

# Rio Algom Mining LLC

March 18, 2020

Mr. Holland Shepard  
Program Manager, MARP  
NM Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**RE: Response to MMD Technical Review and Comments on Revision 19-1  
Interim Closure/Closeout Plan, New Mexico Mine Permit No. MK009RE**

Dear Mr. Shepard:

Rio Algom Mining LLC (RAML) respectfully submits the following responses to comments received by letter dated January 21, 2020 from the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD) concerning RAML's interim Closure/Closeout Plan (CCP), which was submitted to MMD and New Mexico Environmental Department (NMED) on June 27, 2019. The purpose of RAML's interim CCP is to provide a basis for updating RAML's financial assurance with the State of New Mexico during the pendency of discussions amongst RAML, the State of New Mexico, and the U.S. Environmental Protection Agency regarding the scope of potential investigation and response actions in the western portion of the San Mateo Creek Basin.

On December 13, 2019, RAML responded to NMED comments concerning the interim CCP but has not yet received correspondence from NMED regarding the acceptability of RAML's proposed responses. RAML is seeking Agency (i.e., NMED and MMD) acceptance of RAML's responses and proposed modifications to the interim CCP prior to production and submission - to both Agencies - of the revised interim CCP. RAML is prepared to complete changes and submit the revised interim CCP within 30 days of Agency (i.e., NMED and MMD) acceptance of RAML's responses and proposed revisions.

**MMD Comment 1: Table 6: For Section 30, there is a 75% / 25% split between the impacted soil being transported to either Section 22 or Section 4. Similarly, for Section 32, there is a 97% / 3% split. Please describe what criteria the split of impacted soil is based on, e.g. volumetric calculations, Ra-226 contaminant levels, etc.**

RAML Response: Material from a single section was assigned to different repositories to avoid transporting mine waste over a public highway (NM 509). In the case of section 30, approximately 25% of the estimated removal volume is assigned to a conceptual section 22 repository (west of NM 509) and 75% of the estimated removal volume is assigned to a conceptual section 4 repository (east of NM 509).

Mine waste from section 32 was incorrectly split between repositories in section 22 and section 4. All the estimated removal volume from section 32 is located east of NM 509 and therefore should have been assigned to the conceptual repository in section 4.

RAML will update the interim CCP to:

- 1) Reflect the correct repository assignment for material from section 32.
- 2) More completely describe the rationale for splitting mine waste removed from section 30 between repositories in sections 22 and 4.

**MMD Comment 2: The “typical repository design” shown in Appendix A appears to differ from an evapotranspiration (“ET”) cover described elsewhere in the interim CCP in that the figure in Appendix A shows a rock armor surface over two feet of low permeability soil. Section 5.4 describes the use of incised or partially incised repositories with an ET cover using borrow soil from other locations. Please clarify.**

RAML Response: As stated in sections 5.2.4.2 and 5.4, all repositories will incorporate an evapotranspiration cover. RAML envisions that the rock layer on top of the repositories will be less like rock armor and more like a rock mulch suitable for controlling erosion and retaining moisture while vegetative communities are established.

RAML will update Figure 18 (Appendix A) to reflect this intent.

**MMD Comment 3: Please identify on a map potential borrow sources for cover construction.**

RAML Response: The interim CCP is conceptual in nature and has intentionally omitted the identification of a specific borrow source. Instead, RAML has included funding to identify, characterize, and describe borrow areas in its surety estimate (Tasks PSW-1.2, PSW-2.2, PSW-3.2, and PSW-4.5).

RAML does not anticipate changes to the interim CCP as a result of this comment.

**MMD Comment 4: Regarding the Interim CCP cost estimate provided in Appendix C:**

- a. **Page 57 uses a contingency of 2% based on MMD's guideline dates 1996. MMD has replaced the 1996 guideline with a new guideline dated June 2019, which has a 10% contingency for projects over \$50MM.**

RAML Response: RAML will update the CCP text and cost estimate tables to reflect MMD's 2019 guidance.

- b. **The Pre-Reclamation Studies and Reports phase has a total of \$9,032,000; however, the tasks listed for this phase only adds up to \$5,212,000. Is there a page missing from the cost estimate?**

RAML Response: A page is missing from the report. This page contains one table: PSW-5 *Groundwater monitoring*. The cost associated with PSW-5 (\$3,820,000) was included in the total cost estimate, but the table itself was inadvertently omitted from the report.

RAML will update the report to include to include PSW-5.

- c. **Does the Seeding and Grading task cost of \$3,100 acre include scarification, application of weed-free mulch and crimping of mulch?**

RAML Response: The seeding task includes pre-disking the soil and applying a weed-free grass-hay mulch following seed application. RAML will included a footnote in Appendix C that "Seeding and Grading includes pre-disking and applying a weed-free grass-hay mulch".

- d. **The cost estimate is brief and doesn't breakdown the direct and indirect costs enough for MMD to fully evaluate its adequacy. MMD is accustomed to seeing equipment lists, equipment costs, operator labor rates, equipment productivity values, hauling routes, etc. to evaluate a cost estimate. For this interim CCP, MMD will accept the submittal as provided; however, future cost estimates shall have a more detailed breakdown of costs.**

RAML Response: RAML acknowledges MMD's comment. We are grateful that MMD recognizes that the interim CCP is intended to provide the basis to update RAML's financial assurance with the State of New Mexico. Future cost estimates, produced as a

result of ongoing discussions between RAML and regulatory Agencies, will include additional detail.

The comment does not request a change to the interim CCP and RAML does not anticipate changes to the interim CCP as a result of this comment.

If you have any questions regarding the above responses, or need additional information, please do not hesitate to contact me by phone at (916) 947-7637, or via email at [sandra.ross@bhp.com](mailto:sandra.ross@bhp.com).

Sincerely,



Sandra L. Ross, P.G.  
Site Manager

cc:

Mr. David J. Ennis, Senior Reclamation Specialist Supervisor, MMD  
Mr. Kurt Vollbrecht, Program Manager, NMED