

Freeport-McMoRan Chino Mines Company
P.O. Box 10
Bayard, NM 88023

Sherry Burt-Kested
Manager, Environmental Services
Telephone: 575-912-5927
e-mail: sburkes@fmi.com

October 29, 2021

Certified Mail #70182290000117918345

Mr. John Rhoderick, Deputy Director
New Mexico Environment Department
Water Protection Division
P.O. Box 5469
Santa Fe, New Mexico 87502

Dear Mr. Rhoderick:

**Re: Freeport-McMoRan Chino Mines Company
AOC Quarterly Report, Third Quarter 2021**

This Administrative Order on Consent (AOC) Quarterly Report documents activities performed during the reporting period from July 1 through September 30, 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 third quarter of 2021, the following major activities occurred:

- NMED approved the revised B Ranch Interim Removal Action (IRA) Completion Report under the Smelter/Tailing Soils IU (STS IU).
- Chino submitted a finalized report for the 5-year quantitative vegetation survey for the Razorback Ridge IRA under the STS IU.
- Chino and NMED reviewed and discussed the draft residual risk assessment following the Whitewater Creek IRA for Hanover/Whitewater Creek IU (HWC IU).
- Chino and NMED performed the annual inspection as well as the quarterly post-remediation monitoring of the Interim Remedial Action sites under the STS IU and the HWC IU.
- NMED performed site inspections in the HWC IU for Lucky Bill Canyon stockpile site as well as the Bayard Canyon IRA site on July 14th.
- The AOC Technical Group participated in conference calls on July 30th, August 30th, and September 30th 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 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: Reclamation is now complete for the Groundhog Mine No. 5 site and is in post-reclamation monitoring. The MMD has approved extension requests by Chino under Permit GR009RE to complete reclamation activities at the Lucky Bill Groundhog Mine No. 5 site, including the latest amendment to the 2018 Chino Mines Closure Closeout Plan Revision application changing the reclamation completion date from June 30, 2018, as per Modification 14-1 to MMD Permit GR009RE, to December 31, 2024. This extension period was 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. On July 7 14 of 2021, NMED inspected the reclamation site.
- Chino anticipates submitting the Groundhog #5 Stockpile Reclamation Construction Quality Assurance Report to MMD and NMED during the fourth quarter of 2021.

Bayard Canyon: 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 completed by June 26, 2021. Chino anticipates submitting the completion report for the IRA during the fourth quarter of 2021.

2019 Whitewater Creek IRA

Chino submitted the finalized IRA Completion Report to NMED on June 30, 2021. Chino continues monitoring the HWC IU IRA completed in 2019 following removal of impacted material from Whitewater Creek. Under DP-1340, as part of that monitoring, Chino submitted on July 9, 2021 to NMED a workplan proposal for sampling the base flow surface water for Whitewater Creek in support of sitewide abatement activities but that would also document water quality following the recent IRAs in HWC IU. NMED provided approval of the sampling plan in a letter dated October 5, 2021.

NMED staff discussed their review of Chino's draft residual risk assessment report (RRA) during an AOC Technical Group meeting on August 14, 2021. Chino anticipates a final submittal during the fourth quarter of 2021. The associated quality control and quality assurance data validation reports are to be provided with the RRA.

Hurley Soils Investigation Unit

NMED is currently preparing for the second five-year review as required by the Hurley Soils IU Record of Decision. The review will document the effectiveness of the 2007 IRA remedy in remediating copper above 5000 ppm.

Lampbriht Investigation Unit

NMED and Chino are currently discussing the feasibility study process.

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 submitted responses to those comments as well as a revised report on April 30, 2021. NMED approved the revised report in a letter dated August 8, 2021. Chino has initiated quarterly erosion and revegetation monitoring of the B Ranch IRA site as written in the completion report.

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. Chino formally submitted the report in August 6, 2021, following an informal review by NMED.

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 submitted the finalized characterization report on May 5, 2021. NMED anticipates commenting on the report in November 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 the first quarter 2022, 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 and 2021 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 fourth quarter of 2021:

- Submit the final reports for the completed Bayard Canyon IRA and the Groundhog #5 Stockpile IRA, under the HWC IU.
- Continue the monitoring program as needed for the completed Whitewater Creek IRA sites, as well as perform surface water sampling.
- Conduct quarterly inspections of interim remediation sites within the HWC IU and STS IU.
- The AOC Technical Group plans to meet monthly.

Personnel Changes

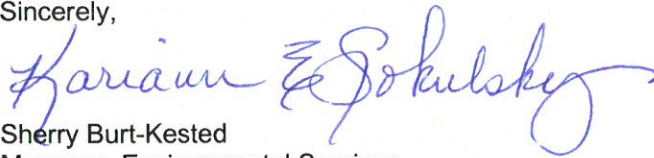
There were no personnel changes during the quarter

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,

A handwritten signature in blue ink that reads "Sherry Burt-Kested". The signature is fluid and cursive, with the first name "Sherry" being more prominent and the last name "Burt-Kested" following in a similar style.

Sherry Burt-Kested
Manager, Environmental Services

SBK:pp
20211027-004

C (via email):

David Mercer, NMED
Joseph Fox, NMED
Petra Sanchez, US EPA
DJ Ennis, MMD
Holland Shepherd, MMD
Shelly Lemon, NMED
Kurt Vollbrecht, NMED
Michael Steward, FCX
Bryce Romig, FCX