FREEPORT-McMoRan

Freeport-McMoRan Chino Mines Company
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September 17, 2026

Certified Mail # 70221670000184298799

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

Dear Mr. Barnes:

Re: Closure-Closeout Plan Response to Public Comments
Freeport-McMoRan Chino Mines Company, Permit No. GR009RE

Freeport-McMoRan Chino Mines Company (Chino) submitted an update to the Chino Mine Closure-Closeout Plan on October 30, 2024. In a meeting held on August 19, 2026, Mining and Minerals Division (MMD) noted that they would welcome Chino's response to the public hearing comments. Chino received copies of the public hearing comments on June 1 and the Hearing Officer's report on August 14. This letter provides Chino's responses to those comments. Below are public comments reproduced in italics followed by Chino's responses.

Gila Resource Information Project (GRIP) comments
Require Updated Precipitation Analysis in GRE9RE and DP-1340. The analysis "Updated Surface Water Conveyances Precipitation Analysis Task 3" conducted by WSP USA Inc. in 2024 concluded that "[r]esults of the conveyance structure assessment indicate that all proposed CCP structures and all critical structures constructed on reclaimed lands at Chino, Tyrone, and Little Rock are designed (CCP) and built (existing reclaimed) to provide adequate capacity under projected climate change conditions" (p. 30). However, "[r]esults of the modified Rational Formula Method analyses indicated that all structures analyzed provide adequate capacity with the exception of the main top surface channel at [Chino] Tailing Pond 4 East, which exceeded its channel capacity by an estimated 0.1 foot" (p. 30). The updated CCP (2024) does not mention how the reclamation design for Tailing Pond 4 has been modified for increased capacity given the Rational Formula Method modeling result. We recommend that a conservative approach be taken to avoid flood risk. Therefore, we suggest that the conveyance design for Tailing Pond 4 East and associated reclamation cost estimate are revised. The report concludes that "changing precipitation in recent years will likely result in revised numbers in the updated NOAA Atlas 15 that is scheduled to be released in the next few years, and future evaluations may be needed if subsequent changes in the recent precipitation data merit another evaluation. Future design efforts will use the best available and most appropriate information in making informed decisions regarding extreme rainfall and flooding risks." Given this recommendation, we suggest that GRE9RE and DP-1340 include a permit condition requiring an updated precipitation analysis when the new NOAA Atlas 15 numbers are available.

Chino's response: Chino disagrees with the commenter's interpretation of the report. The cited paragraph on page 30 indicates that the peak flow analyzed by the modified Rational Formula Method (also used as a screening tool in this study) for the main top surface channel of Tailing Pond 4 East exceeded the channel capacity by only 0.1 foot. The next two sentences clearly state that this channel and others were re-analyzed using the more-accurate HEC-HMS modeling and that **all** the channels were demonstrated to have adequate capacity, and furthermore, that the design methods Chino has

been utilizing are robust (adequate) even for a hypothetical increase in storm intensity from climate change. Table 16 of the report confirms this conclusion graphically. The conclusions of the study confirm that there are no changes warranted in the CCP.

In response to the comment regarding revisiting the above referenced precipitation study upon release of NOAA Atlas 15, Chino disagrees that an additional permit condition is warranted to update this precipitation analysis with each update of NOAA Atlas. 20.6.7.33 states: "Permanent storm water conveyances, ditches, channels and diversions required for closure of a discharging unit at a copper mine facility shall be designed to convey the peak flow generated by the 100 year return interval storm event. The appropriate design storm duration shall be selected based on the maximum peak flow generated using generally accepted flood routing methods." Chino will continue to comply with MMD and NMED regulations regarding stormwater designs.

Dust Control for Evaporative Sprayers and Salt Storage Facilities. Gila Resources Information Project has documented instances of dust that is transported off the mine site, impacting communities and the environment. Chino Mine's consultant stated at the public hearing that no dust control would be required for the evaporative sprayers and toxic brine storage facilities, since these water treatment facilities would be located in the pit. However, GRIP has documented that dust from the open pit is being transported off site right now given current operations. GRE9RE should include a permit condition to require dust control measures for evaporative sprayer operations and brine storage facilities to prevent off site contamination from windblown dust.

Chino's response: NMED Air Quality Bureau's (AQB) air quality permit for Chino specifies requirements for particulate emissions, dust control, monitoring, and management. Installation, operation and maintenance of evaporators for closure will be permitted consistent with NMED AQB's rules and regulations as needed. There are no specific standards or criteria under the Mining Act to regulate air emissions. Moreover, under 19.10.1303 NMAC, in issuing permits under the Mining Act, MMD is to avoid incorporating permit conditions that would duplicate permit conditions and requirements of other agencies. For clarification, the consultant did not use the term "toxic" to describe the facilities during the public hearing.

As far as excavating and hauling of salt to the salt disposal facility is concerned, Chino is required by the Chino air quality permit to control haul road dust. Furthermore, the salt contains water which will minimize dust emissions when it is excavated, transported to and placed in the storage facility (which will only be a part-time activity throughout the year). Chino will continue to follow the best management practices required in its air quality permits to control fugitive dust and particulate matter emissions within acceptable, safe ranges. The use of water trucks is incorporated in the CCP as a dust control measure. NMED AQB's regulations and permit requirements already regulate Chino. Therefore, Chino does not support duplicating those requirements in the Mining Act permit.

Financial Assurance Calculations. The calculations for the updated financial assurance for the CCP (2024) have not yet been made public. As we did in 2019, we would like to review and comment on the updated reclamation cost estimates and financial assurance calculations when they are publicly available. For now, we are providing some preliminary comments on the methodologies used based on the calculations used in 2020. These comments were prepared by GRIP's technical consultant Dave Chambers of Center for Science and Public Participation. Based on a review of the 2024 CCP, and on the most recent financial assurance calculations completed in 2020, we have identified three issues with the financial assurance calculations. The last update to the financial assurance (Freeport-McMoRan 2020) was based on the 2018 Closure Closeout Plan. If the 2026 update to the financial

assurance follows the same calculation procedures as in the 2020 calculations, a significant under monetization of the financial assurance is likely to occur.
(1) The assumptions for the indirect costs, which are expressed as a percentage of the direct costs, appear to be lower than those typical of most financial assurance calculations, and are less than those recommended by the US Forest Service (2004).
(2) It appears that the financial assurance is not being inflation-proofed for the period of time between Closure Plan renewals. If this is the case, it results in a significant deficit in the financial assurance by the end of the Plan renewal period.
(3) The Net Present Value (NPV) calculation for long-term costs is being terminated too soon (i.e. it is not being run for a sufficient number of time periods), resulting in an under monetization of the financial assurance.
These issues are explained in the sections below.

Chino's response: All three of the commenter's points are misleading.

Indirect Costs: The commenter is well aware of the extensive meetings (from August 2018 to January 2019) that Chino, the Agencies and GRIP participated in to come to agreement on various financial assurance (FA) cost calculation methodologies, including the indirect cost multipliers that the commenter now questions (see agreement letters dated January 11, 2019 and the Agency approval letter dated January 16, 2019). Chino will continue to follow these agreed-upon methodologies, which were established to support consistency in subsequent FA updates and avoid re-evaluation of previously resolved issues. The dated Forest Service guidance issued in 2004 (which was also available when the referenced agreement was made) provides a non-prescriptive, generalized framework. The 2019 agreement reflects appropriate conservatism, and no new information has been identified to revisit it; Chino will continue to apply the established approach.

Inflation: The commenter incorrectly assumes that the FA amount is not adjusted to account for inflation during the permit term. Inflation is expressly incorporated into the FA calculation through the escalation factors used in the approved NPV methodology. Therefore, the FA already accounts for future cost escalation and does not rely solely on periodic permit renewals and CCP updates to address inflation. Furthermore, the FA is based on the Highest Liability Year as described in the CCP, which represents the point at which reclamation costs are expected to be greatest under the approved facility designs. The CCP is periodically reevaluated and updated. As a result, the FA is based on the most conservative reclamation cost scenario anticipated during the five-year CCP period. Accordingly, the commenter has not provided a basis to conclude that the FA would experience a significant inflation-related deficit during the permit term that is not addressed by the previously approved and well-established NPV methodology proposed by Chino for the current review.

Time Period for FA Calculation: The commenter incorrectly asserts that the NPV calculation for long-term closure costs is terminated prematurely. The NPV calculation includes 100 years of post-closure activities, including operation, maintenance, monitoring, reporting and other long-term obligations identified in the CCP and RCE. A 100-year evaluation period is appropriate because the present value contribution of costs incurred far in the future becomes increasingly negligible when discounted to present-day dollars. As a result, extending the analysis beyond 100 years would have an immaterial effect on the calculated NPV and corresponding FA amount. The NPV methodology therefore captures the economic equivalent of costs extending beyond the 100-year evaluation period while avoiding the use of speculative assumptions regarding future conditions over extremely long timeframes.

The 100-year NPV methodology has been consistently applied in prior FA evaluations and has been accepted by MMD and NMED as providing a reasonable and technically defensible basis for estimating

long-term reclamation and closure obligations. Consequently, the commenter has not demonstrated that the current FA calculation underestimates closure liabilities due to the selected evaluation period.

While closure-related obligations may continue beyond 100 years, the issue for FA purposes is not whether activities continue indefinitely, but whether costs occurring in the distant future materially affect present value. Due to discounting, costs occurring beyond the 100-year evaluation period have a de minimis effect on the resulting NPV and therefore do not materially change the FA amount.

Closure/Closeout Plan (CCP) Financial Assurance Indirect Cost Assumptions In the CCP, indirect costs of 30% are applied to the capital direct costs, and 17.5% indirect costs to the O&M direct costs (CCP 2024, Appendix F). 30% indirect costs, even if it were applied to both capital and O&M direct costs, would be less than the low end of the range of 38% minimum - 108% maximum indirect costs recommended by US Forest Service in their "Training Guide for Reclamation Bond Estimation and Administration, for Mineral Plans of Operation Authorized and Administered Under 36 CFR 228A, USDA Forest Service, Minerals and Geology Management," April 2004. Site-specific circumstances may allow indirect costs to be less than recommended by widely accepted sources, and less than is typical for most other reclamation estimates. Indirect costs typically include contingency, mobilization/demobilization, engineering redesign, engineering, procurement & construction management, contractor overhead, contractor profit, agency administration, and inflation. However, if below-recommended costs are adopted, the justification for each exception should be noted on an indirect cost-by-indirect cost basis.

Chino's response: Please see response to the indirect cost comment above.

Financial Assurance Discounted for Net Present Value
The Total Financial Assurance is being calculated on the basis of the Net Present Value (Freeport-McMoRan 2020). Unless the entire amount of the NPV ($228,393,363) is presently being held in an interest-bearing account belonging to the regulatory agency, the $228,393,363 should be inflation-proofed. There is no indication in the available correspondence that the financial assurance is being held in an interest-bearing account. Applying the 2.85% net discount rate, which was suggested by Freeport McMoRan, over a 5-year period increases the total financial assurance approximately $7 million every year. Instead of $228,393,363, after 5 years the total amount becomes $262,848,171. This is a 15% deficit in the financial assurance, and is a long-term liability to New Mexico taxpayers. If the financial surety is being held in any form other than in a revenue bearing account, the financial surety should be inflation-proofed for the period of the permit, and automatically increased for each year the permit is extended.

Chino's response: Please see response to the inflation comment above.

Time Period Assumed for the NPV Calculation for Long-Term Costs
The Net Present Value for the financial assurance for long-term water treatment was calculated by Freeport-McMoRan (2020). The NPV calculation was only run for a period of 100 years. Terminating the NPV calculation at 100 years is common assumption used by many mining companies and regulatory agencies, probably under the mistaken assumption that running the calculation for a longer period does not increase the NPV significantly. NPV calculations should be run until the amount added to the total financial assurance is $0 in the final year of the calculation. The NPV calculation is asymptotic, so the amount added in the final year will never actually reach zero, but it can easily be taken to the point where each additional year of the calculation does not increase the total by more than

$1 (rounded). For a more detailed explanation of this issue, see Chambers 2024. The decision to terminate the NPV calculation at 100 years is totally arbitrary, and has no basis in either science or accounting. Running the NPV calculation until the amount added to the total financial assurance is $0 takes only a few seconds longer to set up than a 100-year NPV calculation, so the additional work required is trivial.

The calculated NPV of the water treatment was $94,853,729, and the additional amount added to the total financial assurance in the final year of the calculation at 100 years, the last year of the NPV calculation, was $65,987 (Freeport-McMoRan 2020a). If the calculation had been continued until the amount added in the final year of the calculation is ~$0, instead of terminating the NPV calculation at 100-years, an additional $1.89 million dollars would be added to the total water treatment financial assurance, a 2% increase. The NPV calculation must be run for ~525 years to reach $0-added to the total. For two reasons, the $1.89 million increase in the total amount should probably be significantly larger. First, by terminating the calculations at 100 years, no additional capital replacement costs for the water treatment facilities were included. These costs are significant, and plant replacement is typically required on a 50 to 75-year schedule. Adding replacement capital costs would contribute significantly to the total financial assurance. Second, the net discount rate for the financial assurance was increased from 2.85% in years 1-10, to 3.58% in subsequent years. This is a result of assuming that the investment rate of return on the invested financial assurance is 6.12% (and an assumed inflation rate of 2.54%). This change in return on investment is not explained, but it does result in a decrease in the NPV of the financial assurance.

It is generally recommended that government agencies not assume a net discount rate greater than 3%. In MMD's Guidance for Calculating Net Present Value of Reclamation Costs (2020), the recommended net discount rate for "Alternatives" and "Examples" all assume a net discount rate of less than 3%. That said, the MMD NPV guidance document fails to address the potential impact of how long to run the NPV calculation (i.e. how many years the calculation should be run). The guidance states: "Use of the Long-Term Discount and Escalation Rates should be limited to the duration of the Reclamation Schedule and typically not exceed 100 years without appropriate justification as the variability in interest-rate forecasts over periods exceeding 100 years calls into question to practical utility of the NPV calculation." This statement implies that predictions for net discount rate are unreliable for periods of over 100 years. While this may be the case, it is still necessary to make such assumptions for the financial assurances for perpetual water treatment, and for long-term monitoring and maintenance. To terminate the NPV calculation at 100 years, which MMD does in its examples in the guidance document, leaves taxpayers at risk for long-term costs. For the CCP, the assumed rate-of-return on investment of 5.54%, which is 3% above the assumed escalation rate (inflation rate) of 2.54%. This is still a very healthy rate of return on investment in today's markets. Unless it can be demonstrated that this rate of return can be maintained for a government agency investment over the long-term, assuming a higher-than normal rate of return will place the public at risk, because this assumption lowers the NPV of the financial assurance.
The Chino water treatment financial assurance was underfunded by approximately $2 million in 2020, and because ongoing capital costs were not included, that amount could be considerably larger.

Chino's response: The commenter incorrectly states that capital replacement costs were not incorporated into the cost estimate. Capital and O&M costs were incorporated and are all explained in detail in the cost estimate appendices. The commenter also incorrectly states that changes in long-term discount rates are not explained. The data used to calculate both short and long-term discount rates were provided in the financial assurance proposal documents.

Chino and other mine companies that follow the standard practice of evaluating the NPV of closure/closeout costs over a one-hundred-year period is not arbitrary. The additional FA cost is negligible and insignificant. The 100-year NPV methodology has been consistently applied in prior FA

evaluations and has been accepted by MMD and NMED as providing a reasonable and technically defensible basis for estimating long-term reclamation and closure obligations. Consequently, the commenter has not demonstrated that the current FA calculation underestimates closure liabilities due to the selected evaluation period.

While closure-related obligations may continue beyond 100 years, the issue for FA purposes is not whether activities continue indefinitely, but whether costs occurring in the distant future materially affect present value. Due to discounting, costs occurring beyond the 100-year evaluation period have a de minimis effect on the resulting NPV and therefore do not materially change the FA amount.

Financial Assurance Instruments
Finally, we strongly recommend that the Mining and Minerals Division and NMED not approve a third-party guarantee from the Chino Mine's parent company or a Freeport-McMoRan subsidiary as acceptable financial assurance for the Chino Mine Closure/Closeout Plan. As you know, the U.S. Forest Service and the Bureau of Land Management prohibit these risky forms of financial assurance. Since BLM and the state will likely jointly hold the FA, no 3rd party guarantees should be allowed. It's our collective, moral responsibility to our children and grandchildren to prioritize a healthy future for Grant County. In order to do that, Freeport and state agencies should follow responsible mining best practice by rejecting a 3rd party guarantee and using cash or cash equivalents only in Chino's financial assurance package.

Chino's response: While the commenter continues to oppose a third-party guarantee as a form of financial assurance, the New Mexico Mining Act regulation authorizes a third-party guarantee as an acceptable form of financial assurance (see 19.10.12.1203 A (6)). Furthermore, the commenter's claim that this is a risky form of financial assurance is not supported by either the regulations or the performance history. EPA allows this form of financial assurance for a variety of liabilities. There are many safeguards built into the requirements for a third-party to qualify to provide FA and there has not been a default of this type of financial assurance in New Mexico. This type of financial assurance has been successful and functioned as intended.

Oral Comments by Allyson Siwik, GRIP
Other Permits.
Our comments tonight are also pertinent to the BLM MPO and permit and the NMED Supplemental Discharge permit for closure – DP-1340. These permits all work together so we will mention a few items even though we recognize that tonight's hearing is on the MMD permit.
• NMED – Ensure conditions are in DP-1340 for surface water quality protection until state permitting program is operational.

Chino's response: As discussed above, ground water discharge permit requirements and other requirements to protect water quality as administered by the New Mexico Environment Department will remain in effect per applicable laws and rules.

Permit Boundary and Pit Waiver
Before we dive in, a couple comments about important boundaries: The PERMIT BOUNDARY defines the specific area authorized for mining or land disturbance. Private land within permit boundary – We're concerned that these landowners know that their land is within the permit boundary of the mine and that they understand the proposed permitted activities that will take place in this area of the mine that could encroach on private property and Hwy 152.

Require updated pit waiver map annually - Pit waiver area has changed significantly since 2003. Need updated maps every year to track with CCP.

Chino's response: During the hearing, the commenter pointed out that the Chino Mining Act Permit Boundary extends into a portion of Hanover and includes other private landowners within that area. While it is correct that a portion of the permit boundary includes land owned by other parties, no mining, closure, or closeout activities are proposed within that area. The CCP does not propose any actions that would impact residential properties. Any activities proposed within the Highway 152 right-of-way are described in the Chino and Continental Mine Closure/Closeout Plans.

Chino has agreed to update the pit waiver map every five years or during CCP updates.

Stockpile Reclamation
• Reservoir 9 Area – support inclusion of Reclamation Cost Estimate (RCE) for Reservoir 9 stockpile reclamation as highest cost reclamation option to ensure there is sufficient financial assurance for reclamation of this area.

Chino's response: Chino has included the higher-cost scenario of reclaiming the 9 Waste Rock Stockpile to ensure adequate financial assurance coverage.

• Require test plots for Rubio Peak/Kessell material before approval as Reclamation Cover Material (RCM). Need to demonstrate that this material will successfully grow vegetation and establish a Self-Sustaining Ecosystem

Chino's response: These materials do not require a test plot program. The Rubio Peak Conglomerate materials were characterized as part of a test plot program, which was approved by MMD based on the successful results. The other materials within the Kessel stockpile footprint should not require a separate test plot program because the topsoil already supports a self-sustaining ecosystem. The material has demonstrated its ability to support native vegetation and the surrounding life zone.

• Lining of Kessell Stockpile – Would facilitate "Leach to the Last Drop" and protect groundwater.

Chino's response: A liner for the Kessel Stockpile will not be considered, as the stockpile will be used only for waste rock material. Kessel will be constructed in accordance with NMAC 20.6.7.21. Groundwater protection will be achieved through the engineered water management system, including stormwater diversion controls, lined impacted-stormwater impoundments, and the Kessel interceptor trench to capture and contain impacted water. The groundwater controls, design criteria and regulatory compliance for the Kessel Stockpile are documented in the *Design Report Kessel Stockpile Surface and Ground Water Controls* (Telesto, May 2025).

Windblown Tailings Reclamation
• Removal of 6 inches of windblown tailings downwind of Pond 7 tailings facility
• How was cleanup area defined?
• What is acreage?
• What are the contaminants?
• How will the area be reclaimed? How will it be revegetated? Will this area be required to meet Mining Act standards for a self-sustaining ecosystem?

Chino's response: The area is defined by visible windblown tailing deposits within the permit boundary and encompasses approximately 1900 acres (see enclosed updated Sheet 25 from Chino's CCP Update). Reclamation includes removal of visible tailing (which will be placed on Pond 7), scarifying the natural ground where tailing was removed and seeding with the approved seed mix. This same process was done downwind of the previous reclaimed Chino tailings with great success.

Water Treatment Costs
Water treatment is the most significant component of the reclamation plan from a cost perspective and for long-term protection of groundwater quality. This is an area that overlaps with NMED's DP-1340, and is a key part of the reclamation plan. MMD and NMED work together to make sure that the water treatment plan, costs and financial assurance are adequate to cover this long-term liability. Water treatment must continue in perpetuity, so we need to get it right. Water Treatment Plant replacement is typically required on a 50 to 75-year schedule. Adding replacement capital costs would contribute significantly to the reclamation cost estimate and total financial assurance. This is important. We need to ensure that there is enough Financial Assurance now to cover those future costs.

Chino's response: Water treatment plant replacement is a function of the longevity of any given part of the treatment system. The capital cost of the equipment is divided by the number of years the item will last to ensure money is set aside to replace it as required. Replacement costs have historically been included and are included in the 2024 Chino Mine CCP Update reclamation cost estimate.

Containment System
- *Interceptor wells must operate in perpetuity to contain groundwater contamination on site.*
- *Make sure we have sufficient containment around Pond 7 – impacts to Apache Tejo area groundwater - part of Grant Co. Regional Water Supply Project.*
- *Need to include capital replacement costs in RCE and run NPV calculation for longer than 100 years.*

Chino's response: The Tailing Pond 7 interceptor well system will be operated, maintained, and monitored throughout the required closure period as necessary based upon ongoing groundwater monitoring. Replacement costs for wells and pumps are incorporated into the RCE based on anticipated service life. The Apache Tejo wellfield is NOT part of a Grant County Regional Water Supply Project. No impacted water requiring long term pumping is part of a regional water supply; however, treated water will meet WQCC ground water quality standards under 20.6.2.3103 NMAC, which are protective of New Mexico drinking water standards. Please see responses above for the appropriate period of closure/closeout planning and cost estimating.

Monitoring
- *Monitoring of surface water discharge to Whitewater Creek from water treatment facility*
- *GW monitoring – need more monitoring wells on west side of Pond 7 to protect Apache Tejo wells*

Chino's response: Monitoring of treated discharge water from the reverse osmosis treatment system is continuous through automation that records the operational parameters (i.e. pressure, TDS, etc.). Monthly sampling of the discharge will also be conducted and supplied to the State to show compliance with the discharge permit. Chino maintains a groundwater monitoring well network as required by the supplemental rules for copper mines including in the Tailing Pond area.

Reclamation Cost Estimate (not available to the public yet)
- *Indirect costs are underestimated and do not reflect the US Forest Service Training Guide for Reclamation Bond Estimation and Administration, for Mineral Plans of Operation Authorized and*

Administered Under 36 CFR 228A, USDA Forest Service, Minerals and Geology Management, April 2004.
• Forest Service recommends indirect costs as 38% - 108% of direct costs
• Chino CCP (2020) - indirect costs of 30% are applied to the capital direct costs, and 17.5% indirect costs to the O&M direct costs
• Include capital replacement costs for water treatment facility and containment system

Chino's response: Please see responses to the RCE comments above.

Financial Assurance
• NPV calculation for long-term water treatment, monitoring, maintenance – Must prevent shift in long-term liability for reclamation and cleanup to the public to protect future generations.
• Run calculation longer than 100 years to account for replacement costs of water treatment, monitoring, maintenance (e.g., containment system)
• Use net discount rate less than 3% following MMD's guidance
• Financial instruments
• No 3rd party guarantee = corporate guarantee = self-bonding
• Approve less risky forms of FA – cash trust, letters of credit, surety bonds.

Chino's response: Please see responses to NPV, RCE and FA comments above.

Although the NM Mining Act allows mine operators to use Third Party Guarantees for a portion of their financial assurance, the parent company, Freeport-McMoRan, has historically provided a third-party guarantee for a portion of the reclamation cost. A parent company guarantee puts the state and the public at financial risk should Freeport go out of business, since it is nothing more than an I.O.U. If Freeport goes bankrupt and can no longer cover its environmental liabilities at Chino, then the State of New Mexico and the taxpayers will have to put up the cash for the cleanup.
Parent company guarantees are not industry best practice according to the Initiative for Responsible Mining Assurance. Similarly, the US Forest Service and Bureau of Land Management prohibit the use of parent company guarantees. Since BLM and the state have to jointly hold the FA, no 3rd party guarantees should be allowed. It's our collective responsibility to our children and grandchildren to prioritize a healthy future for Grant County. In order to do that, Freeport and state agencies should follow responsible mining best practice
by rejecting a 3rd party guarantee and putting in place less risky forms of financial assurance. Freeport can add to the existing cash trust or provide a bond or letter of credit.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Kay Plavidal's Comments
As a resident of Silver City and a former professor of environmental geology and environmental science, I have considerable concerns regarding the rapid expansion of the Chino Mine and the potential negative impacts to our community. And those concerns will continue even after the mine has closed. I urge you to follow the known best practices to ensure that residents of Silver City and neighboring communities will be able to live their lives here without fear of pollution of their water supplies, air and soil. Regarding the Chino Mine Reclamation Plan, I strongly encourage you to:

1. Ensure that the plan prevents releases of toxic pollution to water supplies, air and soil. Dust control is

a must...and I can tell you that I have serious doubts that dust is being properly controlled even now. There are windy days when the dust blowing from the mine area can be seen for miles. I live in the Historic District and it is a common occurrence to find considerable dust on my car in the morning – I suspect that some or all of that dust comes from the mine. All mine activities have the potential to produce toxic dust, including that associated with the Kessel Stockpile construction.

2. Require there to be systems to fully capture and monitor contaminated groundwater at closure...specifically around Pond 7 to prevent contamination of the Apache Tejo area groundwater wells that will be part of the Grant County Regional Water Supply Project.

3. Assure that there will be ample funds to fully cover the costs of reclamation, long-term water treatment, and perpetual care, so that financial liability will not be shifted onto the taxpayers and residents of surrounding communities. Freeport-McMoRan MUST bear the true cost of cleaning up ALL contamination and disturbance created by their mining activities. I urge the Mining and Minerals Division NOT to accept a third-party guarantee from Freeport-McMoRan as a valid financial assurance mechanism, as this is essentially an unsecured promise to pay. There needs to be a dedicated, reliable source of funds available for cleanup should the company face financial hardship or bankruptcy.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Glenn Griffin's Comments

Because of potential environmental impacts caused by the CCP to surface and ground water, wildlife, air quality, cultural sites and the overall health of adjacent communities in Grant County and Luna County I have the following concerns:
A) Under the proposed 800 acre footprint of the Kessel Waste Pile is the pre-historic cultural site Map Cave. Historic sites such as the Janos Copper Ore Mule Trail to Mexico and the unofficial swimming hole for Santa Rita, the "Bathtub", with its endangered Gila Leopard Frogs. These must first be cleared and then maybe possibly allowed by SHPO to be buried. In 1998 8,000 area residents signed a petition to protect the Kneeling Nun's cultural resources from future mining destruction such as the Kessel Waste Pile..
B) If allowed by SHPO line the Kessel Stockpile to protect groundwater.

C) Ensure sufficient containment around Tailings Pond #7 and have the new Tailings Pond #8 lined to protect groundwater that flows to Luna County.

D) Notify any landowners that may be within the permit boundary of the mine. In addition, private property landowners should be advised and protected from any possible impacts from CCP activities.

E) Factor in capital replacement costs of water treatment. Is the financial assurance provided by Chino adequate to cover reclamation costs should Freeport McMoran default (ie. Go bankrupt)? Financial assurance must not become a public liability.

Chino's response: The comments in paragraph A describing cultural and habitat features within the footprint of the proposed Kessel Stockpile are incorrect. Those sites are not located within the Kessel footprint. Cultural resources and wildlife protection clearances and operational requirements for mine expansion projects are addressed under the appropriate permit programs. For other comments, please refer to the responses above.

Catherine Swain's Comments
It's very important that the Chino mine should adhere to certain rules and restrictions when it comes to safeguarding our environment during operation and time of clean up and restoration.

The reclamation plan should:
1) prevent releases of toxic pollution to air, land and water.
a) including dust control from evaporative sprayers.
b) lining the Kessel stockpile now to prevent groundwater contamination.
c) require systems to capture and monitor contaminated groundwater at closure including pond 7 to protect the Apache Tejo wells that are part of the Grant County Regional Water Supply Project.
d) Financial assurance that covers the cost of reclamation long term water treatment and perpetual care without shifting costs to taxpayers.

Bottom line...mining companies need to be financially responsible for their cleanup. Too many times companies file bankruptcy so they don't have to pay for cleanup, and, therefore taxpayers pay the bill, while these companies are enjoying their profits. Also, third party insurers don't usually pay the bill. Enough is enough! Companies need to be responsible for paying for reclamation!

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Delia DeVer's comments

On behalf of the Chiricahua Apache Nation and National Foundation, I would like to offer our input regarding the Chino Mine closing and appreciate the opportunity to share our comments and requests. We request that the Chino mine be completed with the utmost environmental sensitivity and safety. Bringing the altered and disrupted formations back to something more akin to a natural state, would be culturally, visually and environmentally healing. Bringing the landscape back to a more natural appearance, rather than leaving it scarred. We are also concerned about water contamination. We are the descendants of the Chiricahua Apache who evaded capture and imprisonment. For the past few decades, we have been returning to our Traditional Territory, which includes the Grant County region. We are structured as a formal Sovereign Nation with a large Citizen role. With the Federal Government, primarily looking to the Chiricahua Apache descendants who were captured and imprisoned for Tribal input, we would like to bring your attention to how our group of descendants differs. We are re-establishing our presence in Silver City and Grant County.

Because of our history, our ancestors had to scatter and live outside of the region to evade capture and death. In this way, we have been a diaspora with the Oklahoma group being a separate organization. We also have relatives who chose to go to the Mescalero reservation upon their release from prison in 1913, although it is not within our Traditional Territory. Native Tribes are in direct relationship with the Sacred Lands they live with. No other place can replace this relationship. We have Citizens throughout New Mexico, the U.S. and the world. We are returning.

The Federal Government issued Federal recognition to just the descendants who were imprisoned and who remain at the place of their imprisonment in Oklahoma (far from our Traditional Territory, sadly). This group made a deal with the Federal Government to exchange much of the region here, for an amount of $1-$18 dollars an acre back in the 1970's. After the group had been disconnected from our Traditional Territory for almost 100 years. Along with that transaction, the Federal Government issued them Federal recognition, excluding all other Chiricahua Apache. It's not difficult to understand that this arrangement has negatively impacted all others who are also descendants. There's a false narrative that all the Chiricahua Apache were captured. This is not true. Unfortunately, at this time, the Oklahoma group is not inclusive of other Chiricahua Apache. Their position has been one that excludes other descendants. Having Federal recognition has come with financial support and gives them power over other Chiricahua groups. More enrollments would mean more funds they would have to share. Although Federal recognition would benefit us as well, being the "Free" Chiricahua Apache, we don't carry the same kinds of needs or constraints that those impacted by the

reservation or imprisonment systems need or have arranged. We have needs, but they are different. We aren't structured as a reservation and do not have the same kinds of basic living support needs. We are, however, in need of support to help bring our plans to fruition. There are certainly injustices that hold us back. We are working diligently to change that. We have an opportunity for you to be part of that!

A lasting impact you can make towards a tremendously positive project for our Chiricahua Apache Culture and Legacy, would be to have your support in funding a Chiricahua Apache Cultural Center in Silver City, NM. This would have a significant and positive impact for our Tribe and the Culture. We have been impacted by the interests of mining since the early 1800s. This is a way for you to have a large role in bringing restorative justice to our Tribe. With growing strains between mining and Tribal Lands, this would be a way to show respect and a different relationship for the future. We have plans forming to develop a Cultural Center and request that you consider being part of it! It's an idea that has been well-received in the overall community and beyond. It will have both a Cultural and Economic impact to our region. It offers another experience and opportunity that will attract visitors as well. It would reflect positively on your Mining company and would show great care towards leaving something so beneficial.

Please consider what your Company can do, as a lasting Legacy, to fund our Chiricahua Apache Cultural Center in Silver City, New Mexico. It's an opportunity to be a big part of our efforts towards healing both Native and non Native cultures that our community still struggles with. It's an inspiring opportunity and has the potential to uplift and celebrate our Chiricahua Apache History and Culture, along with the diversity here. It would reach far beyond our region and impress the World!

We invite you to visit our new mural, thanks to a local 30Something grant, featuring historic images of our ancestors and contemporary Chiricahua, who are instrumental in our movement to return and raise our presence. My contact information is below. I welcome time to discuss this opportunity and partnership further,

Chino's response: Please see the detailed closure-closeout plan and responses to comments above.

Laura Watchempino's Comments

I herein submit my public comments on Freeport-McMoRan's application to revise and update its Closure-Closeout Plan (CCP) for the Chino Mine. The CCP should provide sufficient dust control at the mine site with evaporative sprayers. The Kessel Stockpile and any additional or expanded wet waste piles should be double-lined with a leak detection system to prevent future groundwater contamination in the Apache Tejo well field or groundwater wells that will feed the Grant County Regional Water Supply Project. Recommendations for additional preventative measures beyond the estimated lifespan of any installed liners should also be required. Financial Assurances should be sufficient to cover all foreseeable costs of reclamation, long term water treatment to meet applicable water quality standards, and perpetual care without shifting financial liability onto New Mexico taxpayers, regulatory agencies, or surrounding communities. The Mining and Minerals Division should not accept a third-party guarantee from Freeport-McMoRan in lieu of a dedicated funding source for any future excursions from the mine site in the event that ownership of the mine changes or the company experiences financial hardship.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Maree McHugh's comments

Thank you for the opportunity to comment. I live in the Mimbres Valley, and drive past the mine frequently. I am in awe of the massive operation, the unique history of the mines in this district, and the amount of energy and water it takes for the mine operations.

Water is a very valuable resource. I encourage Freeport-McMoRan to have a solid plan to ensure the reclamation plan for the Chino Mine prevents releases of toxic pollution to air, land, and water, including requiring sufficient dust control from evaporative sprayers and lining the Kessel Stockpile now while it is being built to prevent groundwater contamination if the unit is leached in the future. It is important that Freeport-McMoRan plan includes systems to fully capture and monitor contaminated groundwater at closure, including sufficient monitoring and containment around Pond 7 to prevent pollutants from contaminating Apache Tejo area groundwater wells that will be part of the Grant County Regional Water Supply Project. Financial assurance must fully cover the cost of reclamation, long-term water treatment, and perpetual care without shifting financial liability onto taxpayers or surrounding communities. To ensure the company bears the true cost of cleaning up the contamination and disturbance it created, the Mining and Minerals Division (MMD) should not accept a third-party guarantee from Freeport-McMoRan as a valid financial assurance mechanism. A third-party guarantee is essentially an unsecured promise to pay, not a dedicated, reliable source of funds available for cleanup if the company faces financial hardship or bankruptcy. The natural resources in the mining district have served the economy and industry for decades. The resources, especially water are limited and must be wisely and safely
managed today and for the future.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Patrice Mutchnick's Comments

Ensure the reclamation plan prevents releases of toxic pollution to air, land, and water, including requiring sufficient dust control from evaporative sprayers and lining the Kessel Stockpile now while it is being built to prevent groundwater contamination if the unit is leached in the future. Require systems to fully capture and monitor contaminated groundwater at closure, including sufficient monitoring and containment around Pond 7 to prevent pollutants from contaminating Apache Tejo area groundwater wells that will be part of the Grant County Regional Water Supply Project. Financial assurance must fully cover the cost of reclamation, long-term water treatment, and perpetual care without shifting financial liability onto taxpayers or surrounding communities. To ensure the company bears the true cost of cleaning up the contamination and disturbance it created, the Mining and Minerals Division (MMD) should not accept a third-party guarantee from Freeport-McMoRan as a valid financial assurance mechanism. A third-party guarantee is essentially an unsecured promise to pay, not a dedicated, reliable source of funds available for cleanup if the company faces financial hardship or bankruptcy.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Randy Chulick's Comments
I attended the public hearing for the Chino Closure Closeout Plan (CCP) revision on April 21, 2026. Because of potential environmental impacts caused by the CCP to surface and ground water, wildlife, air quality, and the overall health of adjacent communities in Grant County and Luna County I ask that you implement the following measures with the Plan.
1) Require test plots for Kessel and Rubio material before it is approved as Reclamation Cover Material.
2) Line Kessel Stockpile to protect groundwater.
3) Ensure sufficient containment around Tailings Pond #7.
4) Monitor surface water into Whitewater Creek.
5) Notify any landowners that may be within the permit boundary of the mine. In addition, landowners should be advised of any possible impacts from CCP activities.

6) Factor in capital replacement costs of water treatment. My concern is that the financial assurance provided by Chino is inadequate to cover reclamation costs should Freeport McMoran default (ie. go bankrupt). Total indirect costs should be calculated at a minimum of 38% if not higher. Financial assurance must not become a public liability.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Sally Smith's Comments

I have serious concerns about air and water quality as the mine continues to expand. The monitoring of both current and long term operations and expansions and the details of closure and long term maintenance are of utmost importance. I fully agree with the following list of concerns for financial insurance, monitoring. I believe replacement cost and post mining land use and water treatment are also of utmost importance. Ensure the reclamation plan prevents releases of toxic pollution to air, land, and water, including requiring sufficient dust control from evaporative sprayers and lining the Kessel Stockpile now while it is being built to prevent groundwater contamination if the unit is leached in the future. Require systems to fully capture and monitor contaminated groundwater at closure, including sufficient monitoring and containment around Pond 7 to prevent pollutants from contaminating Apache Tejo area groundwater wells that will be part of the Grant County Regional Water Supply Project. Financial assurance must fully cover the cost of reclamation, long-term water treatment, and perpetual care without shifting financial liability onto taxpayers or surrounding communities. To ensure the company bears the true cost of cleaning up the contamination and disturbance it created, the Mining and Minerals Division (MMD) should not accept a third-party guarantee from Freeport-McMoRan as a valid financial assurance mechanism. A third-party guarantee is essentially an unsecured promise to pay, not a dedicated, reliable source of funds available for cleanup if the company faces financial hardship or bankruptcy.

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

Steve Mudge's Comments

Hi, this has less to do with the water and toxins concerns currently being debated and more to do with grading all the excavated soils when the mine starts ceasing operations. It's an aesthetic subject---instead of contouring the excavations pyramid style, as they currently are, would it be possible to make more natural, rounded (hilly) contours so the mine fits back into the surrounding landscape better. It would be a great gift to Silver City to have a more natural vista again. Also, I hope there are plans to hydro seed native seeds over the finished grade to hasten the regrowth of the ecosystem.

Chino's response: The current conceptual reclamation design meets all regulatory requirements and was evaluated for constructability, drainage, erosion, and long-term slope stability as well as other criteria. This comment addresses final design which is anticipated to come many decades in the future and will address actual configurations of facilities at the time of actual closure. This may allow some of the commenter's ideas to be incorporated on some facilities at that time; however, some of the ideas the commenter is proposing may not be compatible with environmental goals such as minimizing or eliminating erosion. Chino has completed several thousand acres of very successful, award-winning, large-scale reclamation that fits very well aesthetically into the surrounding natural landforms and restores a self-sustaining ecosystem.

Janet Wallet-Ortiz's Comments

I have been a citizen of Grant County for over 40 years and I have seen too many issues regarding mining reclamation remain unaddressed. I am I insisting that the powerfully wealthy company of Freeport be held to account to protect both our environment, our water and our air in their reclamation plans.
1) NMED MUST ensure that reclamation plans prevent releases of toxic pollution to air, land, and water. Part of
this plan needs to include serious and sufficient dust control. In addition, the KESSEL stockpile must be LINED NOW while it is being built—to prevent underground water contamination.
2) NMED MUST require a system to fully capture AND monitor containment ground water at closure, INCLUDING sufficient monitoring and containment around Pond 7 to prevent pollutants from contaminating the Apache Tejo Area of groundwater wells that will be part of the Grant County Regional Water Supply Project—-that I will be getting water from.
3) NMED MUST GUARANTEE financial assurance in the strictest interpretation of the law. It must fully cover the cost of reclamation, long-term water treatment and perpetual care without shifting financial liability onto taxpayers or surrounding communities. NO 3rd party guarantee! 3rd party guarantees ARE NOT RELIABLE!

Chino's response: These concerns have been addressed in responses to previous comments. Please refer to the responses above.

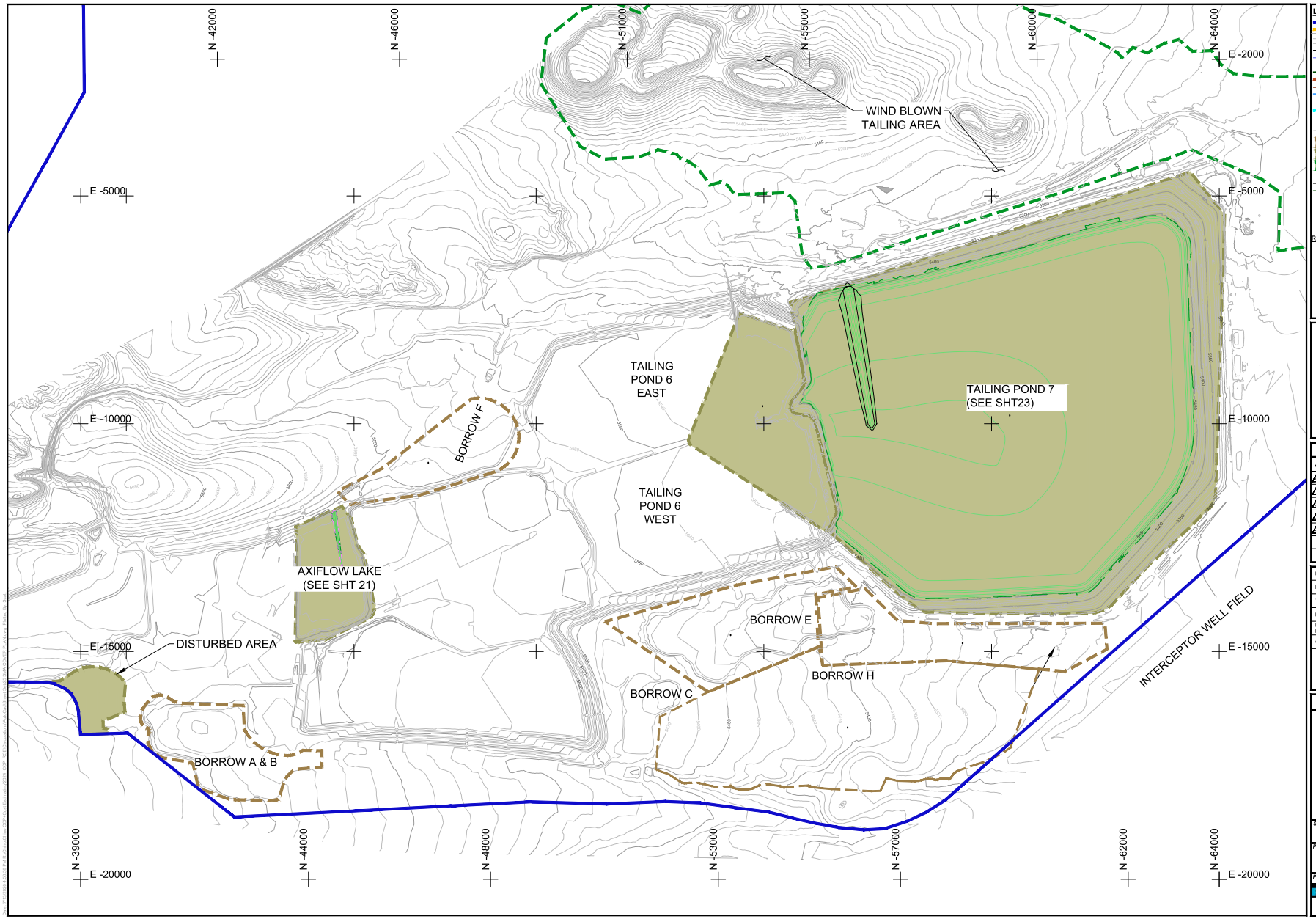
If you have any questions or concerns, please contact Ned Hall at (520) 498-6314 or me at (575) 912-5927.

Sincerely,

Sherry Burt-Kested, Manager
NMO Environmental Services

SBK:elh
Enclosure
20260916-001

ec: David Ennis, MMD
Ned Hall, FMI



LEGEND & NOTES

- PERMIT BOUNDARY
- OPSDA 2030
- EOY 2030 CONTOURS
- PAVED ROAD
- GRAVEL ROAD
- EXISTING DRAINAGE
- BUILDING
- RECLAMATION AREAS
- PIT WAIVER AREA
- BENCH CHANNEL
- DOWN DRAIN
- ENERGY DISSIPATER
- SLUDGE/SALT DISPOSAL AREA
- HAUL ROUTES
- BORROW
- COVER
- REVEGETATION

PROFILE/SECTION

- EXISTING GROUND
- RECLAMATION GRADE
- S-1 CROSS SECTION DESIGNATION
- 006 SHEET NUMBER

REFERENCE

1. END OF YR 2030 TOPOGRAPHY SUPPLIED BY CHINO MINE PLANNING

0 1000
SCALE IN FEET
CONTOUR INTERVAL = 50' MAJ 10' MIN
COORDINATE SYSTEM CHINO LOCAL MINE

REVISIONS

#	DESCRIPTION	DATE	BY	APPROVED
1	CLIENT REVIEW	07/01/04	JC	WN
2	FOR SUBMITTAL	10/25/04	SN	JC
3	AGENCY REVIEW	06/08/05	SN	WN
4	AGENCY REVIEW	12/15/05	SZ	TS
5	AGENCY REVIEW	05/01/06	SZ	TS

DATE	12/1/25
PROJECT	200430A-002
TASK NUMBER	02
DRAWN BY	SN
PROJECT ENGINEER	WN
CHECKED BY	JC

CHINO MINE AREA RECLAMATION

SMA COVER PLAN

SHEET NUMBER: 25
REVISION NUMBER: 4

PREPARED BY: TELESTO SOLUTIONS INC.

PREPARED FOR: FREEPORT-McMoRan