



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

January 22, 2024

Via Electronic &
Certified Mail #70203160000104768009
Return Receipt Requested

Ms. Carmen Rose
Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Program
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Ms. Rose:

Re: Minimal Impact Exploration Permit
Application Part 3 - Project Tyrone Peak

Attached is the Part 3 Minimal Impact Exploration Permit Application completed by Freeport-McMoRan Tyrone Inc. (Tyrone). All activities associated with this project will take place on Tyrone property located northeast of the Tyrone Mine. The project will consist of 36 holes drilled from a total of 19 drill pads. The total disturbance for this project including new roads and pads is 4.51 acres.

One overland pad (Pad TP23-I) is located within the GR010RE permit boundary on the surface of the Reclaimed No. 1 Stockpile and therefore was not included in the financial assurance or disturbance calculations of this permit application. Pad TP23-J is also located on an active reclamation cover material borrow area just north of the No. 1 Stockpile and will not create any additional disturbance. All drill holes included in this program will be plugged and abandoned and records sent to the Mining and Minerals Division prior to moving to the next series of drill holes. Please see the attached application for the GPS coordinates of the holes and their associated drill pads depicted on Figure 1.

Additional attachments to the application include the required WR-07 application for permits to drill, approved Plugging Plan of Operations on file with the New Mexico Office of State Engineer (OSE), and estimated financial assurance.

Ms. Carmen Rose
January 22, 2024
Page 2

Please contact Raechel Roberts at (575) 956-3290 or rroberts2@fmi.com if you have questions. Enclosed is the minimal impact permit application fee of \$500.00.

Sincerely,

For Raechel Roberts

Thomas L. Shelley
Environmental Services Manager

TLS:rmr
Enclosures
Ck#0001026633 - \$500.00
20240122-100

Freeport-McMoRan Inc.
 Attention: Accounts Payable
 333 N Central Ave, Room 23.306
 Phoenix, AZ. 85004

RETURN SERVICE REQUESTED

Check No. 0001026633
 Check Date 10/19/2023
 Check Amount \$500.00
 Vendor No. 0000805500
 Payment Reference No. 20608267521899



OD-000006 0001 0001 000016

STATE OF NEW MEXICO
 NM ENRGY MNRLS & NAT RES DPT
 1220 S SAINT FRANCIS DR
 SANTA FE, NM 87505-4225

PLEASE DIRECT ANY INQUIRIES
 TO THE AP HELP DESK:
 AP@FML.COM

Invoice Date	Invoice Number	PO#/Freeport Site/Description	Invoice Amount	Discount Amount	Net Amount
10/16/2023	10162023SL	FM Tyrone Mining LLC TYRONE PEAK EXPLORATION - NEW	\$500.00		\$500.00
TOTAL					\$500.00

PLEASE FOLD ON PERFORATION AND DETACH HERE

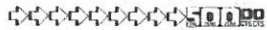
VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

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



0001026633
 October 19, 2023
 64-1278/611
 VOID AFTER 180 DAYS
 PAY IN US DOLLARS



Amount: **Five Hundred dollars and 00 cents**

****\$500.00****

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

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

AUTHORIZED SIGNATURE

PART 3
MINIMAL IMPACT EXPLORATION OPERATION
PERMIT APPLICATION

Accompanying instructions for this permit application are available from MMD, and on MMD webpage:

<http://www.emnrd.state.nm.us/MMD/MARP/MARPAApplicationandReportingForms.htm>

Send 6 copies of the completed application to:

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Director
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400

Webpage: www.emnrd.state.nm.us/MMD/index.htm

CHECK OFF LIST TO DETERMINE YOUR PROJECT'S STATUS AS A MINIMAL IMPACT EXPLORATION OPERATION:

- Yes No My project **will exceed 1000 cubic yards of excavation**, per permit.
- Yes No Surface disturbances for constructed roads, drill pads and mud pits **will exceed 5 acres** total for my project.
- Yes No My project is located in or is expected to have a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers reservoirs or riparian areas.
- Yes No My project is located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in an adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, section 75-6-1 NMSA 1978.
- Yes No My project is located in an area designated as Federal Wilderness Area,

Wilderness Study Area, Area of Critical Environmental Concern, or an area within the National Wild and Scenic River System.

- Yes No My project is located in a known cemetery or other burial ground.
- Yes No My project is located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties.
- Yes No My project will or is expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10,000 mg/L, except exploratory drilling intersecting ground water may be performed as a minimal impact operation.
- Yes No My project is expected to use or using cyanide, mercury amalgam, heap leaching or dump leaching in its operations.
- Yes No My project is expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area.
- Yes No My project requires a variance from any part of the Mining Act Rules as part of the permit application.

If you answer yes to any of the above questions, your project does not qualify as a minimal impact exploration operation.

Confidential Information

- Yes No Is any of the information submitted in this application considered by the applicant to be confidential in nature? If yes, please provide this information separately and marked as "confidential."

Timeline

- Exploration applications must be provided no less than 45 days prior to the anticipated date of operations desired by the applicant.
- Renewal applications shall be filed at least 30 days preceding expiration of the current permit. Permits are valid for one year.
- Approved permit is valid for one year from the date of approval.

SECTION 1 – OPERATOR INFORMATION (§304.D.1)

Project Name: Tyrone Peak

Nearest Town To Project: Tyrone, NM 88065

Applicant Name and Contact Information (entity obligated under the Mining Act):

Name: Freeport McMoRan-Tyrone Mining, LLC

Address: P.O. Box 571 Tyrone, NM 88065

Office Phone: 575-912-5231

Cell Phone: 575-956-3290

Fax Number: _____

Email: rroberts2@fmi.com

Name of On-Site Contact, Representative, or Consultant:

Name: Raechel Roberts

Address: Same as above

Office Phone: same as above

Cell Phone: same as above

Fax Number: _____

Email: _____

SECTION 2 – RIGHT TO ENTER INFORMATION (§302.D.1)

A. Describe or attach copies of documents that give the applicant the right to enter the property to conduct the exploration and reclamation, include: lease agreements, access agreements, right of way agreements, surface owner agreements, and claim numbers, if applicable.

Applicant owns all property. See Figure 1.

Attachment _____

B. List the names and addresses of surface and mineral ownership within the proposed permit area. If the mineral is federal mineral, indicate as federal mineral, but provide the name of the claim holder or lease holder.

Surface Estate Owner(s):

Name	Address	Phone #
<input type="checkbox"/> U.S. BLM	_____	_____
<input type="checkbox"/> U.S. Forest Service	_____	_____
<input type="checkbox"/> State of NM	_____	_____
<input checked="" type="checkbox"/> Private/Corporate	_____	575-313-0913
Freeport McMoRan Tyrone Name: <u>Mining, LLC</u>	<u>P.O. Box 571 Tyrone, NM 88065</u>	
<input type="checkbox"/> Other	_____	_____
Name: _____	_____	

Lease Holder(s) of Surface Estate (if applicable):

Name	Address	Phone #
_____	_____	_____
_____	_____	_____
_____	_____	_____

Mineral Estate Owner(s):

Name	Address	Phone #
<input type="checkbox"/> Bureau of Land Management	_____	_____
<input type="checkbox"/> US Forest Service	_____	_____
<input type="checkbox"/> State of NM	_____	_____
<input checked="" type="checkbox"/> Claim/Lease Holder Freeport McMoRan Tyrone Name: <u>Mining, LLC</u>	<u>P.O. Box 571 Tyrone, NM 88065</u>	<u>575-313-0913</u>
Claim Numbers: _____		
<input type="checkbox"/> Claim/Lease Holder	_____	_____
Name: _____	_____	
Claim Numbers: _____		
<input type="checkbox"/> Other	_____	_____
Name: _____	_____	

C. Has a Cultural Resource Survey been performed on the site? Yes No

If yes, please provide the author, title, date and report number, and include a copy of the survey with this application, if possible:

A cultural resource survey has been scheduled for January 9-11 of 2024.

Attachment NA

D. Has a wildlife survey or vegetation survey been performed for the permit area?

Yes No If yes, please provide the author, title, date and report number, and include a copy of the survey with this application, if possible:

A biological evaluation has been scheduled for January 9-11 of 2024.

Attachment NA

SECTION 3 – MAPS AND PROJECT LOCATION (§302.D.2)

A. Project Location:

Township 19S Range 15W Section 13
 Township 19S Range 14W Section 17
 Township 19S Range 14W Section 18

List the drill hole/exploration name and the GPS coordinates for each site.

I.D. Number	Northing / Latitude	Easting / Longitude	I.D. Number	Northing / Latitude	Easting / Longitude
See Attachment C for drill hole information					

Coordinate system used to collect GPS data points:

- NAD83 Geographic
- NAD83 UTM Zone 13 (or 12)
- WGS 1984
- NAD27 Geographic
- NAD27 UTM Zone 13 (or 12)
- Other: _____

Attachment C (for listing additional boreholes)

B. Maps (see application form instructions for examples of maps to be included):

Are topographic maps included with the application that show the following items:

- Yes – The boundary of the proposed exploration project Permit Area
- Yes – The proposed exploration locations (i.e., borehole locations)
- Yes – Existing roads, new roads and overland travel routes
- Yes N/A – Areas of proposed road improvement

Attachments Figure 1

Are maps or figures included with the application showing the approximate dimensions and locations of drill pads and other disturbances:

- Yes – Drill pad dimensions and constructed drill pad locations

Attachments Figure 2

C. Provide detailed driving directions to access the site:

From Silver City, NM, go south on HWY 90. Turn right on the Tyrone Mine road and proceed to the front security gate. The exploration site is accessible through the Tyrone Mine underpass and via the Reclaimed No. 1 Stockpile maintenance roads.

SECTION 4 – EXPLORATION DESCRIPTION (§302.D.3 & 4)

A. Anticipated exploration: Start Date: 04.01.2024 End Date: 10.31.2024
B. List the mineral(s)/element(s) to be explored for: Copper

C. Proposed method(s) of exploration:

Air drilling (air rotary, coring, etc.):

5 # of holes 1000 Depth (ft.) 3.5 Diameter (in.)

5 # of drill pads 100 Length (ft.) 80 Width (ft.)

Will drill pads be graded/bladed or overland: Graded/bladed Overland

Will drill pads need some mechanical leveling (grading/blading): Yes No

Approx. Weight of Drill Rig (lbs.) 18,500 Number of Axles: 2

Total length of drill stem that can be carried on the rig: 10 feet

Is a support pipe truck anticipated? Yes No 33,000 Weight (lbs.)

Weight of support compressor (lbs.): n/a Trailer mounted? n/a

Anticipated Drilling Contractor: Layne License No. WD-1854

Mud/fluid drilling:

31 # of holes 1000 Depth (ft.) 5.5 Diameter (in.)

14 # of drill pads 100 Length (ft.) 80 Width (ft.)

Will drill pads be graded/bladed or overland: Graded/bladed Overland

Will drill pads need some mechanical leveling (grading/blading): Yes No

Will a closed loop system be used or will mud/fluid pits be used? Pits will be used

If mud/fluid pits are proposed:

19 # of pits 20 Length (ft.) 10 Width (ft.) 8 Depth (ft.)

Anticipated excavating equipment: Backhoe or trackhoe

How will excavating equipment be transported to the site (i.e., driven, low-boy, etc.):

Driven

Will mud pits be lined?: Yes No

If yes, proposed material to line the mud pits: Visqueen lining

Approx. Weight of Drill Rig (lbs.) 18,500 Number of Axles: 2

Anticipated Drilling Contractor: Layne License No. WD-1854

Test pits / exploratory trenches:

0 # of pits _____ Length (ft.) 80 Width (ft.) _____ Depth (ft.)

Anticipated excavating equipment: NA

How will excavating equipment be transported to the site (i.e., driven, low-boy, etc.):

NA

Other methods of exploration (i.e., cuts, shafts, tunnels, adits, declines, blasting, etc.). Indicate method and details:

NA

TOTAL ACREAGE TO BE DISTURBED DUE TO DRILL PADS = 3.12 acres
(to convert to acres, multiply total square footage of drill pads by 0.0000229)

D. Disposal of drill cuttings

If this exploration project is for uranium or other radioactive elements/minerals, applicant agrees to perform a gamma radiation survey at each drill site prior to, and after, exploration activities. Applicant/Owner/Operator agrees to restore gamma radiation levels at each drill site to pre-exploration levels. Yes No N/A

Will excess drill cuttings be buried at each drill site location or within a single disposal pit?
 At each drill pad location Within a single disposal pit

If a single disposal pit is proposed, please provide the following:

Description or GPS coordinates of the proposed cuttings disposal pit location:

Dimensions of the single proposed cuttings disposal pit (length, width, and depth):

_____ Length (ft.) _____ Width (ft.) _____ Depth (ft.)

TOTAL ACREAGE TO BE DISTURBED DUE TO DISPOSAL PIT = 0 _____ acres
 (to convert to acres, multiply total square footage of disposal pit by 0.0000229)

E. Other Supporting Equipment (check all that apply):

- | | | | |
|-------------------------------------|--------------------------|----------------|-------------------|
| <input checked="" type="checkbox"/> | 4x4 Trucks/Vehicles | Quantity: | 6 |
| <input checked="" type="checkbox"/> | Water Truck | Weight (lbs.): | 46,000 |
| <input checked="" type="checkbox"/> | Geophysical Truck | Weight (lbs.): | 9,900 |
| <input checked="" type="checkbox"/> | Pipe Truck (rig support) | Weight (lbs.): | 35,000 |
| <input type="checkbox"/> | Bulldozer | Type: | _____ |
| <input type="checkbox"/> | Backhoe | Type: | _____ |
| <input type="checkbox"/> | Trackhoe | Type: | _____ |
| <input checked="" type="checkbox"/> | Scaper/Grader | Type: | 75,000 |
| <input checked="" type="checkbox"/> | Trailers | Quantity/Type: | 1 flatbed utility |
| <input checked="" type="checkbox"/> | Portable Toilet | Quantity: | 1 |
| <input type="checkbox"/> | Other | List: | _____ |
| | | | _____ |
| | | | _____ |
| | | | _____ |
| | | | _____ |

F. Roads and Overland Travel:

List of new roads to be constructed for this exploration project:

Description of <i>NEW</i> Roads	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
Road segment from TP23-A to TP23-S	1478	15	0.50
Road segment from HWY 90 to TP23-B	227	15	0.08
Road segment to TP23-G	1317	15	0.45
Road segment to TP23-K	72	15	0.02
Road segment to TP23-P	153	15	0.05
Alternative road extension to TP23-U from east side	831	15	0.29
TOTAL ACRES DISTURBED BY NEW ROAD CONSTRUCTION :			1.39

Describe how new roads will be constructed:

Roads will be pushed in using a dozer.

List for extension or widening of existing roads:

Description of Modification to <i>EXISTING</i> Roads	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
TOTAL ACRES DISTURBED BY ROAD IMPROVEMENTS :			0

Describe how existing roads will be extended or widened:

List for routes of overland travel:

Description of <i>OVERLAND TRAVEL</i> Routes	Length (ft.)	Width (ft.)	Total Acres (length x width x 0.0000229)
TOTAL ACRES DISTURBED BY OVERLAND TRAVEL :			0

G. Support Facilities

Describe (location and size) any support facility disturbances (equipment staging, equipment and material storage and/or lay down areas, vehicle parking, temporary housing and/or trailers) to be created or situated on the site during exploration operations.

H. **TOTAL ACREAGE TO BE DISTURBED BY PROJECT = 4.51 acres**
 (include all disturbed acreage from drill pads, cuttings disposal pit, new roads, improved roads and overland travel routes)

SECTION 5 – CHEMICAL USE (§302.D.4)

A. Check any and all chemicals that will be used for this project.

<input checked="" type="checkbox"/> Drilling Mud (i.e., EZ Mud)	Type/Quantity: EZ Mud 2,000lbs
<input checked="" type="checkbox"/> Diesel Fuel	Quantity: ~5,000 gal
<input type="checkbox"/> Down-hole Lubricants	Type/Quantity: _____
<input type="checkbox"/> Lost Circulation Materials	Type/Quantity: _____
<input checked="" type="checkbox"/> Oils/Grease	Quantity: 50 tubes of grease
<input checked="" type="checkbox"/> Gasoline	Quantity: ~3,000 gal
<input checked="" type="checkbox"/> Hydraulic Fluid	Quantity: 10 Gal
<input type="checkbox"/> Ethylene Glycol	Quantity: _____
<input checked="" type="checkbox"/> Cement	Type/Quantity: 1,200 lbs
<input checked="" type="checkbox"/> Water	Source: Tyrone Water Fill Station
<input checked="" type="checkbox"/> Bentonite	Quantity: 2,000 lbs
<input type="checkbox"/> Fertilizer	Type/Quantity: _____
<input type="checkbox"/> Other	Type/Quantity: _____

B. Describe, in detail, a plan for the containment, use and disposal of all chemicals listed above:

Oil and other chemicals will be stored on mobile plastic containment basins. Used oil, oily rags, filters, etc will be transported to the Tyrone mine oil disposal areas at the heavy duty truck shop. All other chemicals including aerosols will also be disposed at the Tvrone mine. +

C. Describe where equipment fueling/refueling will occur:

Equipment fueling will occur for light vehicles, pipe, and water trucks within the Tyrone Mine Shop area. Drill rigs will be fueled on their respective drill sites with a mobile truck bed diesel fuel pump.

D. Describe how hazardous material spills/leaks will be handled:

All spills will be reported to the Tyrone environmental department immediately who will direct communications from that point further.

E. Identify spill cleanup materials that will be kept on-site (check all that apply):

- Bentonite clay or cat litter
- Adsorbent pads, rolls, mats, socks, pillows, dikes, etc.
- Drum or barrel for containing contaminated soil/adsorbent materials
- Other/list: _____
- Other/list: _____
- Other/list: _____

F. Applicant/owner/representative agrees to immediately notify the State of New Mexico immediately of any spills of hazardous materials (see page 1 of this application for phone numbers to notify): Yes No

**SECTION 6 – GROUNDWATER/SURFACE WATER INFORMATION
(§302.D.5)**

- A. Provide an estimate of depth to ground water and the total dissolved solids (TDS) concentration.

Depth to groundwater (ft.): 300-600 TDS concentration (mg/L): 250-500

Describe the source of this information:

Referenced the following report: Trauger, F.D. 1972. Water resources and general geology of Grant County, New Mexico. Prepared in cooperation with U.S. Geological Survey, New Mexico State Engineer Office, and Grant County Commission. New Mexico State Bureau of Mines and Mineral Resources, Hydrologic Report 2.

- B. Will dewatering activities be conducted: Yes No

If yes, please describe:

- C. Is groundwater anticipated to be encountered during exploration: Yes No

If **YES**:

Have you completed Form WR-07 (Application for permit to drill a well with no consumptive use of water) and mailed it to the District Office of the State Engineer? Yes

Have you completed Form WD-08 (Well plugging plan of operations) and mailed it to the District Office of the State Engineer? Yes

Attachment ^A _____ (copies of the completed WR-07 and WD-08 forms)

- D. Exploration Borehole Abandonment

Dry Boreholes

- Dry hole abandonment (option 1): 100% bentonite pellets/chips (i.e. HOLEPLUG® manufactured by Baroid Industrial Products), dropped from surface then hydrated in place according to the manufacturer's recommendations, emplaced from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.

- Dry hole abandonment (option 2): Neat cement slurry, mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.
- Dry hole abandonment (option 3): Cement + 6% bentonite slurry, mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.
- Dry hole abandonment (option 4): High-density bentonite clay ($\geq 20\%$ active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.
- Dry hole abandonment (option 5): Other materials / describe and justify use:

Wet Boreholes

- Wet hole abandonment (option 1): Neat cement slurry, mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 2 feet of the original ground surface, followed by 2 feet of topsoil/topdressing.
- Wet hole abandonment (option 2): High-density bentonite clay ($\geq 20\%$ active solids; i.e. QUIK-GROUT® manufactured by Baroid Industrial Products), mixed according to the manufacturer's recommendations, emplaced with a tremie pipe from total depth to within 12 feet of the original ground surface, followed by 10 feet of neat cement, followed by 2 feet of topsoil/topdressing.
- Wet hole abandonment (option 3): Other sealing material approved by the Office of the State Engineer. Describe and include well plugging plan approval by the State Engineer:

- D. Applicant agrees to contain any water produced from the exploration borehole at the drill site and acknowledges that discharge of this water to a watercourse may be a violation of the Federal Clean Water Act: Yes No

E. Is any drilling proposed to occur within the channel of any perennial, intermittent, or ephemeral streams? Yes No

F. Is any drilling anticipated to occur within 100 feet of any perennial, intermittent, or ephemeral streams? Yes No

**SECTION 7 – RECLAMATION & OPERATION PLAN
(§302.D.6 AND 302.I.K)**

A. Salvage/Preservation of Topsoil

Before any grading/blading or similar activities occur in relation to this project, operator agrees to salvage and preserve all topsoil and topdressing for use in future reclamation of this project Yes No

Describe how topsoil will be salvaged prior to initiation of exploration activities (check all that apply):

- N/A – no construction work will occur, therefore no soil salvage is needed.
- Excavated from drill pads and stored at each drill pad
- Excavated from road improvements/construction and stored adjacent to road
- Excavated from mud/fluid pits and storage at each pit
- Other, describe:

B. Erosion Control

Describe the best management practices that will be implemented to control erosion:

- Silt fencing Location: _____
- Straw wattles Location: To be determined in the field
- Straw bales Location: To be determined in the field
- Ditches/swales Location: To be determined in the field
- Berms/dikes/dams Location: Drill pads, roads, and mud pits
- Sediment basins Location: _____
- Other or N/A Type/Location: _____

C. Wildlife Protection / Noxious Weed Prevention

Will the perimeter of drill pits be fenced to prevent wildlife entrapment? Yes No

Proposed pit perimeter fence material:

Metal fence panels at all times and plastic tarps over mud pits unless in use. Pit will be backfilled upon completion of drilling.

Describe how the pit perimeter fencing will be installed and secured (i.e., T-posts, wooden stakes, etc.):

Metal panels stand upright by design and stakes will be used to secure tarps.

Will at least one side of the interior of the drill pits be sloped at 3:1 as a ramp for wildlife escape? Yes No

If No, will another type of constructed escape ramp be installed? Describe:

Applicant/Owner/Operator commits to pressure-washing or steam-clean all equipment prior to entering the permit area: Yes No

D. Reclamation Details

Describe in general how re-contouring or re-establishment of the surface topography will be restored:

Backfill, regrade drill sites, and rip if necessary. Roads will be regraded and ripped to prevent erosion. All sites will be re-seeded.

Describe how the reclamation of portals, adits, drilling fluid/mud and/or waste pits, shafts, ponds, roads and other disturbances will be performed:

N/A

Is seeding of the reclaimed areas proposed: Yes No

If no, provide a justification as to why no revegetation is needed:

Plant mix to be used in the re-establishment of vegetation:

US Forest Service specified mix applied through broadcast at their recommended rate

BLM specified mix applied through broadcast at their recommended rate

Other:

Plant Name	Seeding Rate (lbs./acre)
<u>Blue grama</u>	<u>1</u>
<u>Sideoats grama</u>	<u>2</u>
<u>Sand dropseed</u>	<u>0.25</u>
<u>Indian ricegrass</u>	<u>2</u>
<u>Purple prairie clover</u>	<u>2</u>
<u>Scarlet globemallow</u>	<u>1</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Broadcast applied or drill-seeded: Broadcast Drill-seeded

Scarification Methods (check all that apply):

- Primary tillage to greater than 6-inches depth of all constructed drill pads and roads
- Secondary tillage of all constructed drill pads and roads, and/or overland travel routes
- Chain drag or tire drag over seeds in areas used for overland travel
- Light raking of soil over seeds in areas used for overland travel
- None
- Other/describe:

Rip with blade 4-6 inches prior to seeding

Mulch Use:

- Certified weed-free straw mulch will be placed over areas that have been tilled/disc'd or ripped at a rate of 2 tons per acre, and will be crimped in place
- No mulch is proposed

E. Reclamation Timeline

Applicant/Owner/Operator commits to reclamation of the disturbed area as soon as possible following the completion or abandonment of the exploration operation, unless the disturbed area is included within a complete permit application for a new mining permit:

- Yes No

Anticipated Start of Reclamation:

- 0-30 days after completion of drilling
- 31-60 days after completion of drilling
- Other/specify: Earthwork will commence asap and seeding in May-October to coincide with precipitation and project completion

**SECTION 8 – PERMIT FEES AND FINANCIAL ASSURANCE
(§302.1.2 AND 5)**

A. Financial assurance must be posted with Mining and Minerals Division prior to approval of this application. The acceptable forms of financial assurance are surety bonds, letters of credit, and certificates of deposit. Provide an estimate of, and an instrument for, the proposed financial assurance required by Subpart 3.

- Surety Bond
- Letter of Credit
- Cash Account / Certificate of Deposit

Estimated amount of financial assurance: See Attachment B

Or

Applicant will provide the amount of financial assurance calculated by MMD.

B. Attach the permit fees as determined pursuant to Subpart 2. The application fee for a minimal impact exploration permit is \$500.00.


- Money Order/Cashier's Check
- Check

Check Number : 0001026633

Financial Institution: Bank of America

SECTION 9 – CERTIFICATION REQUIREMENT (§302.I.3 & 4)

I certify that I have personally examined and am familiar with the information submitted herein, and based on my inquiry of those individuals responsible for obtaining the information; I believe the submitted information is true, accurate, and complete. I agree to comply with the reclamation requirements set forth in this permit application and related correspondence, the New Mexico Mining Act and the Rules. Further, I certify that I am not in violation of any other obligation under the New Mexico Mining Act or the Rules adopted pursuant to that Act and I allow the Director to enter the permit area, without delay, for the purposes of conducting inspections during exploration and reclamation.

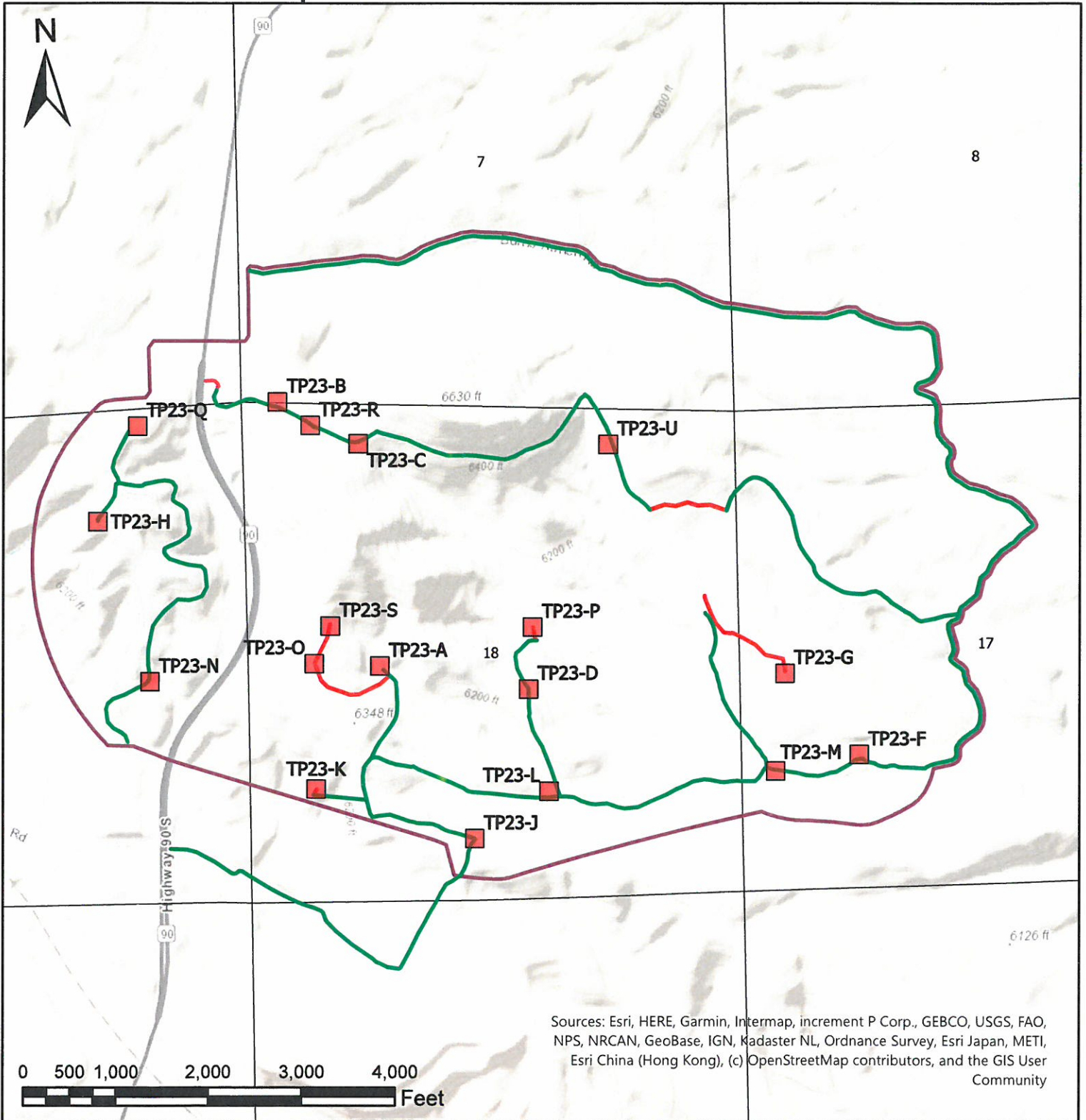
Signature of Permittee or Authorized Agent: 

Name (type or print): Raechel Roberts

Title/Position: Senior Environmental Scientist

Date: 1/11/2024

2024 Tyrone Peak Drilling: Proposed Drill Sites and Road Access



Coordinate System: WGS 1984
Scale: 1:17,000

- Proposed Drill Pads
- New Road
- Existing Road
- Exploration Project Permit Area
- Sections

Figure 1

Note: All property within the exploration project permit area is owned by Freeport McMoRan - Tyrone Mining, LLC except the extension of Highway 90S.

Typical Drill Site Layout

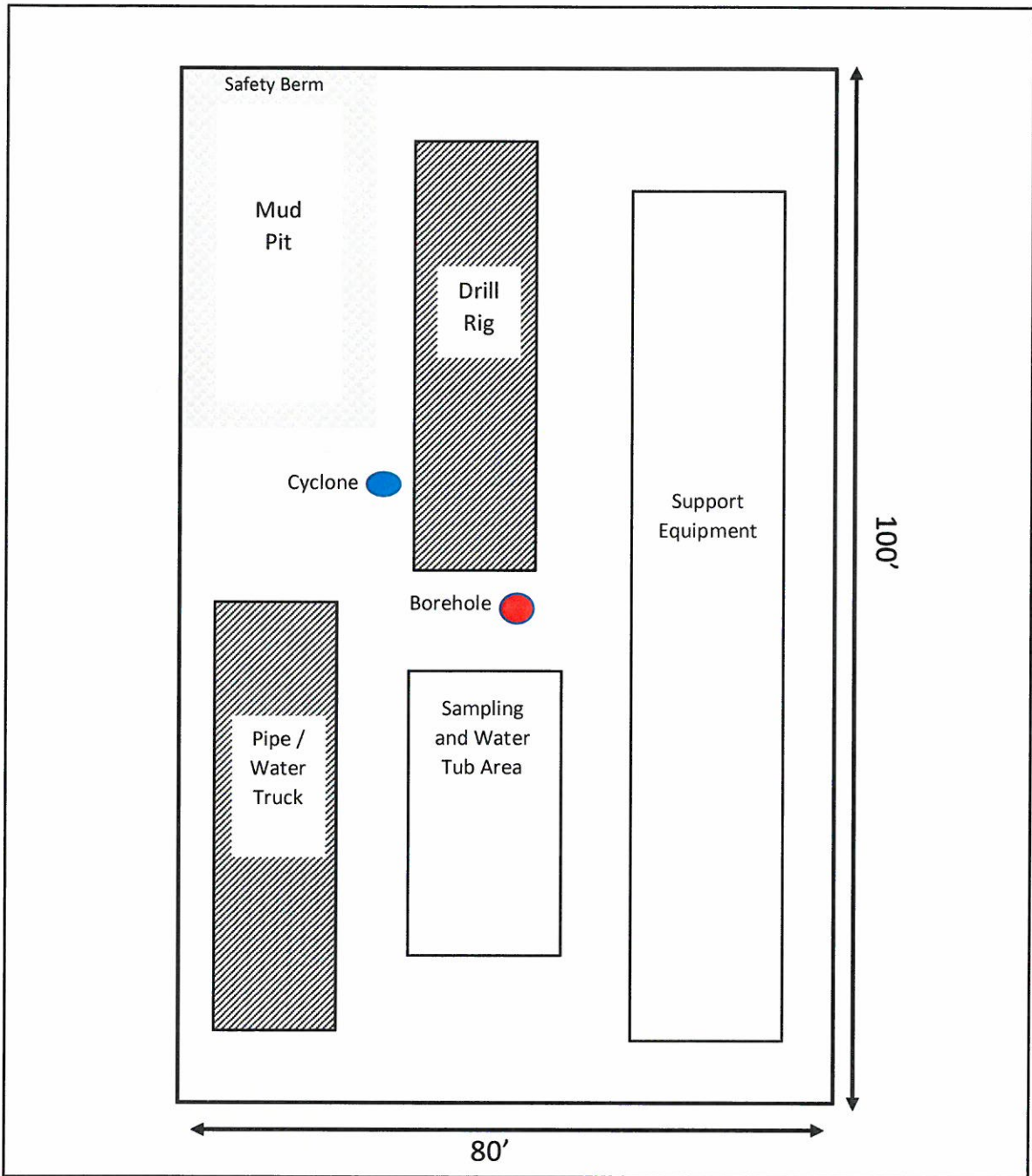


Figure 2

Attachment A
OSE Documentation

File No.

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:	<input type="checkbox"/> Pollution Control And/Or Recovery	<input type="checkbox"/> Ground Source Heat Pump
<input type="checkbox"/> Exploratory Well*(Pump test)	<input type="checkbox"/> Construction Site/Public Works Dewatering	<input checked="" type="checkbox"/> Other(Describe): Mineral Exploration
<input type="checkbox"/> Monitoring Well	<input type="checkbox"/> Mine Dewatering	

A separate permit will be required to apply water to beneficial use regardless if use is consumptive or nonconsumptive.
*New Mexico Environment Department-Drinking Water Bureau (NMED-DWB) will be notified if a proposed exploratory well is used for public water supply.

<input type="checkbox"/> Temporary Request - Requested Start Date:	Requested End Date:
--	---------------------

Plugging Plan of Operations Submitted? Yes No

1. APPLICANT(S)

Name: Tyrone Mining, LLC	Name:
Contact or Agent: <input checked="" type="checkbox"/> check here if Agent	Contact or Agent: <input type="checkbox"/> check here if Agent
Ty Bays	
Mailing Address: P.O. Box 571	Mailing Address:
City: Tyrone	City:
State: NM	State:
Zip Code: 88065	Zip Code:
Phone: 575-912-5757 <input checked="" type="checkbox"/> Home <input type="checkbox"/> Cell	Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell
Phone (Work): 575-313-0913	Phone (Work):
E-mail (optional): tbays@fmi.com	E-mail (optional):

FOR OSE INTERNAL USE

Application for Permit, Form WR-07, Rev 07/12/22

File No.:	Trn. No.:	Receipt No.:
Trans Description (optional):		
Sub-Basin:	PCW/LOG Due Date:	

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) UTM (NAD83) (Meters) Lat/Long (WGS84) (to the nearest 1/10th of second)
 NM West Zone Zone 12N
 NM East Zone Zone 13N
 NM Central Zone

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
TP23-A	108° 20' 02.9123" W	32° 39' 15.8016" N	
TP23-B	108° 20' 14.9261" W	32° 39' 44.2562" N	
TP23-C	108° 20' 04.9924" W	32° 39' 39.6017" N	
TP23-D	108° 19' 44.1776" W	32° 39' 12.9491" N	
TP23-F	108° 19' 02.8103" W	32° 39' 05.0664" N	

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:

Well is on land owned by:

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

If yes, how many 36

Approximate depth of well (feet): 1,200

Outside diameter of well casing (inches): 5.5

Driller Name: LAYNE

Driller License Number: WD-1854

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

FOR USE INTERNAL USE

Application for Permit, Form WR-07 Version 07/12/22

File No.:	Trn No.:
-----------	----------

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:

<p>Exploratory: Is proposed well a future public water supply well? <input type="checkbox"/> Yes <input type="checkbox"/> NO If Yes, an application must be filed with NMED-DWB, concurrently. <input type="checkbox"/> Include a description of the requested pump test if applicable.</p>	<p>Pollution Control and/or Recovery: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for the pollution control or recovery operation. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The annual diversion amount. <input type="checkbox"/> The annual consumptive use amount. <input type="checkbox"/> The maximum amount of water to be diverted and injected for the duration of the operation. <input type="checkbox"/> The method and place of discharge. <input type="checkbox"/> The method of measurement of water produced and discharged. <input type="checkbox"/> The source of water to be injected. <input type="checkbox"/> The method of measurement of water injected. <input type="checkbox"/> The characteristics of the aquifer. <input type="checkbox"/> The method of determining the resulting annual consumptive use of water and depletion from any related stream system. <input type="checkbox"/> Proof of any permit required from the New Mexico Environment Department. <input type="checkbox"/> 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.</p>	<p>Construction De-Watering: <input type="checkbox"/> Include a description of the proposed dewatering operation, <input type="checkbox"/> The estimated duration of the operation, <input type="checkbox"/> The maximum amount of water to be diverted, <input type="checkbox"/> A description of the need for the dewatering operation, and, <input type="checkbox"/> A description of how the diverted water will be disposed of.</p> <p>Ground Source Heat Pump: <input type="checkbox"/> Include a description of the geothermal heat exchange project, <input type="checkbox"/> The number of boreholes for the completed project and required depths. <input type="checkbox"/> The time frame for constructing the geothermal heat exchange project, and, <input type="checkbox"/> The duration of the project. <input type="checkbox"/> Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.</p>	<p>Mine De-Watering: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for mine dewatering. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The source(s) of the water to be diverted. <input type="checkbox"/> The geohydrologic characteristics of the aquifer(s). <input type="checkbox"/> The maximum amount of water to be diverted per annum. <input type="checkbox"/> The maximum amount of water to be diverted for the duration of the operation. <input type="checkbox"/> The quality of the water. <input type="checkbox"/> The method of measurement of water diverted. <input type="checkbox"/> The recharge of water to the aquifer. <input type="checkbox"/> Description of the estimated area of hydrologic effect of the project. <input type="checkbox"/> The method and place of discharge. <input type="checkbox"/> An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. <input type="checkbox"/> A description of the methods employed to estimate effects on surface water rights and underground water rights. <input type="checkbox"/> Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.</p>
<p>Monitoring <input type="checkbox"/> The reason and duration of the monitoring is required.</p>			

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Tycove Mining, Lh C
Print Name(s)

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

[Signature]
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 _____ day of _____ 20 _____, for the State Engineer,

_____, State Engineer

By: _____
Signature

Print

Title: _____
Print

FOR OSE INTERNAL USE

Application for Permit, Form WR-07 Version 07/12/22

File No.:	Trn No.:
-----------	----------



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: <input type="checkbox"/> Move-From Point of Diversion(s) <input type="checkbox"/> Move-To Point of Diversion(s)		b. Information on Attachment(s): Number of points of diversion involved in the application: <u>36</u> Total number of pages attached to the application: <u>4</u>	
<input type="checkbox"/> Surface Point of Diversion OR <input type="checkbox"/> 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), <u>or</u> Lat/Long (WGS84)			
NM State Plane (NAD83) (feet) NM West Zone <input type="checkbox"/> NM Central Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/>	UTM (NAD83) (meters) Zone 13N <input type="checkbox"/> Zone 12N <input type="checkbox"/>	<input checked="" type="checkbox"/> Lat/Long- (WGS84) 1/10 th of second	OTHER (allowable only for move-from descriptions - see application form for format) <input type="checkbox"/> PLSS (quarters, section, township, range) <input type="checkbox"/> Hydrographic Survey, Map & Tract <input type="checkbox"/> Lot, Block & Subdivision <input type="checkbox"/> Grant
POD Number: TP023-AK	X or Longitude 108° 20' 31.7592" W	Y or Latitude 32° 39' 14.7133" N	Other Location Description:
POD Number: TP023-AL	X or Longitude 108° 19' 43.4752" W	Y or Latitude 32° 39' 19.5580" N	Other Location Description:
POD Number: TP023-AM	X or Longitude 108° 20' 11.2580" W	Y or Latitude 32° 39' 02.8360" N	Other Location Description:
POD Number: TP023-AN	X or Longitude 108° 20' 02.9123" W	Y or Latitude 32° 39' 15.8016" N	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:	Trn Number:
Trans Description (optional):	



NEW MEXICO OFFICE OF THE STATE ENGINEER



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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), <u>or</u> Lat/Long (WGS84)			
NM State Plane (NAD83) (feet) NM West Zone <input type="checkbox"/> NM Central Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/>	UTM (NAD83) (meters) Zone 13N <input type="checkbox"/> Zone 12N <input type="checkbox"/>	<input checked="" type="checkbox"/> Lat/Long-- (WGS84) 1/10 th of second	OTHER (allowable only for move-from descriptions - see application form for format) <input type="checkbox"/> PLSS (quarters, section, township, range) <input type="checkbox"/> Hydrographic Survey, Map & Tract <input type="checkbox"/> Lot, Block & Subdivision <input type="checkbox"/> Grant
POD Number: TP023-AB	X or Longitude 108° 20' 11.1082" W	Y or Latitude 32° 39' 16.2272" N	Other Location Description:
POD Number: TP023-AC	X or Longitude 108° 20' 11.1082" W	Y or Latitude 32° 39' 16.2272" N	Other Location Description:
POD Number: TP023-AD	X or Longitude 108° 20' 09.0078" W	Y or Latitude 32° 39' 20.1960" N	Other Location Description:
POD Number: TP023-AE	X or Longitude 108° 20' 37.9361" W	Y or Latitude 32° 39' 31.9498" N	Other Location Description:
POD Number: TP023-AF	X or Longitude 108° 19' 43.4752" W	Y or Latitude 32° 39' 19.5580" N	Other Location Description:
POD Number: TP023-AG	X or Longitude 108° 19' 44.1776" W	Y or Latitude 32° 39' 12.9491" N	Other Location Description:
POD Number: TP023-AH	X or Longitude 108° 19' 41.8996" W	Y or Latitude 32° 39' 01.9976" N	Other Location Description:
POD Number: TP023-AI	X or Longitude 108° 19' 51.4114" W	Y or Latitude 32° 38' 57.1089" N	Other Location Description:
POD Number: TP023-AJ	X or Longitude 108° 20' 13.2123" W	Y or Latitude 32° 38' 54.2257" N	Other Location Description:

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

File Number:	Trn Number:
Trans Description (optional):	



NEW MEXICO OFFICE OF THE STATE ENGINEER



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<input type="checkbox"/> Surface Point of Diversion OR <input type="checkbox"/> 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 <input type="checkbox"/> NM Central Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/>	UTM (NAD83) (meters) Zone 13N <input type="checkbox"/> Zone 12N <input type="checkbox"/>	<input checked="" type="checkbox"/> Lat/Long-- (WGS84) 1/10 th of second	OTHER (allowable only for move-from descriptions - see application form for format) <input type="checkbox"/> PLSS (quarters, section, township, range) <input type="checkbox"/> Hydrographic Survey, Map & Tract <input type="checkbox"/> Lot, Block & Subdivision <input type="checkbox"/> Grant
POD Number: TP23-P	X or Longitude 108° 19' 43.4752" W	Y or Latitude 32° 39' 19.5580" N	Other Location Description:
POD Number: TP23-Q	X or Longitude 108° 20' 32.5986" W	Y or Latitude 32° 39' 42.0356" N	Other Location Description:
POD Number: TP23-R	X or Longitude 108° 20' 10.9187" W	Y or Latitude 32° 39' 41.6673" N	Other Location Description:
POD Number: TP23-S	X or Longitude 108° 20' 09.0078" W	Y or Latitude 32° 39' 20.1960" N	Other Location Description:
POD Number: TP23-U	X or Longitude 108° 19' 33.4809" W	Y or Latitude 32° 39' 38.8450" N	Other Location Description:
POD Number: TP23-V	X or Longitude 108° 20' 04.9924" W	Y or Latitude 32° 39' 39.6017" N	Other Location Description:
POD Number: TP23-X	X or Longitude 108° 20' 14.9261" W	Y or Latitude 32° 39' 44.2562" N	Other Location Description:
POD Number: TP023-Y	X or Longitude 108° 20' 10.9187" W	Y or Latitude 32° 39' 41.6673" N	Other Location Description:
POD Number: TP023-AA	X or Longitude 108° 20' 32.5986" W	Y or Latitude 32° 39' 42.0356" N	Other Location Description:

FOR OSE INTERNAL USE

Form wr-08
POD DESCRIPTIONS - ATTACHMENT 1

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NEW MEXICO OFFICE OF THE STATE ENGINEER



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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 <input type="checkbox"/> NM Central Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/>	UTM (NAD83) (meters) Zone 13N <input type="checkbox"/> Zone 12N <input type="checkbox"/>	<input checked="" type="checkbox"/> Lat/Long-- (WGS84) 1/10 th of second	OTHER (allowable only for move-from descriptions - see application form for format) <input type="checkbox"/> PLSS (quarters, section, township, range) <input type="checkbox"/> Hydrographic Survey, Map & Tract <input type="checkbox"/> Lot, Block & Subdivision <input type="checkbox"/> Grant
POD Number: TP23-G	X or Longitude 108° 19' 12.0163" W	Y or Latitude 32° 39' 13.9423" N	Other Location Description:
POD Number: TP23-H	X or Longitude 108° 20' 37.9361" W	Y or Latitude 32° 39' 31.9498" N	Other Location Description:
POD Number: TP23-I	X or Longitude 108° 20' 13.2123" W	Y or Latitude 32° 38' 54.2257" N	Other Location Description:
POD Number: TP23-J	X or Longitude 108° 19' 51.4114" W	Y or Latitude 32° 38' 57.1089" N	Other Location Description:
POD Number: TP23-K	X or Longitude 108° 20' 11.2580" W	Y or Latitude 32° 39' 02.8360" N	Other Location Description:
POD Number: TP23-L	X or Longitude 108° 19' 41.9092" W	Y or Latitude 32° 39' 01.9827" N	Other Location Description:
POD Number: TP23-M	X or Longitude 108° 19' 13.4872" W	Y or Latitude 32° 39' 03.5317" N	Other Location Description:
POD Number: TP23-N	X or Longitude 108° 20' 31.7592" W	Y or Latitude 32° 39' 14.7133" N	Other Location Description:
POD Number: TP23-O	X or Longitude 108° 20' 11.1082" W	Y or Latitude 32° 39' 16.2272" N	Other Location Description:

FOR OSE INTERNAL USE

Form wr-08

POD DESCRIPTIONS - ATTACHMENT 1

File Number:	Trn Number:
Trans Description (optional):	



20101217-103

STATE OF NEW MEXICO

OFFICE OF THE STATE ENGINEER

DEMING

December 14, 2010

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

Freeport-McMoRan Copper & Gold
Tyrone Operations
Attn: Jerry Donaldson
PO Drawer 571
Tyrone, New Mexico 88065

Greetings:

This office is in receipt of your letter of November 30, 2010 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.

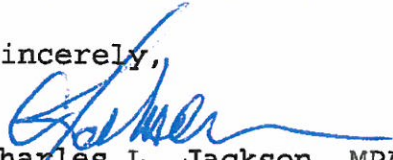
I have reviewed your proposed procedure of cementing any necessary wells by grouting via a tremie line from the bottom up to the surface utilizing a pressure grout pump and cutting off the well head below land surface after plugging. Said grout to be mixed on site with 5 gallons of water per 94-pound 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 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 wells located within the Tyrone Mining Facility and the "Little Rock" mine that would immediately impact mining operations.

If further discussion would be beneficial, please advise.

Sincerely,


Charles L. Jackson, MPA
District 3 Supervisor

CLJ:clj



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

November 30, 2010

2010 DEC -6
STATE ENGINEER
DEMING.

Certified Mail #70092820000389621285
Return Receipt Requested

Mr. Charles Jackson
District Supervisor
Office of the State Engineer – District 3 Office
P.O. Box 844
Deming, New Mexico 88031

Dear Mr. Jackson:

Re: Request for Variance to Well Plugging Procedures

STATE ENGINEER
DEMING, NM

2010 DEC -6 PM 4:29

On behalf of Freeport-McMoRan Tyrone Mining LLC (“Tyrone”), this letter is to request a variance from the requirement that a well plugging plan be approved each time Tyrone seeks to plug a well on its property. The regulations governing construction, drilling, and plugging of wells provide that “[a] non-artesian well that is abandoned or not properly installed shall be immediately plugged. A plan for plugging the well shall be filed with – and approved by – the state engineer prior to plugging.” 14.27.4.30(C) NMAC. The regulations also provide, however, that applicants, permit holders, and well drillers may file a request for a variance from this rule if it can be demonstrated that such a variance is necessary to preclude unreasonable hardship or that application of the rule would not be practicable. *See* 19.27.4.37 NMAC.

Tyrone is undertaking final preparations to commence an expansion of its mining operations in a new location, referred to as the “Little Rock” mine. These mining operations will include the construction of a new haul road to the Little Rock mine, as well as ground disturbance at the location of the mine itself. The Little Rock mine will be generally located to the west of the existing Tyrone Mine. Tyrone anticipates that it may encounter old and inactive wells as part of its mining operations at this and other locations within the Tyrone mining area. Accordingly, Tyrone proposes to establish with the OSE a standard set of procedures for the plugging of wells on its property. The use of standard pre-approved procedures, rather than filing a separate well plugging plan each time a well is plugged, would conserve the time and resources of the OSE and Tyrone, while ensuring that all abandoned wells are properly sealed. A pre-approved plugging procedure will also protect Tyrone from the hardship that would be created if mining operations must be suspended each time an existing well is encountered. Because Tyrone frequently needs to plug existing wells, its personnel and contractors responsible for the plugging will be well-versed in the correct procedures, approved by the OSE.

Tyrone requests that the OSE review the attached proposed well-plugging procedures. The proposed procedures are consistent with the variance approved by the OSE on July 23, 2008

Mr. Charles Jackson
November 30, 2010
Page 2

for the emergency plugging of monitor wells. If the procedures meet with your approval, we request that you approve a variance from the requirement of 14.27.4.30(C) NMAC that a well plugging plan be approved in advance for all wells located within Tyrone's mining operations, in addition to monitoring wells. Tyrone will then ensure that all its contractors follow these procedures, and verify that the procedures were used when submitting the plugging record.

Thank you for your consideration of this request. If you have any questions about the standard procedures proposed by Tyrone, or have suggestions for additions to them, please do not hesitate to contact me at (575) 912-5757.

Sincerely,



Gerald R. Donaldson
Senior Land & Water Resources Coordinator

GRD:jn
Attachment
20101130-105

2010 DEC -6 PM 4: 29
STATE ENGINEER
DENVER, NM

**Well Plugging Procedure
Freeport-McMoRan Tyrone Mining LLC**

I. FILING FEE:

There is no filing fee for this form

II. GENERAL/WELL OWNERSHIP:

Existing OSE POD number (Well Number) for well to be plugged will be filed with the driller's plugging & abandonment submittal, if known.

Name of Well Owner: Freeport-McMoRan Tyrone Mining LLC

Mailing address: P.O. Box 571

City: Tyrone **State:** New Mexico **Zip Code:** 88065

Phone: (575) 912-5757

Email: Gerald_Donaldson@FMI.com

Tim_Eastep@FMI.com

III. WELL DRILLER INFORMATION:

To Be Included In Plugging Record Submittal.

IV. WELL INFORMATION:

To Be Included In Plugging Record Submittal.

V. DESCRIPTION OF PLANNED WELL PLUGGING:

- 1) Grout to be placed with tremie line from the bottom up to surface. Grout will be placed with a pressure grout pump.
- 2) Well head will be cut-off below land surface after plugging.

VI. PLUGGING AND SEALING MATERIALS:

- 1) For plugging intervals that employ cement grout Table A will be completed and attached to the Plugging Record Submittal.
- 2) N/A
- 3) Volume of grout required to plug the well to land surface will be included in Plugging Record Submittal.
- 4) Type of cement proposed: Type 1-11
- 5) Proposed cement grout mix: 5 gallons of water per 94 pound sack of portland cement.
- 6) Grout will be mixed on site.
- 7) Grout additives: none
- 8) Additional notes and calculations: none

VII. ADDITIONAL INFORMATION:

To be provided in Plugging Record Submittal as needed.

2010 DEC - 6 PM 4:29
STATE ENGINEER
DEMING, NM

Attachment B
Financial Assurance

Table 1: 2024 Financial Assurance (FA) Cost Estimate for Exploration Drilling				
Description	Unit	Quantity	Unit Rate (\$/unit)	Total Cost (\$)
Tyrone Peak FA				
Surface Reclamation Cost (1st acre)	acre	1.00	\$ 8,900	\$ 8,900
Drill Road & Pad Reclamation	acre	3.51	\$ 4,900	\$ 17,199
Plug and Abandon Exploration Drill Holes	ft.	7,500	\$ 14	\$ 105,000
Total FA				\$ 131,099
<p><i>Note.</i> 7,500 ft is the sum the 5 deepest holes (1000 ft) that will be drilled plus a contingency of 500 ft for each drill hole. This estimation is necessary because the sequence of holes is unknown at this time and target depths may increase as drilling progresses. The additional 500ft is a conservative amount for contingency and unlikely to occur.</p>				

Attachment C
Drill Hole Information

Table 2. Tyrone Peak Drilling Program 2024 Drill Hole Information

Drill Hole ID	Pad ID	Longitude	Latitude	Elevation	Target Depth	Notes
TP23-A	TP23-A	108° 20' 02.9123" W	32° 39' 15.8016" N	6227.8	900	
TP23-B	TP23-B	108° 20' 14.9261" W	32° 39' 44.2562" N	6410.2	1000	
TP23-C	TP23-C	108° 20' 04.9924" W	32° 39' 39.6017" N	6471.9	1000	
TP23-D	TP23-D	108° 19' 44.1776" W	32° 39' 12.9491" N	6219.6	650	
TP23-F	TP23-F	108° 19' 02.8103" W	32° 39' 05.0664" N	5917	500	
TP23-G	TP23-G	108° 19' 12.0163" W	32° 39' 13.9423" N	6027.4	500	
TP23-H	TP23-H	108° 20' 37.9361" W	32° 39' 31.9498" N	6352.5	1000	
TP23-I	TP23-I	108° 20' 13.2123" W	32° 38' 54.2257" N	6163.7	700	Inside GR010RE Permit boundary
TP23-J	TP23-J	108° 19' 51.4114" W	32° 38' 57.1089" N	6169.4	800	Located on active borrow area
TP23-K	TP23-K	108° 20' 11.2580" W	32° 39' 02.8360" N	6184.6	800	
TP23-L	TP23-L	108° 19' 41.9092" W	32° 39' 01.9827" N	6099.5	650	
TP23-M	TP23-M	108° 19' 13.4872" W	32° 39' 03.5317" N	5959	500	
TP23-N	TP23-N	108° 20' 31.7592" W	32° 39' 14.7133" N	6174.9	650	
TP23-O	TP23-O	108° 20' 11.1082" W	32° 39' 16.2272" N	6316.1	1000	
TP23-P	TP23-P	108° 19' 43.4752" W	32° 39' 19.5580" N	6158.6	650	
TP23-Q	TP23-Q	108° 20' 32.5986" W	32° 39' 42.0356" N	6429.9	650	
TP23-R	TP23-R	108° 20' 10.9187" W	32° 39' 41.6673" N	6441.6	900	
TP23-S	TP23-S	108° 20' 09.0078" W	32° 39' 20.1960" N	6364.4	750	
TP23-U	TP23-U	108° 19' 33.4809" W	32° 39' 38.8450" N	6253.3	500	
TP23-V	TP23-C	108° 20' 04.9924" W	32° 39' 39.6017" N	6471.9	900	
TP23-X	TP23-B	108° 20' 14.9261" W	32° 39' 44.2562" N	6410.2	1000	
TP023-Y	TP23-R	108° 20' 10.9187" W	32° 39' 41.6673" N	6441.6	1000	
TP023-AA	TP23-Q	108° 20' 32.5986" W	32° 39' 42.0356" N	6430	1000	
TP023-AB	TP23-O	108° 20' 11.1082" W	32° 39' 16.2272" N	6316.1	800	
TP023-AC	TP23-O	108° 20' 11.1082" W	32° 39' 16.2272" N	6316.1	1000	
TP023-AD	TP23-S	108° 20' 09.0078" W	32° 39' 20.1960" N	6364.4	1000	
TP023-AE	TP23-H	108° 20' 37.9361" W	32° 39' 31.9498" N	6351.6	700	
TP023-AF	TP23-P	108° 19' 43.4752" W	32° 39' 19.5580" N	6158.6	650	
TP023-AG	TP23-D	108° 19' 44.1776" W	32° 39' 12.9491" N	6219.6	700	
TP023-AH	TP23-L	108° 19' 41.8996" W	32° 39' 01.9976" N	6099.5	700	
TP023-AI	TP23-J	108° 19' 51.4114" W	32° 38' 57.1089" N	6169.4	1000	Located on active borrow area
TP023-AJ	TP23-I	108° 20' 13.2123" W	32° 38' 54.2257" N	6163.7	700	Inside GR010RE Permit boundary
TP023-AK	TP23-N	108° 20' 31.7592" W	32° 39' 14.7133" N	6174.9	650	
TP023-AL	TP23-P	108° 19' 43.4752" W	32° 39' 19.5580" N	6158.6	650	
TP023-AM	TP23-K	108° 20' 11.2580" W	32° 39' 02.8360" N	6174.3	650	
TP023-AN	TP23-A	108° 20' 02.9123" W	32° 39' 15.8016" N	6227.8	700	