

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Fernando Martinez, Director
Mining and Minerals Division



October 26, 2012

Mr. Billy Ray
BHP Billiton
8950 N. Oracle Road, Suite 150
Tucson, AZ 85704

RE: Old Stope Leach Site, Rio Algom Mining LLC, McKinley County, New Mexico, Permit No. MK009RE

Dear Mr. Ray,

In April 2012, the Mining and Minerals Division ("MMD") performed an inspection of the Old Stope Leach Site located in McKinley County, New Mexico, permit no. MK009RE. As discussed during the site visit and during a recent meeting on October 10, 2012, MMD requires Rio Algom Mining LLC ("Rio Algom") to perform a GPS or other equivalent survey to delineate disturbed areas, which Rio Algom reported in its 2011 annual report to MMD as ~81 acres. MMD requires Rio Algom to submit a map(s) depicting the specific areas/acreage within the ~14 square mile permit area that are reported by Rio Algom to be disturbed or reclaimed for the next annual report submittal (by April 2013).

Please submit the information and documentation described above within 60-days of receipt of this letter. If you have any questions, please feel free to contact me at (505) 476-3434 or by email at david.ennis@state.nm.us.

Sincerely,

David J. (DJ) Ennis, P.G.
Senior Reclamation Specialist/Permit Lead
Mining Act Reclamation Program

cc: Holland Shepherd, Program Manager