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NEW MEXICO
ENVIRONMENT DEPARTMENT



Ground Water Quality Bureau

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Governor

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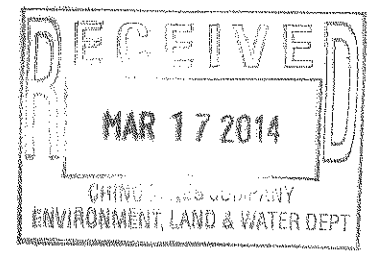
RYAN FLYNN
Secretary

JOHN A. SANCHEZ
Lieutenant Governor

BUTCH TONGATE
Deputy Secretary

Certified Mail Number: 7013 2250 0001 6730 6366
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March 13, 2014



Ms. Sherry Burt-Kested, Manager
Environment Services
Freeport-McMoRan Chino Mines Company
P.O. Box 10
Bayard, New Mexico 88023

RE: Approval of Groundhog Mine and Historic Stockpiles Annual Monitoring Report
Hanover and Whitewater Creek Investigation Unit (HWCIU)
Chino Administrative Order on Consent (AOC)

Dear Ms. Burt-Kested:

The Ground Water Quality Bureau of the New Mexico Environment Department (NMED) received the Groundhog Mine and Historic Stockpiles Annual Monitoring Report on November 4, 2013 from the Chino Mines Company (Chino). The NMED has completed a review and accepts this document as written with the following comment and request for additional information.

Chino statement:

“The attached ground water quality data are for monitor wells GH-2004-2S and GH-2004-2D. Noted in the shallow ground water quality is a trend beginning in 2009 which shows an increase in concentrations for cadmium, manganese, sulfate, TDS, and zinc.”

NMED Comment:

The data for the shallow groundwater well (GH-2004-2S) do show a trend beginning in 2009 of increasing concentration of cadmium, manganese, sulfate, TDS, and zinc, but it is worth noting it appears that a peak concentration for the above parameters occurred in early 2012, followed by a decreasing trend in concentration observable for the last three sampling events (last one on 9/18/2013). It is uncertain whether this decreasing trend will be maintained during future sampling events, and it should be noted that the levels still exceed NM water quality standards.

Ms. Sherry Burt-Kested

3/13/14

Page 2

The deep groundwater well (GH-2004-2D) also consistently exceeds water quality standards for sulfate, TDS, and cadmium.

Chino statement:

“Chino currently attributes this to oxidation in underground workings, and will be addressed as part of the DP-1340 site wide abatement investigation already underway.”

NMED Comment:

Please elaborate on how this explanation for the increasing concentrations was derived. Please be more specific on how this is being addressed as part of the DP-1340 site wide abatement investigation, and provide any relevant updates on these efforts especially in relation to the potential for impacted groundwater from the Groundhog mine site reporting to shallow alluvium and/or surface water of Whitewater Creek or tributaries.

If you have any questions, please contact me at (575)-956-1550.

Sincerely,

A handwritten signature in cursive script that reads "Matt Schultz".

Matt Schultz, Chino AOC Project Manager
Mining Environmental Compliance Section
Ground Water Quality Bureau
New Mexico Environment Department
Silver City Field Office

cc: Petra Sanchez, USEPA (via email)
Jerry Schoeppner, NMED (via email)
Kurt Vollbrecht, NMED (via email)
Joseph Fox, NMED (via email)
Ned Hall, Freeport-McMoRan Copper & Gold (via email)
Pam Pinson, Freeport-McMoRan Chino Mines Company (via email)