



FREEPORT-McMoRAN

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

July 31, 2023

Certified Mail #70182290000117919403

Mr. John Rhoderick, 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, Second Quarter 2023**

This Administrative Order on Consent (AOC) Quarterly Report documents activities performed during the reporting period from April 1 through June 30, 2023. 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 second quarter of 2023, the following major activities occurred:

- Chino submitted the draft Smelter Tailing Soils Investigation Unit (STS IU) Feasibility Study.
- Chino submitted a revised Residual Risk Assessment under the Hanover Whitewater Creek Investigation Unit (HWC IU).
- Chino sent out by the annual Health Advisory under the Hurley Soils IU.
- The AOC Technical Group, via conference call, reviewed the draft STS IU FS on April 26th.
- Chino and NMED performed a Technical Group review of activities and action items monthly.
- The Community Work Group (CWG) toured AOC sites on April 14th.
- Chino conducted quarterly inspections of interim remediation sites within the Hanover Whitewater Creek IU and STSIU.

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 construction 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 monitor and collect samples from the updated seepage collection system at the toe of the Groundhog No. 5 Stockpile in alignment with DP 1340 requirements. It has been noted that despite recent high precipitation events, no seepage is reporting into the collection system indicating that the stormwater diversions and soil cover are successfully limiting percolation into the stockpile.
- Chino submitted the Lucky Bill Groundhog #5 Stockpile Reclamation Construction Quality Assurance Report to MMD and NMED on July 26, 2022. MMD is currently reviewing the report and anticipates providing a response in the third quarter of 2023.

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 in June 2021 and the finalized completion report was submitted to NMED in 2022. The CWG toured the site with NMED under Chino escort on April 14, 2023.

2019 Whitewater Creek IRA

As per the 2021 completion report, Chino continues monitoring the HWC IU IRA sites completed in 2019 following removal of impacted material from Whitewater Creek. Under DP-1340, Chino submitted in 2021 and in early 2022, two workplan proposals for sampling the base flow surface water and for sampling high flow stormwater runoff surface water, respectively, for Whitewater Creek. These workplans are in support of sitewide abatement activities but that would also document water quality following the recent IRAs in HWC IU. Chino implemented both workplans during the summer of 2022 and completed sampling in early October 2022. Chino anticipates submitting sampling data results reports in the third quarter of 2023.

Chino submitted the residual risk assessment report (RRA) in August 2022 to NMED as a follow up to the completed IRA. The associated quality control and quality assurance data validation reports were provided with the RRA. Chino and the NMED discussed the report to address agency questions in support of their review. NMED provided conditional approval comments in a letter dated April 28, 2023. Chino submitted a revised RRA on May 10, 2023 to meet the required conditions for NMED approval. The CWG toured the site with NMED under Chino escort on April 14, 2023.

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. Chino mailed out the annual Health Advisory in early second quarter of 2023.

Lampbright Investigation Unit

NMED is currently developing a draft for pre-FS RAC and continuing discussions with Chino for the next steps leading to a feasibility study.

Smelter Tailings Soil Investigation Unit

Interim Remedial Actions

As an extension of the completed 2008 STS IU Golf Course IRA and utilizing the 2006 IRA workplan, Chino completed the Hurley Railroad IRA, the Razorback Ridge IRA, and the B-Ranch IRA, intermittently between 2008 and 2019. NMED approved the Razorback Ridge IRA 5-year monitoring vegetation report in a letter dated August 2022. Chino performed quarterly erosion and revegetation monitoring of the B-Ranch sites. The CWG toured the B-Ranch IRA site with NMED under Chino escort on April 14, 2023.

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. As a follow up action to a discussion at the field site meeting in February 2022, Chino anticipates providing a revision on the Apache Tejo Characterization report in third quarter of 2023 to NMED.

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 performed vegetation and soil surveys for additional reference sites for use in the FS in October 2018.
2. Chinos submitted the draft FS report to NMED on April 6, 2023. NMED anticipates providing comments following their review in the third quarter of 2023.

Community Relations

The Community Work Group (CWG) toured the Bayard Canyon, B-Ranch, and the Whitewater Creek IRA sites on April 14, 2023. 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 2023:

- NMED is to collect samples for the Hurley Soils IU 5-year monitoring report.
- Submit a revised Apache Tejo Characterization Report under the STS IU.
- CWG plans to meet in September.
- Conduct quarterly inspections of interim remediation sites within the HWCIU and STSIU.
- 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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ec: David Mercer, NMED, Joseph Fox, NMED, Petra Sanchez, US EPA, DJ Ennis, MMD, Shelly Lemon, NMED, Michael Steward, FCX, Bryce Romig, FCX