

Freeport-McMoRan Chino Mines Company
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Certified Mail #70182290000117904928
Return Receipt Requested

Ms. Rebecca Roose, Director
New Mexico Environment Department
Water Protection Division
P.O. Box 5469
Santa Fe, New Mexico 87502

Dear Ms. Roose:

Re: Freeport-McMoRan Chino Mines Company
AOC Quarterly Report, First Quarter 2019

This Administrative Order on Consent (AOC) Quarterly Report documents activities performed during the reporting period from January 1 through March 31, 2019. The report is submitted and organized as outlined in Article IX, Section E of the AOC between the New Mexico Environment Department (NMED) and Freeport-McMoRan Chino Mines Company (Chino). Chino also submits a copy of this report to the New Mexico Energy, Mineral and Natural Resources Department, Mining and Minerals Division (MMD), per its request.

AOC Activities

During the first quarter of 2019, the following major activities occurred:

- NMED approved the 2018 Groundhog Mine Site Annual Monitoring Report for the Hanover/Whitewater Creek Investigation Unit (HWC IU) to NMED.
- Chino with NMED participation, provided an Open House for the local communities within the vicinity of the HWC IU Interim Removal Action (IRA) on February 12, 2019.
- Chino completed 75% of the construction phase of excavation and backfill processes for the IRA under HWC IU; and, provided NMED and EPA updates on the construction progress as well as site tours of the on-going activity and completed sites.
- NMED approved the *Ecological Risk Assessment* for the Lampbright Investigation Unit (LIU) in a letter that also addressed stakeholder comments.
- Chino performed quarterly post-remediation monitoring of the Razorback Ridge Interim Remedial Action site under the STS IU.
- Chino performed quarterly post-reclamation and remedial monitoring of the Groundhog Mine Site and the Historic Small Stockpile sites under the HWC IU.
- Chino performed quarterly post-remediation monitoring of the Hurley Railroad Site under the STS IU.
- The AOC Technical Group participated in meetings and/or conference calls on January 8th, February 12th, and March 12th to review the AOC progress.

Hanover/Whitewater Creeks Investigation Unit

Groundhog Mine Area

As per the *Groundhog Mine Site Interim Remedial Action (IRA) Completion Report* and additional supplemental completion reports for the area, Chino continues to perform quarterly erosion monitoring of the sites and bi-annual water quality monitoring of the Groundhog site. The monitoring data are included in the Groundhog Mine Site annual monitoring reports

submitted at the end of October for each year of monitoring. NMED approved the annual report submitted in 2018 in a letter dated February 6, 2019.

The New Mexico Mining and Minerals Division (MMD) has approved extension requests by Chino under Permit GR009RE for the completion of reclamation activities at the Lucky Bill Groundhog Mine No. 5 site. Chino has requested to amend the Chino Mines Closure Closeout Plan Revision application submitted to MMD and the NMED on February 16, 2018, to address the reclamation schedule for regulated sites. Modification 14-1 to MMD Permit GR009RE, requires completion of the Groundhog No. 5 Stockpile reclamation by June 30, 2018. In an email dated June 11, 2018, Chino has requested to change the Groundhog No. 5 reclamation completion date from June 30, 2018 to Dec 31, 2024. This extension period is necessary for Chino to sequence the MMD reclamation process with the AOC. MMD has responded in an email dated November 5, 2018 that the requested change to the reclamation schedule will be implemented under Revision 18-1, which is an update to the Chino Closure/Closeout Plan.

Additionally, in 2014 Chino installed a new seepage collection system under an NMED approved work plan which has been performing well to address inadequate seepage capture for sampling at the toe of the stockpile. Chino continues to collect samples from the engineered system. Chino submitted the interim report on the geochemical evaluation of the site under the *Revised Technical Memorandum for the Groundhog No. 5 Stockpile Geochemical Evaluation* on March 5, 2018 to NMED. NMED anticipates providing comments during the second quarter of 2019.

2018-2019 Interim Removal Action

In June 2017, NMED and Chino agreed focus on optimizing resources into performing an interim removal action (IRA) instead of utilizing effort into identifying any additional data gaps. A Human Health Risk Assessment would then be performed following the IRA to then evaluate remaining risk. Chino submitted an IRA Work Plan and NMED approved the document in a letter dated June 11, 2018.

The HWC IU IRA was implemented on October 17, 2018 by Chino and its environmental remediation contractor team. Chino continues to provide updates on the project to NMED and EPA. NMED additionally performs regular site visits to the IRA. The IRA was at approximately 75% of completion at the end of the first quarter 2019. IRA completion is anticipated to occur at the end of the second quarter of 2019. Information for the excavated IRA material placement within the mine is being reported in quarterly and annual reports under Discharge Permit 526.

Chino hosted a second Open House, with NMED participation, on February 12, 2019 to inform the public and adjacent residents to the project of the on-going excavation activities in Whitewater Creek. Prior to the Open House, invitation cards were mailed out to all residents in the communities and neighborhoods proximal to the IRA sites. Additionally, media statements were announced through local radio stations and newspapers to inform the public about the increase in traffic in the vicinity of Whitewater Creek during the first quarter, 2019. These activities were also supplemented with a Fact Sheet and Frequently Asked Questions flyer which was provided to each resident within a quarter mile of the Whitewater Creek project site during the third quarter 2018. These flyers are continually being provided to individuals who make enquiries concerning the on-going removal action as well.

Hurley Soils Investigation Unit

Chino provided the annual health advisory by certified mail to the four Hurley property owners identified as requiring remediation, and the adjacent property owners, as required by the Record of Decision during the first quarter 2019.

In an on-going outreach program, Chino anticipates remediating up to two of the remaining four residential sites that requires cleanup in 2019 based on sampling results. Data results from the

sampling program and remediation effort will be provided in a technical memorandum to NMED once the outreach program has been completed.

Lampbright Investigation Unit

The NMED provided the revised *LBIU Ecological Risk Assessment (ERA)* in 2018 to Chino and the public for review. NMED approved the ERA and provided responses to comments received from stakeholder reviews in a letter dated February 28, 2019.

Smelter Tailings Soil Investigation Unit

Interim Remedial Actions

As documented in the 2013 supplemental IRA completion report addressing the Hurley railroad area, Chino is conducting quarterly post-remediation erosion and vegetation monitoring. The quantitative vegetation survey for these 30 acres was performed in October 2017, with survey results provided to NMED in a cumulative survey report after five years of monitoring dated September 10, 2018. Chino anticipates receiving comments on the survey report from NMED in the second quarter of 2019.

As documented in the *Razorback Ridge Area IRA STS IU Supplemental Completion Report* dated 2016, Chino is conducting quarterly post-remediation erosion and vegetation monitoring for those remediated sites.

Historical tailings material located in the Apache Tejo drainage was incorporated into the STS IU by NMED in 2009. NMED requested that Chino submit an IRA work plan for the Apache Tejo drainage system. Chino plans to submit a survey report and work plan after addressing site access issues.

Feasibility Study

The STS IU Pre-Feasibility Study Remedial Action Criteria (RAC) were established by NMED in letters dated September 16, 2010, and March 2, 2011. Current activities and processes initiated by the 2011 feasibility study (FS) work plan are as follows:

- Chino, with NMED participation, performed vegetation and soil surveys for additional reference sites for use in the Feasibility Study on October 2 and 3, 2018.
- Chino anticipates submitting the draft FS report in 2019, following incorporation of the *Phytotoxicity and Vegetation Community Study* report dated 2017 and its results, as well as the pending five year monitoring reports for the amendment study and the white rain monitoring study.
- Chino completed the five year pilot amendment study in October 2013. The annual monitoring data were included with the five year quantitative vegetation survey and the five year data analysis report titled *Year 5 Monitoring Report for STS IU Amendment Study Plots*. Chino submitted the *Year 5 Monitoring Report for STS IU Amendment Study Plots* on December 6, 2017. NMED provided comments on the report in a letter dated January 8, 2019.
- As part of the amendment study process, Chino monitored the effects to soil pH following its *White Rain Technical Memorandum* report that documented changes in the pH of the soils plots caused by a natural event that occurred in January 2008. Chino submitted the *Year 5 Report on pH Monitoring to Evaluate the Effect of the White Rain on the STS IU* in 2017, and as above, will be incorporated into the FS for further review.

Community Relations

The Community Work Group (CWG) met on January 8, 2019 and March 12, 2019. The three local Chino AOC document repositories continue to be maintained and updated with current

documentation. The online electronic document repository (<http://www.fcx.com/chino/>) is also up to date.

Next Quarter's Scheduled Activities

The following work and activities are projected for the second quarter of 2019:

- Continue and complete the construction phase of excavation and backfill processes for the Interim Removal Action (IRA) under HWC IU.
- Finalize the Vegetation Monitoring Report for the Hurley Railroad Interim Remedial Action under the Smelter/Tailing Soils Investigation Unit (STS IU).
- Quarterly inspections of interim remediation sites with the HWC IU and STS IU.
- The CWG elected to have their annual AOC site visit on April 6, 2019 to tour the on-going Whitewater Creek IRA sites.
- The CWG will meet on May 14, 2019.
- The AOC Technical Group will meet monthly.

Personnel Changes

Personnel changes occurred during the first quarter. Effective March 7, 2019, Mr. Michael Steward replaced Ms. Alicia Voss as AOC Project Manager. As per Article XI Section B of the AOC, Chino provided notification of the change in project manager to NMED in a letter dated March 13, 2019. Ms. Voss resigned from Freeport-McMoRan on January 11, 2019. Mr. Steward is a Reclamation and Remediation Project Manager for FCX and brings high level project and remediation skills along with more than 10 years of environmental management experience to the Chino AOC.

Problems and Solutions

There were no problems that adversely affected the AOC this quarter.

Please contact Ms. Pam Pinson at (575) 912-5213 with any questions or comments concerning this report.

Sincerely,



Sherry Burt-Kested
Manager, Environmental Services

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- c (via email):
- David Mercer, NMED
 - Joseph Fox, NMED
 - Petra Sanchez, US EPA
 - DJ Ennis, MMD
 - Holland Shepherd, MMD
 - David Otori, MMD
 - Shelly Lemon, NMED
 - Kurt Vollbrecht, NMED
 - Michael Steward, FCX
 - William Cobb, FCX