

Rio Algom Mining LLC

May 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: Erratum – RAML 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 erratum related to RAML's responses¹ to New Mexico Mine and Minerals Division's (MMD) comments² concerning RAML's interim Closure/Closeout Plan (CCP)³. 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.

RAML is currently updating its interim CCP to reflect changes described in RAML's responses to comments from MMD¹ and the New Mexico Environment Department (NMED)^{4,5}. While making updates, RAML identified an error in the surety estimate tables related to RAML's response to MMD's Comment 4b. Both MMD's comment and RAML's initial response are provided below.

¹ Submitted to MMD by letter dated March 18, 2020.

² Received from MMD by letter dated January 21, 2020.

³ Submitted to MMD and New Mexico Environmental Department on June 27, 2019.

⁴ Submitted to NMED by letter dated December 13, 2019.

⁵ RAML will further update the CCP following RAML's submission of responses to comments from the New Mexico Historic Preservation Division, the Surface Water Quality Bureau, and the Office of the State Engineer. These comments were sent to RAML from MMD by email dated April 7, 2020

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

- 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 PSW-5.

The table referenced in RAML's response, PSW-5, describes tasks and estimated costs associated with groundwater abatement activities. Just prior to submitting the interim CCP in June 2019, RAML made the decision to move groundwater abatement costs out of the *Pre-Reclamation Studies and Reports* (PSW) reclamation phase and into a separate reclamation phase, *Groundwater Abatement* (ABA). PSW-5 was removed from the Appendix C of the interim CCP, but the costs associated with PSW-5 were inadvertently included in the total estimated cost for the PSW reclamation phase and the estimated cost for the overall project. This is why, as MMD's reviewer notes, the total for the PSW reclamation phase is greater than the sum of the listed tasks PSW-1 through PSW-4.

As a result of this oversight, groundwater abatement activities were included twice in RAML's 2019 project cost estimate, firstly under the PSW reclamation phase and secondly under the ABA reclamation phase.

RAML intends to correct this oversight, and address MMD's comment, by removing costs associated with PSW-5 from the cost estimate for the PSW reclamation phase. Additionally, RAML no longer plans to provide PSW-5 as part of its interim CCP revision. *All activities described in PSW-5, and all costs associated with PSW-5 activities, have been accounted for in the overall cost estimate within the ABA reclamation phase.*

RAML regrets any confusion created as a result of this oversight. 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.

Sincerely,



Sandra L. Ross, P.G.
Site Manager

cc:

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