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NEW MEXICO
ENVIRONMENT DEPARTMENT

Ground Water Quality Bureau

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RYAN FLYNN
Secretary

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Deputy Secretary

Certified Mail Number: 7009 2250 0001 5482 9080
Return Receipt Requested

March 12, 2014

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

RE: Response to Groundhog No. 5 Stockpile Site Investigation sampling results
Hanover and Whitewater Creeks Investigation Units (H/WCIU)
Chino Administrative Order on Consent (AOC)

Dear Ms. Burt-Kested:

The Ground Water Quality Bureau of the New Mexico Environment Department (NMED) received the above referenced sampling results on December 18, 2013. NMED review of the 2013 data from both the purged and unpurged samples from the Groundhog No. 5 stockpile subsurface collection system (GH-97-04) indicates exceedences of New Mexico Water Quality Control Commission groundwater quality standards for sulfate and total dissolved solids. The leachate seepage from the regraded waste rock stockpile does not meet the applicable groundwater quality standards even after sufficient purging per the AOC Quality Assurance Plan Standard Operating Procedure 16.

A site visit was conducted on February 26, 2014 with Chino/FMI, NMED, and New Mexico Energy, Minerals, and Natural Resources Department, Mining and Mineral Division (MMD) personnel present to facilitate Chino's December 18, 2013 request to discuss "the next steps that would allow both AOC and MMD requirements to be completed for the Groundhog No.5 Stockpile." Alternatives discussed in the field included collection of supplemental shallow groundwater data, construction of multiple trenches or a single collection trench with risers across the entire stockpile toe, mass balance and hydrogeological modeling, and regrading the upper area bench to reduce infiltration into the stockpile material. NMED requests that Chino prepare a draft workplan within 45 days of the receipt of this letter for NMED review to further characterize, monitor, and/or mitigate the potential impacts to groundwater associated with the

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site. In addition, NMED requests an explanation as to why well GH-97-02 was not sampled in 2013.

Submittal and completion of the workplan may require that Chino pursue an extension to the reclamation schedule in Mining Act Permit No. GR009RE, currently due to expire on June 30, 2014.

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

Sincerely,



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)
Kurt Vollbrecht, NMED (via email)
Brad Reid, NMED (via email)
Joseph Fox, NMED (via email)
Jerry Schoeppner, NMED (via email)
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