

Freeport-McMoRan Chino Mines Company
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January 30, 2022

Certified Mail #70182290000160738839

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, Fourth Quarter 2021**

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

- Chino submitted the Groundhog #5 Stockpile Reclamation Construction Quality Assurance Report for the completed the Groundhog #5 Stockpile IRA, under the Hanover/Whitewater Creek Investigation Unit (HWC IU).
- NMED approved the revised Whitewater Creek Interim Removal Action (IRA) Completion Report under the 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 Smelter/Tailing Soils IU (STS IU) and the HWC IU.
- The AOC Technical Group participated in conference calls on November 1st and 29th 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. NMED approved the 2021 annual report for the IRA area in a letter dated December 10, 2021.

Lucky Bill Canyon: Reclamation is now complete for the Lucky Bill Groundhog Mine No. 5 site and is in post-reclamation monitoring as per Modification 14-1 to the MMD Permit GR009RE.

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.
- Chino submitted the Groundhog #5 Stockpile Reclamation Construction Quality Assurance Report to MMD and NMED on December 30, 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 June 26, 2021. Chino anticipates submitting the completion report for the IRA during the first quarter of 2022.

2019 Whitewater Creek IRA

Chino submitted the finalized IRA Completion Report to NMED on June 30, 2021. NMED approved the completion report in a letter dated November 19, 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.

Chino anticipates submitting the residual risk assessment report (RRA) during the first quarter of 2022, following NMED review of the final draft provided for informal comment. 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.

Lampbright 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 completed the B Ranch IRA in 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 has initiated quarterly erosion and revegetation monitoring of the B Ranch site as written in the finalized 2021 IRA 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 on August 6, 2021. NMED anticipates providing comments in first quarter of 2022.

Historical tailings material located in the Apache Tejo drainage was incorporated into the STS IU by NMED in 2009. Chino drafted a characterization report for the Apache Tejo drainage system per NMED request in 2020. Chino submitted a finalized updated survey and characterization report for Apache Tejo on May 5, 2021. NMED anticipates commenting on the report in first quarter of 2022.

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 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 first quarter of 2022:

- Submit the completion report for the Bayard Canyon IRA under the HWC IU.
- Submit the residual risk assessment following the Whitewater Creek IRA for Hanover/Whitewater Creek IU (HWC IU).
- Submit the draft FS for the STS IU.
- Submit a finalized report for the 5 year quantitative vegetation survey for the Razorback Ridge IRA under the STS 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

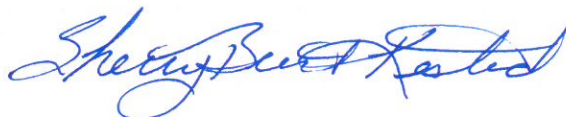
There were no personnel changes during the quarter

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,



Sherry Burt-Kested
Manager, Environmental Services

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