: TJH	

File No. M-11649

NEW MEXICO OFFICE OF THE STATE ENGINEER

WR-07 APPLICATION FOR PERMIT TO DRILL

A WELL WITH NO WATER RIGHT

(check applicable box):

6 @ 500 each = 3000
3-24108

For fees, see State Engineer website: http://www.ose.state.nm.us/

Purpose:	☐ Pollution Control And/Or Recovery	☐ Ground Source Heat Pump
☒ Exploratory Well (Pump test)	☐ Construction Site/Public Works Dewatering	☐ Other(Describe):
☐ Monitoring Well	☐ Mine Dewatering	

A separate permit will be required to apply water to beneficial use regardless if use is consumptive or nonconsumptive.

☐ Temporary Request - Requested Start Date: Requested End Date:

Plugging Plan of Operations Submitted? ☒ Yes ☐ No

1. APPLICANT(S)

Name: Freeport-McMoRan Chino Mines Company	Name:
Contact or Agent: check here if Agent ☐ Thomas J. Head	Contact or Agent: check here if Agent ☐
Mailing Address: P.O. Box 10	Mailing Address:
City: Bayard	City:
State: New Mexico Zip Code: 88023	State: Zip Code:
Phone: (575)912-5263 ☐ Home ☐ Cell Phone (Work):	Phone: ☐ Home ☐ Cell Phone (Work):
E-mail (optional):	E-mail (optional):

JAN 27 2022

STATE ENGINEERS OFFICE
DEMING, NEW MEXICO

FOR OSE INTERNAL USE — Application for Permit, Form WR-07, Rev 11/17/16

File No.: M-11649	Trn. No.: 718348	Receipt No.: 3-24108
Trans Description (optional): M-11649-POD22 exPC thru M-11649-POD27 GX PL		
Sub-Basin: LM	PCW/LOG Due Date: 2-28-23	

JB

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84).
District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

☐ NM State Plane (NAD83) (Feet)
☐ NM West Zone
☐ NM East Zone
☐ NM Central Zone

☐ UTM (NAD83) (Meters)
☐ Zone 12N
☐ Zone 13N

■ Lat/Long (WGS84) (to the nearest 1/10th of second)

Well Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (*Quarters or Halves , Section, Township, Range)* OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
POD 22 CO2022-28	-108° 05' 34.6"	32° 51' 5.8"	NW1/4,NE1/4,NW1/4,S9,T17S,R12W
POD 23 CO2022-29	-108° 05' 25.2"	32° 51' 5.1"	NE1/4,NE1/4,NW1/4,S9,T17S,R12W
POD 24 CO2022-30	-108° 05' 16.4"	32° 51' 5.4"	NE1/4,NW1/4,NE1/4,S9,T17S,R12W
POD 25 CO2022-31	-108° 05' 19.1"	32° 51' 12.7"	NW1/4,SW1/4,SE1/4,S4,T17S,R12W
POD 26 C02022-32	-108° 05' 25.2"	32° 51' 13.0"	NE1/4,SE1/4,SW1/4,S4,T17S,R12W

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)
Additional well descriptions are attached: ■ Yes ☐ No If yes, how many_____

Other description relating well to common landmarks, streets, or other:
Located in the Cobre Mine Area, approximately 3 miles north of Hanover, New Mexico, north of highway 152.

Well is on land owned by: Freeport-McMoRan Chino Mines Company

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? ■ Yes ☐ No
If yes, how many_____

Approximate depth of well (feet): 1400	Outside diameter of well casing (inches): 12"
Driller Name: Contract not yet let	Driller License Number:

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

A New Mexico licensed driller will be contractor to perform the work. The purpose of these drill holes are for the sole purpose of mineral exploration only. The first 300 feet of the holes will be cased. Planned outside diameter of the casing is 6 5/8 inches. However, Chino is requesting 12" in casing is required. Holes will be plugged and abandoned. Holes will be plugged as per Chino Variance.

JAN 27 2022
STATE ENGINEERS OFFICE
DEMING, NEW MEXICO

FOR OSE INTERNAL USE — Application for Permit, Form WR-07

File No.:	Trn No.:
LM-11649	718348

NEW MEXICO OFFICE OF THE STATE ENGINEER

ATTACHMENT 1
POINT OF DIVERSION DESCRIPTIONS

This Attachment is to be completed if more than one (1) point of diversion is described on an Application or Declaration.

a. Is this a: ☐ Move-From Point of Diversion(s) ☐ Move-To Point of Diversion(s)	**b. Information on Attachment(s):** Number of points of diversion involved in the application: 1 Total number of pages attached to the application: 1

☐ **Surface Point of Diversion** **OR** ☒ **Well**

Name of ditch, acequia, or spring:	
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), **or** Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long–(WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☒ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: POD27 CO2022-33	X or Longitude -108° 05' 34.5"	Y or Latitude 32° 51' 13.0"	Other Location Description: NW1/4,SE1/4,SW1/4,S4,T17S,R12W
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:

JAN 27 2022

STATE ENGINEERS OFFICE
DEMING, NEW MEXICO

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number: xm-11649	Trn Number: 718348
Trans Description (optional): xm-11649 POD22 through POD27	

4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory:	**Pollution Control and/or Recovery:**	**Construction De-Watering:**	**Mine De-Watering:**
☒ Include a description of any proposed pump test, if applicable.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for the pollution control or recovery operation. ☐ The estimated maximum period of time for completion of the operation. ☐ The annual diversion amount. ☐ The annual consumptive use amount. ☐ The maximum amount of water to be diverted and injected for the duration of the operation. ☐ The method and place of discharge.	☐ Include a description of the proposed dewatering operation, ☐ The estimated duration of the operation, ☐ The maximum amount of water to be diverted, ☐ A description of the need for the dewatering operation, and, ☐ A description of how the diverted water will be disposed of.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for mine dewatering. ☐ The estimated maximum period of time for completion of the operation. ☐ The source(s) of the water to be diverted. ☐ The geohydrologic characteristics of the aquifer(s). ☐ The maximum amount of water to be diverted per annum. ☐ The maximum amount of water to be diverted for the duration of the operation. ☐ The quality of the water. ☐ The method of measurement of water diverted. ☐ The recharge of water to the aquifer. ☐ Description of the estimated area of hydrologic effect of the project. ☐ The method and place of discharge. ☐ An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. ☐ A description of the methods employed to estimate effects on surface water rights and underground water rights. ☐ Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.
Monitoring: ☐ Include the reason for the monitoring well, and, ☐ The duration of the planned monitoring.	☐ The method of measurement of water produced and discharged. ☐ The source of water to be injected. ☐ The method of measurement of water injected. ☐ The characteristics of the aquifer. ☐ The method of determining the resulting annual consumptive use of water and depletion from any related stream system. ☐ Proof of any permit required from the New Mexico Environment Department. ☐ An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	**Ground Source Heat Pump:** ☐ Include a description of the geothermal heat exchange project, ☐ The number of boreholes for the completed project and required depths. ☐ The time frame for constructing the geothermal heat exchange project, and, ☐ The duration of the project. ☐ Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Thomas J. Head, Land and Water Resource Analyst, Freeport McMoRan Chino Mines Company
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Applicant Signature

Thomas J. Head
Applicant Signature

ACTION OF THE STATE ENGINEER

This application is: JAN 27 2022

☒ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

STATE ENGINEERS OFFICE
DEMING, NEW MEXICO

Witness my hand and seal this 3rd day of February 20 22, for the State Engineer,

John T. Romero, P.E. Acting, State Engineer

By: Signature

Lloyd R. Valentine III
Print

Title: District 3 Manager
Print

FOR OSE INTERNAL USE

Application for Permit, Form WR-07

File No.:	Trn No.:
LM-11649	718348

ATTACHMENT
STATE ENGINEER CONDITIONS OF APPROVAL

FILE: M-11649

APPLICATION: M-11649-POD22-EXPL thru M-11649-POD27-EXPL

APPLICANTS: Freeport-McMoRan Chino Mines Company c/o Tom Head

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD22 thru M-11649-POD27 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD22 thru M-11649-POD27 shall be drilled to a depth not to exceed 1400 feet and shall be constructed with casing not to exceed 12 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well records. The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD22 thru M-11649-POD27 shall be plugged on or before February 28, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than February 28, 2023.

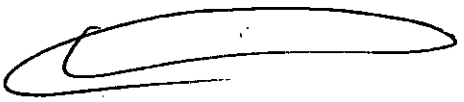
   The well authorized by this permit shall be plugged on or before February 28, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No**

water may be diverted under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.

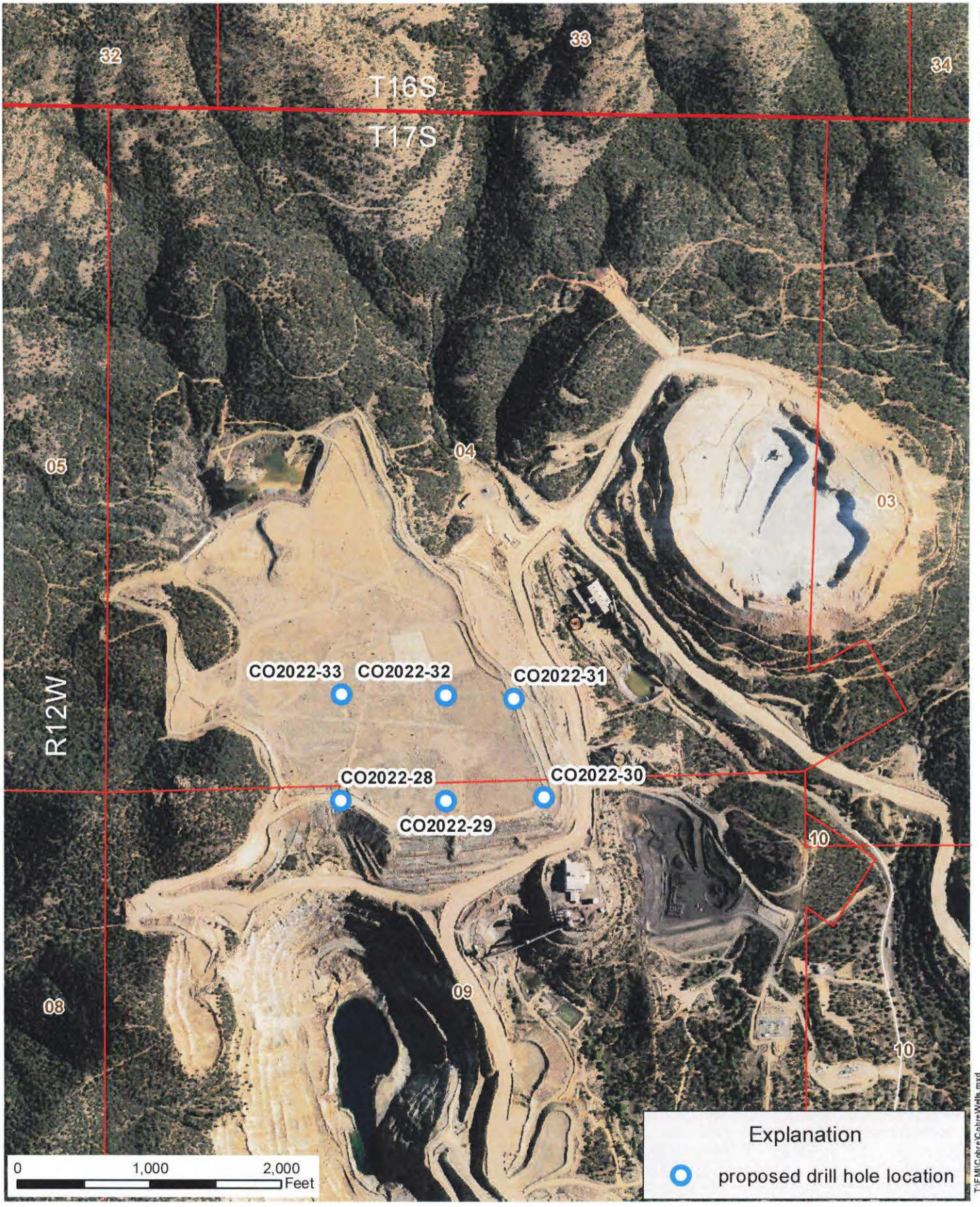
9. The State Engineer retains jurisdiction to administer the conditions of this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before February 28, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on February 28, 2023.

Witness my hand and seal this 3rd day of February, 2022.

John T. Romero, P.E., Acting State Engineer



Lloyd R. Valentine III
District 3 Manager



Aerial photograph showing location of proposed exploratory drill hole.

STATE OF NEW MEXICO

OFFICE OF THE STATE ENGINEER

DEMING

JOHN R. D'ANTONIO, JR., P.E.
State Engineer

Post Office Box 844
Deming, New Mexico 88031
(505) 546-2851
(505) 546-7452
Fax: (505) 546-2290

July 23, 2008

Freeport-McMoRan Copper & Gold
Chino Mines Company
Attn: Jerry Donaldson
Box 7
210 Cortez Avenue
Hurley, New Mexico 88043

Greetings:

This office is in receipt of your letter of June 30, 2008 wherein you request a variance from New Mexico Administration Code 19.27.4.30.C by establishing an approved plugging procedure to conserve time and resources of Freeport-McMoRan.

I have reviewed your proposed procedure of cementing any necessary monitor wells by grouting via a tremie line from the bottom up to the surface utilizing a pressure grout pump and cutting off the well head below land surface after plugging. Said grout to be mixed on site with 5 gallons of water per 94-pound sack of Portland cement. As this plan would meet artesian well plugging requirements, it is acceptable and therefore your variance is granted. Plugging records for monitor wells plugged under this variance shall be filed within 10 days of the completion of the plugging and shall include the completed Well Plugging Procedure form as proposed by Freeport-McMoRan in this variance request and a copy of this variance approval.

All necessary requirements placed on Freeport-McMoRan by the New Mexico Environment Department or any other administrative agency related to the plugging of any monitor wells shall be met.

This variance shall remain in effect until further notice from the Office of the State Engineer and shall be limited to the emergency plugging of monitor wells located within the Chino Mining Facility that would immediately impact mining operations.

If further discussion would be beneficial, please advise.

Sincerely,

Charles L. Jackson, MPA
District 3 Supervisor

CLJ:clj

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
District 3 Office, Deming, NM

John T. Romero, P.E.
Acting State Engineer

321 W. Spruce
Deming, New Mexico 88030
Phone: (575) 546-2851
FAX: (575) 546-2290

February 3, 2022

FILE: M-11649

Freeport-McMoRan Chino Mines Company
c/o Tom Head
P.O. Box 10
Bayard, New Mexico 88023

Greetings:

Enclosed is your copy of Exploratory Well Permit M-11649-POD22-EXPL thru M-11649-POD27-EXPL, which has been approved.

Your attention is called to the Conditions of Approval under permit M-11649-POD22-EXPL thru M-11649-POD27-EXPL, which states as follows:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD22 thru M-11649-POD27 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD22 thru M-11649-POD27 shall be drilled to a depth not to exceed 1400 feet and shall be constructed with casing not to exceed 12 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well records. The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD22 thru M-11649-POD27 shall be plugged on or before February 28, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance

shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than February 28, 2023.

The well authorized by this permit shall be plugged on or before February 28, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.

7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.
9. The State Engineer retains jurisdiction to administer the conditions of this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before February 28, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on February 28, 2023.

Sincerely,

Lloyd R. Valentine III
District 3 Manager

By:
Jack Barragan
Water Resource Professional II
Mimbres Basin

JB:jb
cc: State Engineer

MEMORANDUM

State Engineer
Deming, New Mexico
February 3, 2022

FILE M-11649

APPLICATION M-11649-POD22-EXPL thru M-11649-POD27-EXPL

POD M-11649-POD22 thru M-11649-POD27

TO Lloyd R. Valentine III

FROM Jack Barragan JB

SUBJECT Application for Permit to Drill Exploratory Wells

APPLICANT Freeport-McMoRan Chino Mines Company c/o Tom Head

COMMENTS

Application is made to drill six exploratory wells in the Mimbres Underground Water Basin to be located as follows:

M-11649-POD22 (CO2022-28) to be located in the NE¼NW¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'5.8"N and Longitude 108°05'34.6"W.

M-11649-POD23 (CO2022-29) to be located in the NE¼NW¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'5.1"N and Longitude 108°05'25.2"W.

M-11649-POD24 (CO2022-30) to be located in the NW¼NE¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'5.4"N and Longitude 108°05'16.4"W.

M-11649-POD25 (CO2022-31) to be located in the SW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'12.7"N and Longitude 108°05'19.1"W.

M-11649-POD26 (CO2022-32) to be located in the SE¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'13.0"N and Longitude 108°05'25.2"W.

M-11649-POD27 (CO2022-33) to be located in the SE¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'13.0"N and Longitude 108°05'34.5"W.

The application states as follows:

> "A New Mexico licensed driller will be contractor to perform the work. The purpose of these holes are for the sole purpose of mineral exploration only. The first 300 feet of the holes will be cased. Planned outside diameter of the casing is 6 5/8 inches. However, Chino is requesting 12" in casing is required. Holes will be plugged and abandoned. Holes will be plugged as per Chino Variance"

CONSIDERATIONS

1. Application was filed in this office January 27, 2022.
2. No appropriation of water for beneficial use is applied for under this permit.

RECOMMENDATION

I recommend this application be approved subject to the following conditions:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD22 thru M-11649-POD27 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD22 thru M-11649-POD27 shall be drilled to a depth not to exceed 1400 feet and shall be constructed with casing not to exceed 12 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well records. The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD22 thru M-11649-POD27 shall be plugged on or before February 28, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than February 28, 2023.

   The well authorized by this permit shall be plugged on or before February 28, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval

of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.

9. The State Engineer retains jurisdiction to administer the conditions of this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before February 28, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on February 28, 2023.

JB:jb
Encl: Application (3)

OK
2/3/22

FREEPORT-MCMORAN

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

January 27, 2022

Hand Delivered

Mr. Lloyd Valentine
District Supervisor, District 3
New Mexico State Engineer Office
P. O. Box 844
Deming, NM 88031

JAN 2 7 2022

STATE ENGINEERS OFFICE
DEMING, NEW MEXICO

Dear Mr. Valentine:

Re: Application for Exploration Wells

Enclosed, in triplicate, is one (1) application for six (6) Exploration Wells along with the filing fee of $5.00 per drill hole for a total of $30.00. The sole purpose of these drill holes is for mineral exploration.

If you have any questions regarding this information, please contact me at (575) 912-5263. Thank you for your consideration on this application.

Sincerely,

Thomas J. Head
Land & Water Resources Analyst

TJH
Enclosures: 1) Application with Proposed Exploration Well Hole Location Map
2) $30.00 for Application Fee
20220127-001

JAN 2 7 2022

STATE ENGINEERS OFFICE
DEMING NEW MEXICO

File No. M-11649

NEW MEXICO OFFICE OF THE STATE ENGINEER

WR-07 APPLICATION FOR PERMIT TO DRILL

A WELL WITH NO WATER RIGHT

(check applicable box):

For fees, see State Engineer website: http://www.ose.state.nm.us/

Purpose:	☐ Pollution Control And/Or Recovery	☐ Ground Source Heat Pump
☒ Exploratory Well (Pump test)	☐ Construction Site/Public Works Dewatering	☐ Other(Describe):
☐ Monitoring Well	☐ Mine Dewatering	

A separate permit will be required to apply water to beneficial use **regardless if use is consumptive or nonconsumptive.**

☒ Temporary Request - Requested Start Date:	Requested End Date:
Plugging Plan of Operations Submitted? ☒ Yes ☐ No	

1. APPLICANT(S)

Name: Freeport-McMoRan Chino Mines Company	Name:
Contact or Agent: Thomas J. Head — check here if Agent ☐	Contact or Agent: — check here if Agent ☐
Mailing Address: P. O. Box 10	Mailing Address:
City: Bayard	City:
State: New Mexico — Zip Code: 88023	State: — Zip Code:
Phone: (575) 912-5263 ☐ Home ☐ Cell Phone (Work):	Phone: ☐ Home ☐ Cell Phone (Work):
E-mail (optional):	E-mail (optional):

RECEIVED MAR 3 1 2023 OFFICE OF THE STATE ENGINEER WATER RIGHTS DIVISION

FOR OSE INTERNAL USE — Application for Permit, Form WR-07, Rev 11/17/16

File No.: M-11649	Trn. No.: 724340	Receipt No.: 3-24209
Trans Description (optional): POD 28 through POD 41		
Sub-Basin: M	PCW/LOG Due Date: 4/30/2023	

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84).
District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

☐ NM State Plane (NAD83) (Feet)
☐ NM West Zone
☐ NM East Zone
☐ NM Central Zone

☐ UTM (NAD83) (Meters)
☐ Zone 12N
☐ Zone 13N

■ Lat/Long (WGS84) (to the nearest 1/10th of second)

Well Number (if known): M-11649	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (*Quarters or Halves , Section, Township, Range*) OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
POD 28 CO2022-01	-108° 04' 43.3"	32° 51' 38.7"	SW1/4NW1/4, S3, T17S, R12W
POD 29 CO2022-02	-108° 05' 08.7"	32° 51' 22.9"	NW1/4SE1/4, S4, T17S, R12W
POD 30 CO2022-03	-108° 05' 08.7"	32° 51' 25.9"	NW1/4SE1/4, S4, T17S, R12W
POD 31 CO2022-04	-108° 05' 08.7"	32° 51' 19.9"	NW1/4SE1/4, S4, T17S, R12W
POD 32 CO2022-05	-108° 05' 08.7"	32° 51' 13.00"	SE1/4SE1/4, S4, T17S, R12W

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)
Additional well descriptions are attached: ■ **Yes** ☐ **No** **If yes, how many** 9

Other description relating well to common landmarks, streets, or other:
Located in the Cobre Mine Area, approximately 3 miles north of Hanover, New Mexico, north of highway 152.

Well is on land owned by: Freeport-McMoRan Chino Mines Company

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? ■ **Yes** ☐ **No**
If yes, how many 9

Approximate depth of well (feet): 2,700	Outside diameter of well casing (inches): 6 inches
Driller Name: Contract not yet let	Driller License Number:

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

A New Mexico licensed driller will be contractor to perform the work. The purpose of these drill holes are for the sole purpose of mineral exploration only. First 10 feet will have casing. Casing will be removed upon completion of each drill hole. Holes will be plugged and abandoned when completed. Holes will be plugged as per Chino Variance.

FOR OSE INTERNAL USE — Application for Permit, Form WR-07

File No.: M-11649	Trn No.: 724340

NEW MEXICO OFFICE OF THE STATE ENGINEER

ATTACHMENT 1
POINT OF DIVERSION DESCRIPTIONS

This Attachment is to be completed if more than one (1) point of diversion is described on an Application or Declaration.

a. Is this a: ☐ Move-From Point of Diversion(s) ☐ Move-To Point of Diversion(s)	**b. Information on Attachment(s):** Number of points of diversion involved in the application: 14 Total number of pages attached to the application: 1

☐ **Surface Point of Diversion** **OR** ☒ **Well**

Name of ditch, acequia, or spring:	M-11649
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), **or** Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long– (WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☐ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: 33 CO2022-07	X or Longitude -108° 05' 08.7"	Y or Latitude 32° 51' 07.0"	Other Location Description: SE1/4SE1/4, S4, T17
POD Number: 34 CO2022-08	X or Longitude -108° 05' 05.2"	Y or Latitude 32° 51' 10.0"	Other Location Description: SE1/4, SE1/4, S4, T17S, 12W
POD Number: 35 CO2022-09	X or Longitude -108° 05' 01.7"	Y or Latitude 32° 51' 10.0"	Other Location Description: SE1/4SE1/4, S4, T17S, R12W
POD Number: 36 CO2022-10	X or Longitude -108° 05' 12.3"	Y or Latitude 32° 51' 10.0"	Other Location Description: SW1/4SE1/4, S4, T17S, R12W
POD Number: 37 CO2022-11	X or Longitude -108° 05' 12.3"	Y or Latitude 32° 51' 19.9"	Other Location Description: NW1/4SE1/4, S4, T17S, R12W
POD Number: 38 CO2022-12	X or Longitude -108° 05' 12.3"	Y or Latitude 32° 51' 16.0"	Other Location Description: SW1/4SE1/4, S4, T17S, R12W
POD Number: 39 CO2022-27	X or Longitude -108° 05' 43.9"	Y or Latitude 32° 50' 59.1"	Other Location Description: NW1/4NW1/4, S9, T17S, R12W
POD Number: 40 PS22_001	X or Longitude -108° 05' 42.9"	Y or Latitude 32° 51' 01.5"	Other Location Description: NW1/4, NW1/4,S9, T17S, R12W
POD Number: 41 PS22_002	X or Longitude -108° 05' 38.2"	Y or Latitude 32° 51' 05.9"	Other Location Description: SE1/4, SW1/4,S4, T17S, R12W

MAR 3 2022

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number: M-11649	Trn Number: 724340
Trans Description (optional): POD28 through POD41	

4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory:	**Pollution Control and/or Recovery:**	**Construction De-Watering:**	**Mine De-Watering:**
■ Include a description of any proposed pump test, if applicable.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for the pollution control or recovery operation. ☐ The estimated maximum period of time for completion of the operation. ☐ The annual diversion amount. ☐ The annual consumptive use amount. ☐ The maximum amount of water to be diverted and injected for the duration of the operation. ☐ The method and place of discharge.	☐ Include a description of the proposed dewatering operation, ☐ The estimated duration of the operation, ☐ The maximum amount of water to be diverted, ☐ A description of the need for the dewatering operation, and, ☐ A description of how the diverted water will be disposed of.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for mine dewatering. ☐ The estimated maximum period of time for completion of the operation. ☐ The source(s) of the water to be diverted. ☐ The geohydrologic characteristics of the aquifer(s). ☐ The maximum amount of water to be diverted per annum. ☐ The maximum amount of water to be diverted for the duration of the operation. ☐ The quality of the water. ☐ The method of measurement of water diverted. ☐ The recharge of water to the aquifer. ☐ Description of the estimated area of hydrologic effect of the project. ☐ The method and place of discharge. ☐ An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. ☐ A description of the methods employed to estimate effects on surface water rights and underground water rights. ☐ Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.
Monitoring: ☐ Include the reason for the monitoring well, and, ☐ The duration of the planned monitoring.	☐ The method of measurement of water produced and discharged. ☐ The source of water to be injected. ☐ The method of measurement of water injected. ☐ The characteristics of the aquifer. ☐ The method of determining the resulting annual consumptive use of water and depletion from any related stream system. ☐ Proof of any permit required from the New Mexico Environment Department. ☐ An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	**Ground Source Heat Pump:** ☐ Include a description of the geothermal heat exchange project, ☐ The number of boreholes for the completed project and required depths. ☐ The time frame for constructing the geothermal heat exchange project, and, ☐ The duration of the project. ☐ Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Thomas J. Head, Land and Water Resource Analyst, Freeport McMoRan Chino Mines Company
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Applicant Signature

Applicant Signature

ACTION OF THE STATE ENGINEER

This application is:

☒ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this 13th day of April 20 22, for the State Engineer,

Mike A. Hamman, P.E., State Engineer

By: Lloyd R. Valentine III
Signature Print

Title: District 3 Manager
Print

MAR 3 1 2022

FOR OSE INTERNAL USE

Application for Permit, Form WR-07

File No.: M-11649	Trn No.: 724340

ATTACHMENT
STATE ENGINEER CONDITIONS OF APPROVAL

FILE: M-11649

APPLICATION: M-11649-POD28 thru M-11649-POD47

APPLICANTS: Freeport-McMoRan Chino Mines Company c/o Tom Head

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled to a depth not to exceed 2700 feet and shall be constructed with casing not to exceed 6.0 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. **It is the well owner's responsibility to ensure that the well driller files the well records.** The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD28 thru M-11649-POD47 shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than April 30, 2023.

   The well authorized by this permit shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be

submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.

9. The State Engineer retains jurisdiction over this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before April 30, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on April 30, 2023.

Witness my hand and seal this 13th day of April, 2022.

Mike A. Hamman, P.E., State Engineer

Lloyd R. Valentine III
District 3 Manager

FREEPORT-McMoRan
CHINO MINES COMPANY

Proposed Mineral Exploration Drill Holes

Scale: As Noted	Date: 3-31-2022	Notes:	
Dept. Environmental Services			
Drawn By: SMG	Checked By: TJH		

STATE OF NEW MEXICO

OFFICE OF THE STATE ENGINEER

DEMING

JOHN R. D'ANTONIO, JR., P.E.
State Engineer

Post Office Box 844
Deming, New Mexico 88031
(505) 546-2851
(505) 546-7452
Fax: (505) 546-2290

July 23, 2008

Freeport-McMoRan Copper & Gold
Chino Mines Company
Attn: Jerry Donaldson
Box 7
210 Cortez Avenue
Hurley, New Mexico 88043

Greetings:

This office is in receipt of your letter of June 30, 2008 wherein you request a variance from New Mexico Administration Code 19.27.4.30.C by establishing an approved plugging procedure to conserve time and resources of Freeport-McMoRan.

I have reviewed your proposed procedure of cementing any necessary monitor wells by grouting via a tremie line from the bottom up to the surface utilizing a pressure grout pump and cutting off the well head below land surface after plugging. Said grout to be mixed on site with 5 gallons of water per 94-pound sack of Portland cement. As this plan would meet artesian well plugging requirements, it is acceptable and therefore your variance is granted. Plugging records for monitor wells plugged under this variance shall be filed within 10 days of the completion of the plugging and shall include the completed Well Plugging Procedure form as proposed by Freeport-McMoRan in this variance request and a copy of this variance approval.

All necessary requirements placed on Freeport-McMoRan by the New Mexico Environment Department or any other administrative agency related to the plugging of any monitor wells shall be met.

This variance shall remain in effect until further notice from the Office of the State Engineer and shall be limited to the emergency plugging of monitor wells located within the Chino Mining Facility that would immediately impact mining operations.

If further discussion would be beneficial, please advise.

Sincerely,

Charles L. Jackson, MPA
District 3 Supervisor

CLJ:clj

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
District 3 Office, Deming, NM

MIKE A. HAMMAN, P.E.
STATE ENGINEER

321 W. Spruce
Deming, New Mexico 88030
Phone: (575) 546-2851
FAX: (575) 546-2290

April 13, 2022

FILE: M-11649

Freeport-McMoRan Chino Mines Company
c/o Tom Head
P.O. Box 10
Bayard, New Mexico 88023

Greetings:

Enclosed is your copy of Exploratory Well Permits M-11649-POD28 thru M-11649-POD47, which has been approved.

Your attention is called to the Conditions of Approval under permit M-11649-POD28 thru M-11649-POD47, which states as follows:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled to a depth not to exceed 2700 feet and shall be constructed with casing not to exceed 6.0 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. **It is the well owner's responsibility to ensure that the well driller files the well records.** The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD28 thru M-11649-POD47 shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance

shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than April 30, 2023.

The well authorized by this permit shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.

7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.
9. The State Engineer retains jurisdiction over this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before April 30, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on April 30, 2023.

Sincerely,

Lloyd R. Valentine III
District 3 Manager

By:
Martin McMillan
Water Resources Manager
Mimbres Basin

MM:mm
cc: State Engineer

MEMORANDUM

State Engineer
Deming, New Mexico
April 13, 2022

FILE M-11649

APPLICATION M-11649-POD28-EXPL thru M-11649-POD47-EXPL

POD M-11649-POD28 thru M-11649-POD47

TO Lloyd R. Valentine III

FROM Martin McMillan

SUBJECT Application for Permit to Drill Exploratory Wells

APPLICANT Freeport-McMoRan Chino Mines Company c/o Tom Head

COMMENTS

Application is made to drill fourteen exploratory wells in the Mimbres Underground Water Basin to be located as follows:

M-11649-POD28 (CO2022-01) to be located in the SW¼NW¼, Section 3, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'38.7" N and Longitude 108°04'43.3" W

M-11649-POD29 (CO2022-02) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'22.9" N and Longitude 108°05'08.7" W

M-11649-POD30 (CO2022-03) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'25.9" N and Longitude 108°05'08.7" W

M-11649-POD31 (CO2022-04) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'19.9" N and Longitude 108°05'08.7" W

M-11649-POD32 (CO2022-05) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'13.0" N and Longitude 108°05'08.7" W

M-11649-POD33 (CO2022-07) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'07.0" N and Longitude 108°05'08.7" W

M-11649-POD34 (CO2022-08) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'05.2" W

M-11649-POD35 (CO2022-09) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'01.7" W

M-11649-POD36 (CO2022-10) to be located in the SW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'12.3" W

M-11649-POD37 (CO2022-11) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'19.9" N and Longitude 108°05'12.3" W

M-11649-POD38 (CO2022-12) to be located in the SW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'16.0" N and Longitude 108°05'12.3" W

M-11649-POD39 (CO2022-27) to be located in the NW¼NW¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°50'59.1" N and Longitude 108°05'43.9" W

M-11649-POD40 (PS22-001) to be located in the NW¼NW¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'01.5" N and Longitude 108°05'42.9" W

M-11649-POD41 (PS22-002) to be located in the SE¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'05.9" N and Longitude 108°05'38.2" W

M-11649-POD42 (CO2022-09) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'01.7" W

M-11649-POD43 (CO2022-16) to be located in the NW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'26.8" N and Longitude 108°05'51.0" W

M-11649-POD44 (CO2022-17) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'16.9" N and Longitude 108°05'48.6" W

M-11649-POD45 (PS22_003) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'09.2" N and Longitude 108°05'41.8" W

M-11649-POD46 (PS22_011) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'15.3" N and Longitude 108°05'49.6" W

M-11649-POD47 (PS22_016) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'14.2" N and Longitude 108°05'54.4" W

The application states as follows:

"A New Mexico licensed driller will be contractor to perform the work. The purpose of these drill holes are for the sole purpose of mineral exploration only. The first 10 feet of the holes will have casing. Casing will be removed upon completion of each drill hole. Holes will be plugged and abandoned when completed. Holes will be plugged as per Chino Variance"

CONSIDERATIONS

1. Application was filed in this office March 31, 2022.

2. No appropriation of water for beneficial use is applied for under this permit.

RECOMMENDATION

I recommend this application be approved subject to the following conditions:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled to a depth not to exceed 2700 feet and shall be constructed with casing not to exceed 6.0 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. **It is the well owner's responsibility to ensure that the well driller files the well records.** The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD28 thru M-11649-POD47 shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following

method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than April 30, 2023.

The well authorized by this permit shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.

7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.

8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.

9. The State Engineer retains jurisdiction over this permit.

10. Well records shall be filed with the District 3 Office of the State Engineer on or before April 30, 2023.

11. No water shall be appropriated and beneficially used under this permit.

12. This permit shall automatically expire on April 30, 2023.

MM:mm
Encl: Application (3)

OK
4/12/22

File No. M-11649

NEW MEXICO OFFICE OF THE STATE ENGINEER

WR-07 APPLICATION FOR PERMIT TO DRILL

A WELL WITH NO WATER RIGHT

(check applicable box):

For fees, see State Engineer website: http://www.ose.state.nm.us/

Purpose:	☐ Pollution Control And/Or Recovery	☐ Ground Source Heat Pump
☒ Exploratory Well (Pump test)	☐ Construction Site/Public Works Dewatering	☐ Other(Describe):
☐ Monitoring Well	☐ Mine Dewatering	

A separate permit will be required to apply water to beneficial use **regardless if use is consumptive or nonconsumptive.**

☒ Temporary Request - Requested Start Date:	Requested End Date:
Plugging Plan of Operations Submitted? ☒ Yes ☐ No	

1. APPLICANT(S)

Name: Freeport-McMoRan Chino Mines Company	Name:
Contact or Agent: Thomas J. Head — check here if Agent ☐	Contact or Agent: — check here if Agent ☐
Mailing Address: P. O. Box 10	Mailing Address:
City: Bayard	City:
State: New Mexico — Zip Code: 88023	State: — Zip Code:
Phone: (575) 912-5263 ☐ Home ☐ Cell Phone (Work):	Phone: ☐ Home ☐ Cell Phone (Work):
E-mail (optional):	E-mail (optional):

STATE ENGINEERS OFFICE DEMING NEW MEXICO MAR 3 1 2022

FOR OSE INTERNAL USE — Application for Permit, Form WR-07, Rev 11/17/16

File No.: M-11649	Trn. No.: 724347	Receipt No.: 3-24209
Trans Description (optional): POD 42 through POD 47		
Sub-Basin: M	PCW/LOG Due Date: 4/30/2023	

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84).
District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

☐ NM State Plane (NAD83) (Feet)
☐ NM West Zone
☐ NM East Zone
☐ NM Central Zone

☐ UTM (NAD83) (Meters)
☐ Zone 12N
☐ Zone 13N

■ Lat/Long (WGS84) (to the nearest 1/10th of second)

Well Number (if known): M-11649	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (*Quarters or Halves , Section, Township, Range*) OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
POD 42 CO2022-09	-108° 05' 01.7"	32° 51' 10.0"	SE1/4SE1/4, S4, T17S, R12W
POD 43 CO2022-16	-108° 05' 51.0"	32° 51' 26.8"	NW1/4SW1/4, S4, T17S, R12W
POD 44 CO2022-17	-108° 05' 48.6"	32° 51' 16.9"	SW1/4SW1/4, S4, T17S, R12W
POD 45 PS22_003	-108° 05' 41.8"	32° 51' 09.2"	SW1/4SW1/4, S4, T17S, R12W
POD 46 PS22_011	-108° 05' 49.6"	32° 51' 15.3"	SW1/4SW1/4, S4, T17S, R12W

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)
Additional well descriptions are attached: ■ **Yes** ☐ **No** **If yes, how many** 1

Other description relating well to common landmarks, streets, or other:
Located in the Cobre Mine Area, approximately 3 miles north of Hanover, New Mexico, north of highway 152.

Well is on land owned by: Freeport-McMoRan Chino Mines Company

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? ■ **Yes** ☐ **No**
If yes, how many 1

Approximate depth of well (feet): 2,700	Outside diameter of well casing (inches): 6 inches
Driller Name: Contract not yet let	Driller License Number:

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

A New Mexico licensed driller will be contractor to perform the work. The purpose of these drill holes are for the sole purpose of mineral exploration only. The first 10 feet of the holes will be cased. Outside diameter of the casing is 6 inches. Casing will be removed upon completion of each drill hole. Holes will be plugged and abandoned when completed. Holes will be plugged as per Chino Variance.

NEW MEXICO OFFICE OF THE STATE ENGINEER

ATTACHMENT 1
POINT OF DIVERSION DESCRIPTIONS

This Attachment is to be completed if more than one (1) point of diversion is described on an Application or Declaration.

a. Is this a: ☐ Move-From Point of Diversion(s) ☐ Move-To Point of Diversion(s)	**b. Information on Attachment(s):** Number of points of diversion involved in the application: 6 Total number of pages attached to the application: 1

☐ **Surface Point of Diversion** **OR** ☒ **Well**

Name of ditch, acequia, or spring:	M-11649
Stream or water course:	
Tributary of:	

c. Location (Required):
Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), **or** Lat/Long (WGS84)

NM State Plane (NAD83) (feet) NM West Zone ☐ NM Central Zone ☐ NM East Zone ☐	UTM (NAD83) (meters) Zone 13N ☐ Zone 12N ☐	☒ Lat/Long– (WGS84) 1/10th of second	OTHER (allowable only for move-from descriptions - see application form for format) ☒ PLSS (quarters, section, township, range) ☐ Hydrographic Survey, Map & Tract ☐ Lot, Block & Subdivision ☐ Grant
POD Number: 47 PS22_016	X or Longitude -108° 05' 54.4"	Y or Latitude 32° 51' 14.2"	Other Location Description: SW1/4SW1/4, S4, T17
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:
POD Number:	X or Longitude	Y or Latitude	Other Location Description:

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number: M-11649	Trn Number: 724347
Trans Description (optional): POD 42 through POD 47	

4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory:	**Pollution Control and/or Recovery:**	**Construction De-Watering:**	**Mine De-Watering:**
☒ Include a description of any proposed pump test, if applicable.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for the pollution control or recovery operation. ☐ The estimated maximum period of time for completion of the operation. ☐ The annual diversion amount. ☐ The annual consumptive use amount. ☐ The maximum amount of water to be diverted and injected for the duration of the operation. ☐ The method and place of discharge.	☐ Include a description of the proposed dewatering operation, ☐ The estimated duration of the operation, ☐ The maximum amount of water to be diverted, ☐ A description of the need for the dewatering operation, and, ☐ A description of how the diverted water will be disposed of.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for mine dewatering. ☐ The estimated maximum period of time for completion of the operation. ☐ The source(s) of the water to be diverted. ☐ The geohydrologic characteristics of the aquifer(s). ☐ The maximum amount of water to be diverted per annum. ☐ The maximum amount of water to be diverted for the duration of the operation. ☐ The quality of the water. ☐ The method of measurement of water diverted. ☐ The recharge of water to the aquifer. ☐ Description of the estimated area of hydrologic effect of the project. ☐ The method and place of discharge. ☐ An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. ☐ A description of the methods employed to estimate effects on surface water rights and underground water rights. ☐ Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.
Monitoring: ☐ Include the reason for the monitoring well, and, ☐ The duration of the planned monitoring.	☐ The method of measurement of water produced and discharged. ☐ The source of water to be injected. ☐ The method of measurement of water injected. ☐ The characteristics of the aquifer. ☐ The method of determining the resulting annual consumptive use of water and depletion from any related stream system. ☐ Proof of any permit required from the New Mexico Environment Department. ☐ An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	**Ground Source Heat Pump:** ☐ Include a description of the geothermal heat exchange project, ☐ The number of boreholes for the completed project and required depths. ☐ The time frame for constructing the geothermal heat exchange project, and, ☐ The duration of the project. ☐ Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Thomas J. Head, Land and Water Resource Analyst, Freeport McMoRan Chino Mines Company
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Applicant Signature

Thomas J. Head
Applicant Signature

ACTION OF THE STATE ENGINEER

This application is:

☑ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this 13th day of April 20 22, for the State Engineer,

Mike A. Hamman, P.E., State Engineer

By: Signature

Lloyd R. Valentine III
Print

Title: District 3 Manager
Print

RECEIVED OFFICE OF THE STATE ENGINEER ROSWELL, NEW MEXICO MAR 31 2022

FOR OSE INTERNAL USE

Application for Permit, Form WR-07

File No.: M-11649	Trn No.: T24347

ATTACHMENT
STATE ENGINEER CONDITIONS OF APPROVAL

FILE: M-11649

APPLICATION: M-11649-POD28 thru M-11649-POD47

APPLICANTS: Freeport-McMoRan Chino Mines Company c/o Tom Head

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

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2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
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4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. **It is the well owner's responsibility to ensure that the well driller files the well records.** The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD28 thru M-11649-POD47 shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than April 30, 2023.

   The well authorized by this permit shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be

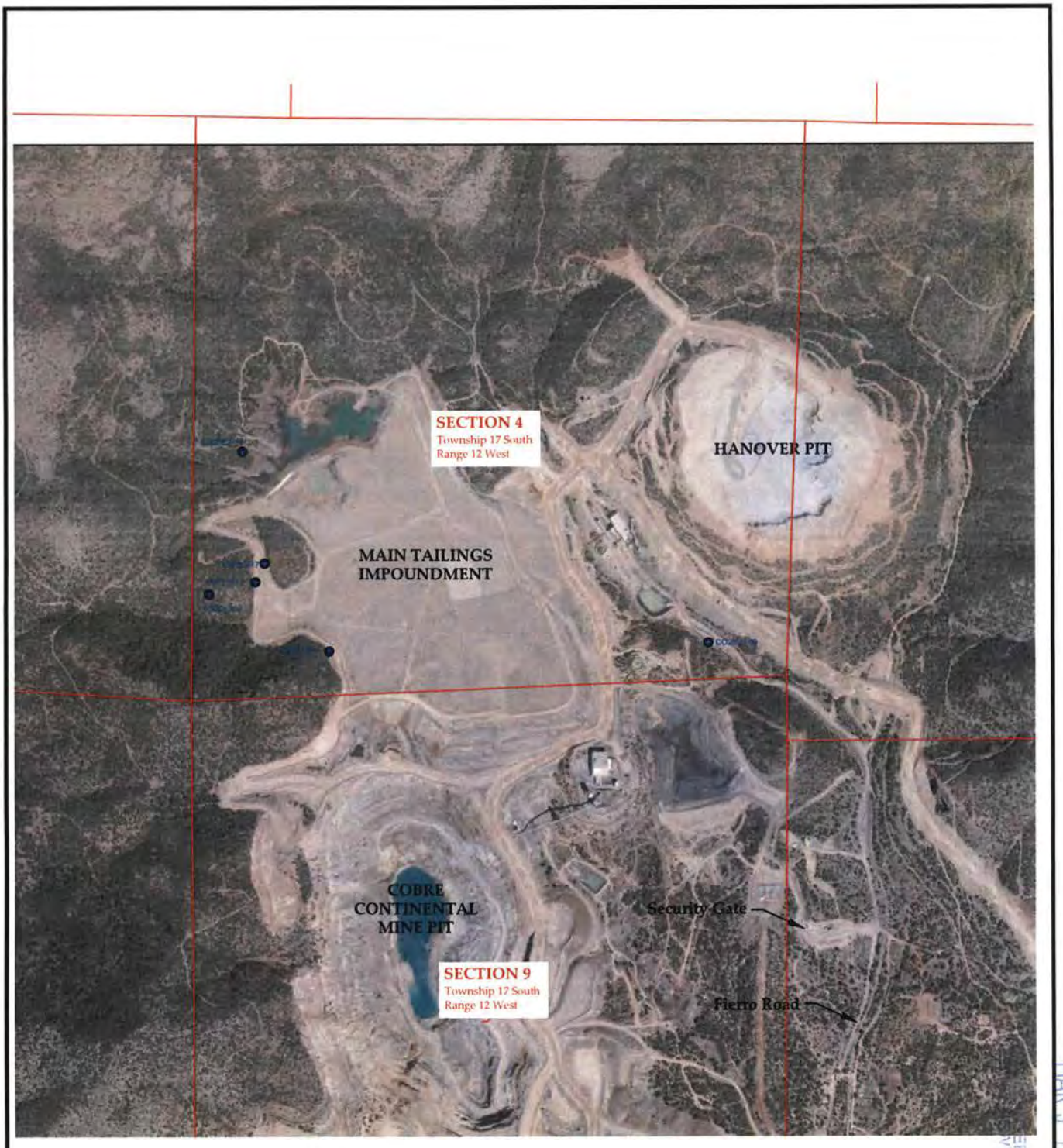
submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.

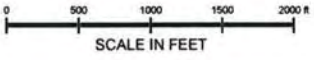
9. The State Engineer retains jurisdiction over this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before April 30, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on April 30, 2023.

Witness my hand and seal this 13th day of April, 2022.

Mike A. Hamman, P.E., State Engineer

Lloyd R. Valentine III
District 3 Manager





FREEPORT-McMoRan
CHINO MINES COMPANY

Proposed Mineral Exploration Drill Holes

Scale: As Noted	Date: 3-31-2022	Notes:
Dept. Environmental Services		
Drawn By: SMG	Checked By: TJH	

STATE OF NEW MEXICO

OFFICE OF THE STATE ENGINEER

DEMING

JOHN R. D'ANTONIO, JR., P.E.
State Engineer

Post Office Box 844
Deming, New Mexico 88031
(505) 546-2851
(505) 546-7452
Fax: (505) 546-2290

July 23, 2008

Freeport-McMoRan Copper & Gold
Chino Mines Company
Attn: Jerry Donaldson
Box 7
210 Cortez Avenue
Hurley, New Mexico 88043

Greetings:

This office is in receipt of your letter of June 30, 2008 wherein you request a variance from New Mexico Administration Code 19.27.4.30.C by establishing an approved plugging procedure to conserve time and resources of Freeport-McMoRan.

I have reviewed your proposed procedure of cementing any necessary monitor wells by grouting via a tremie line from the bottom up to the surface utilizing a pressure grout pump and cutting off the well head below land surface after plugging. Said grout to be mixed on site with 5 gallons of water per 94-pound sack of Portland cement. As this plan would meet artesian well plugging requirements, it is acceptable and therefore your variance is granted. Plugging records for monitor wells plugged under this variance shall be filed within 10 days of the completion of the plugging and shall include the completed Well Plugging Procedure form as proposed by Freeport-McMoRan in this variance request and a copy of this variance approval.

All necessary requirements placed on Freeport-McMoRan by the New Mexico Environment Department or any other administrative agency related to the plugging of any monitor wells shall be met.

This variance shall remain in effect until further notice from the Office of the State Engineer and shall be limited to the emergency plugging of monitor wells located within the Chino Mining Facility that would immediately impact mining operations.

If further discussion would be beneficial, please advise.

Sincerely,

Charles L. Jackson, MPA
District 3 Supervisor

CLJ:clj

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
District 3 Office, Deming, NM

MIKE A. HAMMAN, P.E.
STATE ENGINEER

321 W. Spruce
Deming, New Mexico 88030
Phone: (575) 546-2851
FAX: (575) 546-2290

April 13, 2022

FILE: M-11649

Freeport-McMoRan Chino Mines Company
c/o Tom Head
P.O. Box 10
Bayard, New Mexico 88023

Greetings:

Enclosed is your copy of Exploratory Well Permits M-11649-POD28 thru M-11649-POD47, which has been approved.

Your attention is called to the Conditions of Approval under permit M-11649-POD28 thru M-11649-POD47, which states as follows:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

1. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
2. Construction of a water well by anyone without a valid New Mexico Well Driller License is illegal, and the landowner shall bear the cost of plugging the well by a licensed New Mexico well driller. This does not apply to driven wells, the casing of which does not exceed two and three-eighths inches outside diameter.
3. Wells M-11649-POD28 thru M-11649-POD47 shall be drilled to a depth not to exceed 2700 feet and shall be constructed with casing not to exceed 6.0 inches in diameter.
4. The well driller must file the well records with the State Engineer and the applicant within 30 days after the wells are drilled or driven. **It is the well owner's responsibility to ensure that the well driller files the well records.** The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
5. Wells M-11649-POD28 thru M-11649-POD47 shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.
6. The wells authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance

shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than April 30, 2023.

The well authorized by this permit shall be plugged on or before April 30, 2023, unless the applicant has received an approved permit from the State Engineer for additional use.

7. Pursuant to Section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and his representatives' entry upon private property for the performance of their respective duties, including access to the wells for meter reading and water level measurement.
8. Pursuant to Section 72-2-16, NMSA 1978, if you are aggrieved by this decision, you may submit a request to this office asking for a hearing to be held. The request must be in writing and must be submitted no later than 30 days after receipt of this permit. Failure to request a hearing by such time will waive your right to request a hearing on this decision. In accordance with Subsection B of 19.25.2.10 NMAC, you will be required to pay a hearing fee when the hearing is announced by the OSE Hearings Unit. Aggrieval of the permit or any of the conditions of approval suspends the permit. **No water may be diverted** under an aggrieved permit until final resolution of the aggrieval with the Office of the State Engineer. Any water diverted while the aggrieval is pending will have to be repaid.
9. The State Engineer retains jurisdiction over this permit.
10. Well records shall be filed with the District 3 Office of the State Engineer on or before April 30, 2023.
11. No water shall be appropriated and beneficially used under this permit.
12. This permit shall automatically expire on April 30, 2023.

Sincerely,

Lloyd R. Valentine III
District 3 Manager

By:
Martin McMillan
Water Resources Manager
Mimbres Basin

MM:mm
cc: State Engineer

PS

MEMORANDUM

State Engineer
Deming, New Mexico
April 13, 2022

FILE M-11649

APPLICATION M-11649-POD28-EXPL thru M-11649-POD47-EXPL

POD M-11649-POD28 thru M-11649-POD47

TO Lloyd R. Valentine III

FROM Martin McMillan

SUBJECT Application for Permit to Drill Exploratory Wells

APPLICANT Freeport-McMoRan Chino Mines Company c/o Tom Head

COMMENTS

Application is made to drill fourteen exploratory wells in the Mimbres Underground Water Basin to be located as follows:

M-11649-POD28 (CO2022-01) to be located in the SW¼NW¼, Section 3, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'38.7" N and Longitude 108°04'43.3" W

M-11649-POD29 (CO2022-02) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'22.9" N and Longitude 108°05'08.7" W

M-11649-POD30 (CO2022-03) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'25.9" N and Longitude 108°05'08.7" W

M-11649-POD31 (CO2022-04) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'19.9" N and Longitude 108°05'08.7" W

M-11649-POD32 (CO2022-05) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'13.0" N and Longitude 108°05'08.7" W

M-11649-POD33 (CO2022-07) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'07.0" N and Longitude 108°05'08.7" W

M-11649-POD34 (CO2022-08) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'05.2" W

M-11649-POD35 (CO2022-09) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'01.7" W

M-11649-POD36 (CO2022-10) to be located in the SW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'12.3" W

M-11649-POD37 (CO2022-11) to be located in the NW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'19.9" N and Longitude 108°05'12.3" W

M-11649-POD38 (CO2022-12) to be located in the SW¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'16.0" N and Longitude 108°05'12.3" W

M-11649-POD39 (CO2022-27) to be located in the NW¼NW¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°50'59.1" N and Longitude 108°05'43.9" W

M-11649-POD40 (PS22-001) to be located in the NW¼NW¼, Section 9, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'01.5" N and Longitude 108°05'42.9" W

M-11649-POD41 (PS22-002) to be located in the SE¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'05.9" N and Longitude 108°05'38.2" W

M-11649-POD42 (CO2022-09) to be located in the SE¼SE¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'10.0" N and Longitude 108°05'01.7" W

M-11649-POD43 (CO2022-16) to be located in the NW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'26.8" N and Longitude 108°05'51.0" W

M-11649-POD44 (CO2022-17) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'16.9" N and Longitude 108°05'48.6" W

M-11649-POD45 (PS22_003) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'09.2" N and Longitude 108°05'41.8" W

M-11649-POD46 (PS22_011) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'15.3" N and Longitude 108°05'49.6" W

M-11649-POD47 (PS22_016) to be located in the SW¼SW¼, Section 4, Township 17 South, Range 12 West, N.M.P.M., at Latitude 32°51'14.2" N and Longitude 108°05'54.4" W

The application states as follows:

"A New Mexico licensed driller will be contractor to perform the work. The purpose of these drill holes are for the sole purpose of mineral exploration only. The first 10 feet of the holes will have casing. Casing will be removed upon completion of each drill hole. Holes will be plugged and abandoned when completed. Holes will be plugged as per Chino Variance"

CONSIDERATIONS

1. Application was filed in this office March 31, 2022.

2. No appropriation of water for beneficial use is applied for under this permit.

RECOMMENDATION

I recommend this application be approved subject to the following conditions:

This application is approved provided it is not exercised to the impairment of any others having existing rights prior to this application for permit for exploratory wells, further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

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6. The wells authorized by this permit shall be plugged completely using the following

method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 MNAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the State Engineer. The well shall be plugged with an Office of the State Engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than April 30, 2023.

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12. This permit shall automatically expire on April 30, 2023.

MM:mm
Encl: Application (3)

OK
4/13/22