



Tyrone Operations
P.O. Box 571
Tyrone, NM 88065

November 30, 2022

Certified Mail #70150640000476263872
Return Receipt Requested

Mr. Brad Reid
New Mexico Environment Department
Groundwater Quality Bureau
Mining Environmental Compliance Section
P.O. Box 5469
Santa Fe, NM 87502

Certified Mail #70150640000476263889
Return Receipt Requested

Mr. David Ohori
Energy, Minerals & Natural Resources Dept
Mining and Minerals Division
Mining Act Reclamation Program
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Messrs. Reid and Ohori:

Re: Freeport-McMoRan Tyrone Inc.; Little Rock Mine
Mining Act Permit No. GR007RE and Discharge Permit 1236
(DP-1236) Closure/Closeout Plan Financial Assurance (FA) Proposal

Freeport-McMoRan Tyrone Inc. (Tyrone) received a letter dated October 31, 2022, from the New Mexico Department of Energy Minerals and Natural Resources Mining and Minerals Division (MMD) providing a determination that the Closure/Closeout Plan for the Little Rock Mine is technically approvable. Tyrone submitted responses to additional New Mexico Environment Department (NMED) comments and an updated cost estimate related to those comments enclosed with a letter dated June 30, 2022. Tyrone subsequently received the renewal of DP-1236 with conditions consistent with the updated cost estimate referenced above.

The updated cost estimate was submitted to MMD, NMED and the Bureau of Land Management (BLM). The cost estimate submitted on June 30, 2022, is up-to-date and complete. Tyrone has no modifications to that estimate and proposes to provide financial assurance consistent with that estimate in the total amount of \$8,895,457. This amount has not been adjusted downward based on a "net present value" calculation, as is allowed by the applicable rules. Tyrone reserves the right to apply for a future reduction of the financial assurance amount based upon a net present value calculation.

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FA Proposal

Tyrone has provided a Surety Bond 022055762 by Liberty Mutual Insurance Company that incorporates all FA changes to date in the amount of \$4,158,815. Tyrone proposes to increase this surety bond to \$8,895,457. This instrument will fulfill the FA requirements of all three agencies – NMED, MMD and BLM.

Please respond with acceptance of this FA proposal so Tyrone may move forward with increasing the Surety Bond. Please contact me at (575) 313-3098 if you have questions.

Sincerely,

A handwritten signature in blue ink that reads "Thomas L. Shelley". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Thomas L. Shelley
Environmental Services Manager

TLS

20221130-102

c: Joseph Navarro - BLM