

A topographic map of a region in New Mexico, showing contour lines and a road network. A white arrow points from a small circle on the left edge of the map towards the center of the slide.

State of New Mexico
Energy, Minerals and Natural Resources Department
Mining and Minerals Division (MMD)
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Tyrone Mine
Permit Revision 09-1 Application
Updated Closeout Plan

Public Meeting
August 5, 2020

Public Meeting Purpose

- This meeting serves four purposes:
 - 1) The Tyrone Mine will present information on the Tyrone Mine updated Closeout Plan.
 - 2) MMD will describe its process to review the Tyrone Mine updated Closeout Plan in accordance with the New Mexico Mining Act Rules.
 - 3) The Gila Resources Information Project (GRIP) will present their comments.
 - 4) The public may ask questions and comment on the Tyrone Mine updated Closeout Plan.

New Mexico Mining Act Rules (19.10.5 NMAC)

A Permit Revision Application is processed by MMD under Part 5 of the Mining Act Rules (19.10.5 NMAC) addressing permitting actions for Existing Mining Operations:

“mines that produced marketable minerals for a total of at least two years between January 1, 1970 and June 18, 1993” (19.10.1.7.E(2) NMAC).

Tyrone Mine is permitted as an Existing Mine.

Permit Revision Application Elements

- Permit Revision Factors: significant environmental impact, and/or significant increase to the financial assurance (FA), and/or significantly departs from nature or scale of the permit.
- Application must include: Proof of Public Notices, Permit Application Fee, and additional information as requested by the Director.
- Includes: Closeout/Reclamation Plan & FA Cost Estimate as applicable.

Tyrone Mine Permit Revisions

- Permit No. GR010RE approved by MMD July 10, 1996. The original Permit.
- Revision 01-1, incorporating the Closeout Plan into the permit was approved by MMD on April 12, 2004.
- Revision 03-1, for the Cu Mtn. So. Pit Expansion was approved on May 6, 2005.
- Revision 10-1, renewing the Open Pit Waiver was approved April 31, 2012.

Tyrone Mine Permit Modifications

- Permit Modifications, have been processed by MMD since 2000 for changes to the Tyrone Mine permit that did not rise to the level of a permit revision.
- These Modifications were approved for partial financial assurance releases for completed reclamation, clarification and minor changes to reclamation requirements, the addition of waste rock piles, and changes to the financial assurance instruments, for example.

A vertical strip on the left side of the slide shows a topographic map of a river valley. The map features contour lines, a river channel, and various colored overlays in green, yellow, and red, likely representing different land use or elevation zones.

Application for Revision 09-1

- The application for Revision 09-1 was submitted by Tyrone to MMD on April 9, 2009.
- The application for Revision 09-1 included an Updated Closeout Plan and a Third-Party Reclamation Cost Estimate.
- The 2009 application was updated in 2013, 2015, 2019 and in 2020 with additional, updated technical information that supplemented the 2009 application.

Application for Revision 09-1

- Tyrone will present details of their Closeout Plan in their presentation. The Closeout Plan applies to all Tyrone Mine disturbances and affected areas.
 - The Little Rock Mine is regulated under Permit No. GR007RE and has its own approved Closeout Plan.
- MMD provided comments and comments from other state agencies to Tyrone on the updated Closeout Plan and technical supplements received since 2009. Tyrone has responded to the comments in letters and submittals since 2009.

MMD Reclamation Standards

- Specified in 19.10.5.507 NMAC. Requires that the Closeout Plan specify incremental reclamation work to be done within specific time frames.
- Self-Sustaining Ecosystem (SSE) – the goal of reclamation; site-specific, life-zone appropriate.
 - 12-year time period after seeding required for vegetation re-establishment.
- Post-Mining Land-Use (PMLU)– beneficial or multiple uses established in permit area after mining.
 - PMLU is selected by the landowner (Tyrone) and approved by MMD.
 - Approved PMLU's for Tyrone Mine – wildlife habitat, grazing, industrial-commercial.

MMD Reclamation Standards (continued)

- Waiver for Pits and Waste Units – waives the requirement to achieve the SSE and/or PMLU.
 - Requires demonstration of technical infeasibility, economic infeasibility and/or environmentally unsoundness.
 - Conditionally approved in 2004 and Renewed in 2010 for the Tyrone Main Open Pit, Savanna Pit, Gettysburg Pit and Copper Mountain Pit, and Interior Sloped Stockpiles around the pits.
 - Tyrone demonstrated economic infeasibility and environmental unsoundness.
 - The Waiver is conditioned on annual reporting of open pit and stockpile status and justification for waiver by Tyrone that is reviewed by MMD.
 - Revision 09-1 will have conditions for approval of the waived areas of the Tyrone Mine.

Tyrone Mine Reclamation (to date)

- Mangas Valley Tailing Repositories and No. 1, 1A, 1X, 2, 3, 3X Tailing Impoundments, Burro Mt., and Tailing Launder reclaimed in 2004 to 2011.
- Mill-Concentrator Unit reclaimed in 2004 -2006.
- No. 1, 1C, 7A, 7A Far West Stockpiles, USNR Area reclaimed 2005 to 2013.
- Tailing and Stockpile slopes regraded to 3H:1V, with 2 to 3-foot-thick Gila conglomerate cover material applied, seeded and mulched.
- Over 3,500 acres reclaimed to Grazing and Wildlife Habitat PMLU's.

Tyrone Mine Financial Assurance (FA)

- FA based on the Cost Estimate for a Third-Party Contractor to complete the reclamation or closeout plan in the case of forfeiture. (19.10.12.1201.A NMAC)
- **Current FA approved:**
 - \$ 179,504,992 (Net Present Value or NPV)
- Current FA Instruments:
 - \$ 48,200,000 Cash Trust (\$ 57,205,024 June 2020)
 - \$ 50,804,400 Third Party Guarantee (28% of FA)
 - \$ 48,549,200 Collateral (2014 appraisals, -20%)
 - \$ 31,780,518 Surety Bonds
 - \$ 170,874 Letter of Credit
 - \$179,504,992 (NPV)

Draft NPV Guidance at:

<http://www.emnrd.state.nm.us/mmd/MARP/MARPGuidanceGuidelines.html>

Tyrone Mine FA (continued)

- In 2004, FA approved for the Closeout Plan approved in Revision 01-1:
 - \$ 439,471,769 (in 2004 Dollars)
 - OR
 - \$ **270,775,013** (NPV, in 2004)
 - \$ 91,270,021 in FA released for reclamation completed
 - \$ **179,504,992** (NPV) FA Currently Approved
- In 2020, Revision 09-1 FA Cost Estimate:
 - \$ 431,071,807 (in 2020 Dollars, April 2020 est.)
 - \$ 176,326,429 (NPV, April 2020 estimate)
- The FA is held jointly with NMED.

Where We Are in the Process

- MMD is nearing completion of reviewing Tyrone's Permit Revision 09-1 Application.
- A Public Hearing was originally requested by the Gila Resources Information Project (GRIP).
- The MMD requirements for holding a Public Hearing are listed in Part 9 of the NM Mining Act Rules (19.10.9.904 NMAC).
- GRIP has agreed to have a Public Meeting.

Moving Forward

- MMD will continue to review relevant comments, and to technically review the application, as appropriate.
- This public meeting is a forum for comments and questions from the public.
- The MMD Director will determine how long MMD will accept written comments. This will be posted on MMD's Website:

http://www.emnrd.state.nm.us/MMD/MARP/Tyrone_Rev09-1.html

Moving Forward (continued)


- MMD will review written comments received after this meeting and may ask Tyrone to respond to relevant questions and comments.
- Tyrone is required to obtain an Environmental Determination from NMED prior to MMD approval of Permit Revision 09-1.
- NMED is processing a renewal of Discharge Permit, DP-1341 for the Tyrone Mine updated Closure/Closeout Plan. NMED and MMD have coordinated their review of the Plan.
- Tyrone will propose Financial Assurance including FA instruments after MMD deems the application technically approvable in the near future.



Document Summary

- The presentation and related documents will be available online at the MMD Website:

http://www.emnrd.state.nm.us/MMD/MARP/Tyrone_Rev09-1.html



Written comments related to the application for Revision 09-1 may be submitted to the MMD Director at the following address:

emnrd.mmd2@state.nm.us

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

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Questions and Comments?

Written comments may be sent to MMD at:

emnrd.mmd2@state.nm.us

Enter “Tyrone Closeout Plan” in the Subject
Line