



Chino Mines Company
Box 10
Bayard, NM 88023

May 6, 2014

Certified Mail #70123050000053967039
Return Receipt Requested

Ms. Erika Schwender, Director
New Mexico Environment Department
Resource Protection Division
P.O. Box 5469
Santa Fe, New Mexico 87502

Dear Ms. Schwender:

Re: Groundhog Mine Annual Monitoring Report
Hanover and Whitewater Creek Investigation Unit- Chino AOC

New Mexico Environment Department (NMED) approved the 2013 Annual Monitoring Report for the Groundhog and Historic Stockpiles Interim Remedial Action sites under the Chino Administrative Order on Consent (AOC) in a letter dated March 13, 2014. The letter also contained comments on the report specific to groundwater quality data and a request for additional information as detailed in the letter excerpt below.

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.

Freeport-McMoRan Chino Mines Company (Chino) conceptualized this explanation of what could cause metal concentration increase and decrease trends in the groundwater quality data over time based on operational pumping rates and drought conditions. The historical Groundhog stockpile was a source but was mostly removed by 2004 with the remaining pipeline corridor stockpile material being removed in 2011. Fluctuations in the water table levels within the naturally mineralized ground and in potential Groundhog underground workings could expose oxidized metals to groundwater causing concentration increases.

This conceptual model could be revised under the Discharge Permit (DP) 1340 Site Wide Abatement (SWA) process. All potential sources to groundwater within Chino operations are required to be identified and addressed under the DP-1340 SWA process. Chino is currently completing the Stage 1 SWA process which addresses the nature and extent of potentially impacted groundwater, and the Groundhog Mine Site is being incorporated into this analysis. It is too early in the process to provide the requested details. The SWA Stage 1 final investigation report is expected to be delivered to NMED later this year.

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Please contact Mr. Ned Hall at (520) 393-2292 if you have any questions regarding information presented in this letter.

Sincerely,



for

Sherry Burt-Kested, Manager
Environment Services

SBK:pp
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c: Matt Schultz, NMED (via email)
Joseph Fox, NMED (via email)
Petra Sanchez, EPA (via email)
Ned Hall, FCX (via email)