

Freeport-McMoRan Chino Mines Company
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April 30, 2022

Certified Mail #70182290000117918369

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, First Quarter 2022**

This Administrative Order on Consent (AOC) Quarterly Report documents activities performed during the reporting period from January 1 through March 31, 2022. 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 2022, the following major activities occurred:

- Chino focused on completing the draft Bayard Canyon Interim Removal Action Completion Report under the Hanover/Whitewater Creek Investigation Unit (HWC IU).
- Chino performed quarterly post-remediation monitoring of the Interim Remedial Action (IRA) sites under the Smelter/Tailing Soils IU (STS IU) and the HWC IU.
- NMED and Chino performed field inspections of IRA sites under the HWC IU and the STS IU on February 23rd.
- The AOC Technical Group participated in conference calls on January 13th and March 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 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. MMD anticipates completing their review in the second quarter of 2022.
- NMED inspected the reclaimed Groundhog #5 Stockpile on February 23, 2022.

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 second quarter of 2022. NMED inspected the IRA canyon site on February 23, 2022.

2019 Whitewater Creek IRA

Following removal of impacted material from Whitewater Creek, Chino submitted the finalized IRA Completion Report to NMED in June 2021 with NMED approval received in November 2021. Chino continues monitoring the HWC IU IRA sites completed in 2019. Under a 2021 NMED approved workplan for DP-1340 as part of that monitoring, Chino will also sample the base flow surface water for Whitewater Creek in support of sitewide abatement activities as well as document water quality following the recent IRAs in HWC IU.

Chino anticipates submitting the residual risk assessment report (RRA) during the second quarter of 2022, following recently received informal comments from NMED in an email dated March 31, 2022. The associated quality control and quality assurance data validation reports are to 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 early April 2022.

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

B-Ranch: 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.

Razorback Ridge: 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 provided comments in a letter dated March 21, 2022. Chino requested an additional 30 days to revise the monitoring report in an email dated April 13, 2022. NMED approved the time extension request for a new re-submittal date of May 19, 2022 in an email dated April 18, 2022.

Apache Tejo: 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 and Chino visited Apache Tejo sites discussed in the report on February 23, 2022. NMED anticipates commenting on the report in second 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 fourth quarter of 2018.
2. Chino anticipates submitting the draft FS report in third 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, 2021, and for the first quarter of 2022 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 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 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

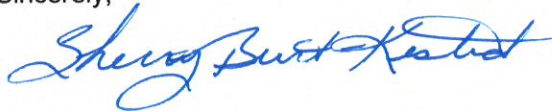
Problems and Solutions

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.

Mr. John Rhoderick
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Sincerely,



Sherry Burt-Kested
Manager, Environmental Services

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