

Freeport-McMoRan Chino Mines Company
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Certified Mail #70182290000160739669

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 2021**

This Administrative Order on Consent (AOC) Quarterly Report documents activities performed during the reporting period from January 1 through March 31, 2021. 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 2021, the following major activities occurred:

- Chino initiated the final reclamation phase for the Groundhog No. 5 Stockpile under the Hanover/Whitewater Creek IU (HWC IU).
- The Annual Hurley Soils IU Health Advisory was mailed by certified letter to remaining Hurley residences still requiring soil remediation.
- Chino performed quarterly post-remediation monitoring of the Interim Remedial Action sites under the Smelter/Tailing Soils IU (STS IU) and the Hanover/Whitewater Creek IU (HWC IU).
- NMED and MMD performed site inspections in the HWC IU for Lucky Bill Canyon stockpile site as well as the Bayard Canyon IRA site on March 16th and 29th.
- The AOC Technical Group participated in conference calls on January 27th, February 25th, and March 31st to review and plan AOC progress.

Hanover/Whitewater Creeks Investigation Unit

IRAs in the Groundhog Mine Area

Groundhog Mine Site: As per the *Groundhog Mine Site Interim Remedial Action (IRA) Completion Report* and additional supplemental completion reports for the Groundhog Mine area, Chino continues to perform quarterly erosion monitoring of the various IRA sites as well as bi-annual water quality monitoring. The monitoring data are included in the Groundhog Mine Site annual monitoring reports submitted at the end of October for each year of monitoring.

Lucky Bill Canyon: The MMD has approved extension requests by Chino under Permit GR009RE to complete reclamation activities at the Lucky Bill Groundhog Mine No. 5 site. Chino requested to amend the 2018 Chino Mines Closure Closeout Plan Revision application

to change the Groundhog No. 5 reclamation completion date from June 30, 2018, as per Modification 14-1 to MMD Permit GR009RE, to December 31, 2024. This extension period is necessary for Chino to sequence the MMD reclamation process with the AOC. MMD approved the requested change to the reclamation schedule under Chino Closure/Closeout Plan, Revision 18-1, dated September 29, 2020.

Current activities for the Groundhog No. 5 Stockpile site in sequencing reclamation requirements with the AOC:

- Chino continues to collect samples from the updated seepage collection system at the toe of the Groundhog No. 5 Stockpile in alignment with DP 1340 requirements.
- Per NMED's conditional approval of the *Groundwater Pathway Evaluation Addendum to the Revised Technical Memorandum (TM) for the Groundhog No. 5 Stockpile Geochemical Evaluation* in a letter dated December 2019:
 - Chino improved the drainage controls on the stockpile in January 2020 and submitted the *Groundhog No. 5 Stockpile Construction Quality Assurance and Reclamation Completion Plan (CQAP)* dated February 2020 to NMED and MMD.
 - MMD provided their approval of the CQAP in a letter dated May 2020.
 - In March 2021, Chino recontoured the grade on top of the stockpile for positive drainage.
 - Also, in March and early April 2021, Chino implemented the approved CQAP by adding a one foot soil cover for growth medium to the Groundhog #5 Stockpile. Chino anticipates completing the reclamation process with mulch and seeding in June 2021.
 - On March 16, 2021, MMD with NMED participation, inspected the reclamation site.

Bayard Canyon: As a follow up to discussions with NMED at the Bayard Canyon site in February 2020, NMED and Chino performed a site inspection on March 16, 2021. Chino received NMED approval in an email dated April 12, 2021 to perform additional mass removal of stockpile material in Bayard Canyon under the 2018 HWC IU IRA Workplan as a supplemental IRA to the 2019 Whitewater Creek Removal Action. The Bayard Canyon IRA was initiated upon receipt of NMED's approval.

2019 Whitewater Creek IRA

NMED provided informal comments dated April 1, 2021 on the draft IRA Completion Report dated 2020. Chino anticipates submitting the finalized IRA completion report within the second quarter of 2021. Chino continues monitoring the HWC IU IRA completed in 2019 following removal of impacted material from Whitewater Creek.

Additionally, Chino is reviewing a draft residual risk assessment report (RRA) in preparations for discussions with the AOC Technical Group and final submittal during the second quarter of 2021. The associated quality control and quality assurance data validation reports will also be provided with the RRA.

Hurley Soils Investigation Unit

Chino provided the annual health advisory by certified mail to the remaining three Hurley property owners identified as requiring remediation, and the adjacent property owners, as required by the Record of Decision during the first quarter 2021.

Lampbright Investigation Unit

Chino submitted Chiricahua Leopard Frog (CLF) survey results report in early 2020 to address uncertainties identified in the 2018 *Lampbright IU (LIU) Ecological Risk Assessment (ERA)*. NMED approved the CLF survey report in a letter dated September 10, 2020 and determined the ecological risk assessment process complete.

Smelter Tailings Soil Investigation Unit

Interim Remedial Actions

As an extension of the 2008 STS IU Golf Course IRA and utilizing the 2006 IRA workplan, Chino implemented the B Ranch IRA in June 2019 to address 22 acres adjacent to Hurley Operations boundary, as well as the Golf Course IRA site and the Hurley Soils IU IRA site. Chino completed this IRA extension by the end of July 2019 with the removal of 16,000 cubic yards of impacted soil and revegetation at the B Ranch site. Chino formally submitted the B Ranch IRA Completion Report to the NMED on November 14, 2020. NMED provided comments on the completion report in a letter dated March 30, 2021. Chino anticipates submitting responses to those comments as well as a revised report on April 30, 2021.

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. Following five years of this monitoring, a quantitative vegetation survey was performed in early October 2019. The draft survey results were provided May 18, 2020 for informal review to NMED and Chino anticipates formally submitting the report in May 2021.

Historical tailings material located in the Apache Tejo drainage was incorporated into the STS IU by NMED in 2009. NMED requested that Chino submit a characterization report and an IRA work plan for the Apache Tejo drainage system. Chino submitted the draft updated survey and characterization report for Apache Tejo for informal review to NMED in early October 2020. In response to informal comments received in February 2021, Chino anticipates submitting the finalized characterization report on May 4, 2021.

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:

1. Chino, with NMED participation, performed vegetation and soil surveys for additional reference sites for use in the Feasibility Study (FS) in early October 2018.
2. Chino anticipates submitting the draft FS report in fourth quarter 2021, following incorporation of data obtained from interim remedial action completion reports such as the B Ranch IRA. This also includes the incorporation of the 2017 *Phytotoxicity and Vegetation Community Study* report and the five year monitoring reports for the amendment study and the white rain monitoring study, titled respectively, *Year 5 Monitoring Report for STS IU Amendment Study Plots* and the *Year 5 Report on pH Monitoring to Evaluate the Effect of the White Rain on the STS IU*, into the FS.

Community Relations

The Community Work Group (CWG) cancelled all meetings for the year 2020 due to the COVID-19 pandemic concerns. The CWG is being provided AOC progress reports through emails by NMED. 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 2021:

- Submit the revised B Ranch Interim Removal Action Completion Report under STS IU.
- Submit the Apache Tejo Drainage Characterization Report under STS IU.
- Complete the reclamation requirements for the HWC IU Groundhog #5 Stockpile site

located in Lucky Bill Canyon.

- Complete the HWC IU Bayard Canyon IRA.
- Continue the monitoring program as needed for the completed Whitewater Creek IRA sites.
- Submit a finalized report for the 5 year quantitative vegetation survey for the Razorback Ridge IRA under the STS IU.
- Submit the finalized HWC IU IRA completion report.
- Submit the Apache Tejo Characterization Study under the STS IU.
- Conduct quarterly inspections of interim remediation sites within the HWC IU and STS IU.
- The AOC Technical Group plans to meet monthly.

Personnel Changes

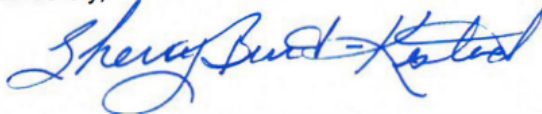
There were no personnel changes during the quarter

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

SBK:pp
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C (via email):
David Mercer, NMED
Joseph Fox, NMED
Petra Sanchez, US EPA
DJ Ennis, MMD
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