



Tyrone Operations
P.O. Box 571
Tyrone, NM 88065



February 5, 2018

Certified Mail #9171999991703580022881
Return Receipt Requested

Mr. David Ohori
Mining and Minerals Division
Mining Act Reclamation Program
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Ohori:

Re: Freeport-McMoRan Tyrone Inc., Modification to Permit GR007RE Revision 14-1

Freeport-McMoRan Tyrone Inc. (Tyrone) submitted a revision application to the Mining and Mineral Division (MMD) for an expansion of the Little Rock Mine on July 10, 2014. The MMD approved Permit GR007RE Revision 14-1 (Rev. 14-1) on March 8, 2016, including an expansion of the Little Rock Mine, an updated closeout plan, and financial assurance (FA). Tyrone is requesting a modification to Rev. 14-1 to change permit condition 8.W

from: *"The Permittee shall submit an updated closeout plan by June 30, 2018."*

to: *"The Permittee shall submit an updated closeout plan by June 11, 2020."*

The New Mexico Environment Department (NMED) approved Discharge Permit 1236 (DP-1236) on March 8, 2016, and expires in five years on March 8, 2021. An updated Closure Plan is due June 11, 2020, in accordance with DP-1236 condition A103.C, "the permittee shall submit an application and associated fees for renewal, renewal and modification, or renewal for closure at least 270 days prior to the expiration date of this Discharge Permit." Tyrone is proposing that the new due date coincide with the NMED requirement, resulting in a reduction of duplicative work. In addition, the following evaluation demonstrates that 2014 remains the highest liability year in the five-year period of the NMED permit and sufficient FA remains in place to cover the cost of reclamation in the unlikely scenario that Tyrone would default on the reclamation requirements in the next two years.

Tyrone evaluated the 5-year FA requirement for Little Rock Mine for years 2014 to 2018, in accordance with 19.10.12.1205.B NMAC. At that time, MMD and NMED agreed that 2014 was the highest liability year for reclamation and therefore the FA cost estimate was completed based on the 2014 mine plan. The MMD approved the permit revision on March 8, 2016, including the Closure/Closeout Plan (CCP) and FA cost estimate. All changes in the Little Rock Mine disturbance area are reported to MMD annually.

The Little Rock Mine is progressing at a slower mining rate than described in the approved CCP. As of June 30, 2017, the Little Rock Mine open pit configuration was approximately 190 acres in area. The 2014 mine plan showed the open pit configuration consisted of 280 acres and 236 acres required revegetation costs. Table 1 below lists the current total disturbance and revegetation areas for the 2014 approved CCP compared to the pit configuration as of June 2017.

Today, only 172 acres of mine area would require revegetation while the FA cost estimate currently accounts for 236 acres. Tyrone has disturbed 46 acres at Little Rock Mine from December 31, 2013 to December 31, 2017, or approximately 12 acres per year. At the current mining rate, there will be no significant change or deviation from the approved 2014 Little Rock CCP before 2021. Therefore, by 2021 it is anticipated that at most 208 acres would require revegetation. Therefore, Tyrone believes the current closeout plan conservatively accounts for the necessary reclamation costs and requests that MMD revise the CCP update submittal to June 11, 2020.

Table 1: Comparison of Approved 2014 Financial Assurance and 2017 Disturbance Areas			
Disturbance Area	2014 CCP Reclaimed Acres	June 2017 Reclaimed Acres	^aAcreege Difference
Roads	27	26	-1
North Stockpile	4	8	4
West Canyon Stockpile	2	2	0
Open Pit Perimeter Safety Berm and Fencing	30	12	-18
Ancillary Facilities and Structures	5	10	5
Reclaimed Copper Leach Stockpile and P-Plant	30	30	0
Allowance for Other Disturbed Areas	10	10	0
Operational West In-pit Stockpile	42	44	2
^b Operational North In-pit Stockpile	0	10	10
^b Open Pit Flat Areas	85	20	-66
Open Pit Configuration	280	190	-90
Totals	516	316	-153
Revegetation Acreage	236	172	-64

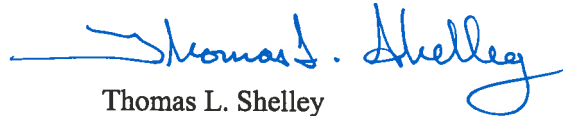
^aNegative number indicates total acres have decreased from 2014 to 2017.

^bThe 2017 Operational North In-Pit Stockpile footprint is located within the 2014 CCP Reclaimed Acres for the Open Pit Flat Areas.

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Tyrone appreciates MMD's review of this modification request and looks forward to addressing any questions or concerns that you may have. Enclosed is a check for the permit modification fee in the amount of \$1,000. Please contact Ms. Mandy Lilla at (575) 912-5388 with any questions.

Sincerely,



Thomas L. Shelley
Reclamation Manager
Freeport-McMoRan Tyrone Inc.

TLS:ml
Enclosure
20180205-100

c: Keith Ehlert - NMED

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT **EEE0007151**

Date: 2/8/2018

OFFICIAL RECEIPT

Received From: Freeport McMoran



One thousand dollars & no/100 Dollars

Center Code	Revenue Code	Amount	Work Order No.
0640	416902	1,000.00	

Center Code	Revenue Code	Amount	Work Order No.

State Treasurer Deposit Number _____

Total \$ 1,000.00

Description: Permit Mod 18-1
for Little Rock Mine
GROOTE

check # 000089083

Signed: [Signature]

ABD-White Copy / Customer-Yellow Copy / Retained in Book-Pink Copy

WARNING: THIS DOCUMENT CONTAINS SEVERAL DOCUMENT SECURITY FEATURES

Freeport-McMORAN

Freeport-McMoran Inc.
333 North Central Ave
Phoenix AZ 85004

CHECK NO.
0000890832

64-1278/611-GA

DATE OF CHECK

01/16/18

PAY: ONE THOUSAND AND 00/100 DOLLARS

TO THE ORDER OF STATE OF NEW MEXICO
NM ENRGY MNRLS & NAT RES DPT
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4225

CHECK AMOUNT

\$1,000.00

Bank of America, N.A.

GROOTE Mod. 18-1

[Signature]
Authorized Signature

DO NOT CASH IF THE WORD VOID IS VISIBLE. SEE REVERSE SIDE FOR LIST OF SECURITY FEATURES

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