

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Fernando Martinez, Director
Mining and Minerals Division



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CERTIFIED MAIL –RETURN RECEIPT REQUESTED

February 11, 2013

Mr. Thomas L. Shelley, Manager
Reclamation
Freeport-McMoRan Copper & Gold
Tyrone Operations
P.O. Drawer 571
Tyrone, NM 88065

Re: Application for Release of Financial Assurance for Little Rock Mine, Permit No. GR007RE

Dear Mr. Shelley,

The New Mexico Mining and Minerals Division (“MMD”) received a letter from Freeport-McMoRan Copper & Gold, Tyrone Operations (“Tyrone”) entitled, “Request for Release, Part 2 Non-mining Financial Assurance, Little Rock Mine, GR007RE and DP-1236,” (“Application”), dated January 15, 2013, requesting financial assurance release for the the Little Rock Mine (“Little Rock”), located in Grant County, New Mexico. The Application also is addressed to the New Mexico Environment Department (“NMED”) regarding discharge permit DP-1236. NMED will provide comments on the Application separately.

MMD has conducted a preliminary review of the Application and provides the following comments:

1. MMD has determined that the Application will be processed as Permit Modification 13-1 to Permit No. GR007RE for the Little Rock Mine. 19.10.2.201.H NMAC requires that the application fee for permit modification for a non-minimal impact mine operation is \$1,000.00, and the application fee shall accompany the application. Please provide the permit modification application fee of \$1,000.00 within 30-days of receipt of this letter for Permit Modification 13-1.
2. MMD has determined that the Application will be processed as an application for release of financial assurance pursuant to 19.10.12.1210 NMAC. In accordance with 19.10.12.1210.A(3) NMAC, at the time of application, the applicant is required to submit proof that the notice of application has been provided in accordance with 19.10.9.902 NMAC and 19.10.9.903 NMAC. Please provide the

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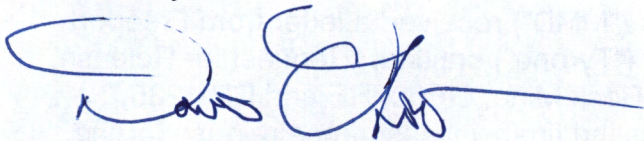
required proof of the publication of the public notice within 30-days of receipt of this letter. The public notice shall meet the requirements of 19.10.12.1210.A (3) NMAC.

3. In accordance with 19.10.12.1210.A(2), the Application shall describe the reclamation or closeout measures completed. In this case, the Application shall describe the mine areas that have been mined that would have otherwise been reclaimed under the non-mining scenario. Please provide a more detailed description of the mine areas that have been mined that would have otherwise been reclaimed under the non-mining scenario, including drawings and photographs.

In addition, in accordance with 19.10.12.1210.A(2), the Application shall contain a detailed estimate of the cost of reclamation that has not yet been completed. Please provide a detailed cost estimate of the reclamation that has not yet been completed for the areas of the Little Rock Mine that are under the non-mining scenario.

Please contact me at 505-476-3432 or at David.Ohori@state.nm.us if you have any questions.

Sincerely,



David R. Ohori, Permit Lead
Mining Act Reclamation Program ("MARP")

cc: Holland Shepherd, MARP Program Manager
Mine File (GR007RE)