

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Fernando Martinez, Director
Mining and Minerals Division



June 29, 2015

Ms. Lynn Lande, Chief Environmental Engineer
Freeport-McMoRan Inc., Tyrone Operations
P.O. Box 571
Tyrone, NM 88065

RE: Comments on FMI Response to Little Rock Mine Expansion and Updated Closeout Plan, Revision 14-1, Permit No. GR007RE

Dear Ms. Lande,

The New Mexico Mining and Minerals Division ("MMD") received a submittal from Freeport-McMoRan Inc., Tyrone Operations ("Tyrone") titled, "Permit GR007RE – Little Rock Mine Existing Mining Operation, Permit Revision Application for Expansion of the Little Rock Mine", dated July 10, 2014 ("Application"). The Application letter included an Updated Closure/Closeout Plan for the Little Rock Mine ("Updated CCP"), dated June 19, 2014. MMD has assigned Revision 14-1 to process the Application and Updated CCP. This Revision 14-1 is to accommodate the expansion of the Little Rock Mine and to update the closeout plan. MMD provided comments ("MMD Comments") on the mine expansion and updated closeout plan in a letter to Tyrone, dated February 10, 2015 including comments from other state agencies and tribal entities. MMD received a letter from Tyrone, dated April 17, 2015 with responses to the MMD Comments and comments from other state agencies and tribal entities ("Tyrone Response"). MMD has reviewed the Tyrone Response letter and has the following comments:

General Comments

1. Paragraph 2, page 1 - The Tyrone Response states that, "Tyrone was encouraged by the Department of Energy, Minerals and Natural Resources (MMD) (in the late 1990s) to forego a waiver request for the site – stating that Tyrone could likely gain approval of a closeout plan without a waiver under these environmental conditions."

Please provide a reference for the above quoted MMD statement.

MMD assesses the site specific conditions at mine sites and determines whether the closeout plan meets the performance and reclamation standards and requirements of 19.10.5.507 NMAC. Whenever a mine proposes changes to the site specific conditions for a mine unit such as an open pit, MMD reviews the proposed closeout plan and determines what is approvable in accordance with the New Mexico Mining Act Rules. It should not be assumed that MMD's past approval of a closeout plan for

an open pit without a waiver is an indicator of future approval of the closeout plan for an open pit without a waiver, depending on the site specific conditions at the mine. MMD is currently considering approval of the closeout plan for the open pit as proposed in the Updated CCP. At this time, pending receipt of any additional information, MMD has no additional general comments regarding the closeout plan for the open pit.

MMD Comments on the Tyrone Response (Tyrone Application Letter)

1. Tyrone's response to MMD comment No. 1 is satisfactory.
2. MMD comment No. 2 stated that the overburden materials from the Little Rock Mine are currently being evaluated using test plot studies, in part, for the ability of the overburden materials to meet the revegetation standards of the Little Rock Mine closeout plan. MMD believes that the test plot study for the Little Rock overburden materials, proposed by Tyrone in 2004 and approved by MMD, is based in sound scientific methods. Additionally, the copper leach stockpile at the Little Rock Mine that was reclaimed by Tyrone in 2010 will be evaluated separately during the twelve year post-reclamation period to determine whether the re-vegetation meets the requirements of the Little Rock Mine closeout plan.
3. To date, Tyrone has not demonstrated that the reclaimed copper leach stockpile or the results of the test plot studies successfully meet the revegetation standards of the Little Rock Mine closeout plan. MMD met with Tyrone on June 11, 2015 and has scheduled to meet with Tyrone on July 22, 2015 to further discuss amending the Little Rock Mine cover materials that Tyrone is testing at the USNR and/or the 7A leach cap cover material test plots.
4. Tyrone's response to MMD comment No. 4 is satisfactory.

MMD Comments on Tyrone's Response (Update Closure/Closeout Plan)

5. Tyrone's responses to MMD comment Nos. 5 and 6 are satisfactory.
6. Tyrone's response indicates that an erosion gully observed on the West Canyon stockpile slope was caused by, "water accumulating on the top surface and flowing over the edge." MMD requires that the cause of this erosion be mitigated through a corrective action plan. Please submit a corrective action plan to address the erosion at the West Canyon stockpile within 30 days of receipt of this letter. MMD will review this corrective action under the currently approved closeout plan (maintenance) for the Little Rock Mine, and separately from the review of the updated closeout plan and expansion of the Little Rock Mine (Revision 14-1).
7. Tyrone's responses to MMD comment Nos. 8, 9 and 10 are satisfactory.

8. See MMD comments 2 and 3, above.
9. Tyrone's responses to MMD comment Nos. 12, 13, 14, 15, 16, 17 and 18 are satisfactory.
10. Tyrone states that, "Tyrone has only indicated (since the time the agency requested that Tyrone not pursue a waiver at this site) that haul roads (portions not used for post-closure access) and in-pit stockpiles would be reclaimed to meet the applicable revegetation success standards." Please provide a reference for the statement that MMD, "requested that Tyrone not pursue a waiver at this site." (see MMD General Comment 1 above).
11. Tyrone's response to MMD comment No. 20 is satisfactory.

Appendix A, Reclamation Design Drawings

12. Tyrone's responses to MMD comment Nos. 21 and 22 are satisfactory.
13. MMD appreciates Tyrone's effort to modify the design of the reclaimed open pit to improve wildlife access. MMD would like to discuss with Tyrone how wildlife access to the reclaimed In-pit Stockpile area depicted on Updated Sheet 5: Little Rock Mine CCP Post Reclamation, may be improved.

Appendix B, Reclamation Cost Estimate Summary Report

General Comments

14. Tyrone's responses to MMD comment Nos. 24, 25 and 26 are satisfactory.

Specific Comments

15. Tyrone's responses to MMD comment Nos. 27, 28 and 29 are satisfactory.

Other Agency Comments

16. Tyrone's responses to the comments from the New Mexico Environment Department ("NMED") Ground Water Quality Bureau, Surface Water Quality Bureau and Air Quality Bureau are satisfactory.
17. Tyrone's responses to the comments from the New Mexico Department of Cultural Affairs Department are satisfactory.

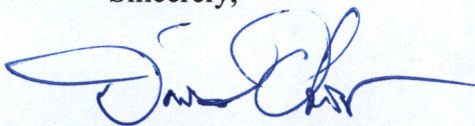
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18. Tyrone's responses to the comments from the New Mexico Office of the State Engineer are satisfactory.
19. Tyrone's responses to the comments from the Navajo Nation, the Hopi Tribe and the White Mountain Apache Tribe are satisfactory.

Please respond to the above comments within 30 days of receipt of this letter.

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

Sincerely,



David Ohori, Permit Lead
Mining Act Reclamation Program ("MARF")

cc: Holland Shepherd, Program Manager, MARF
John Hall, Mining Act Team Leader, Mining Environmental Compliance
Section, New Mexico Environment Dept., Ground Water Quality
Bureau
Allyson Siwik, Executive Director, Gila Resources Information Project
Mine File (GR007RE)