

State of New Mexico
Energy, Minerals and Natural Resources Department

Michele Lujan Grisham
Governor

Melanie A. Kenderdine
Designate Cabinet Secretary

Ben Shelton
Acting Deputy Secretary

Albert C.S. Chang, Director
Mining and Minerals Division



September 5, 2024

Sherry Burt-Kested, Environmental Services Manager
Freeport-McMoRan Tyrone Inc.
P.O. Box 571
Tyrone, New Mexico 88065

RE: MMD Approval of *Termination Report for Emma-B Minimal Impact Exploration Permit No. GR083EM, dated July 31, 2024*

Dear Ms. Burt-Kested:

On July 31, 2024, the New Mexico Mining and Minerals Division (MMD) received a *Termination Report for Emma-B Minimal Impact Exploration Permit No. GR083EM*, (termination report) from Freeport-McMoRan Tyrone, Mining, LLC (Tyrone). This termination report requests release of Financial Assurance (FA) from the GR083EM Permit and transfer of these funds to the Part 4 Emma Exploration Project No. GR095ER (Emma Project). Additionally, a certain portion of the FA will be retained for temporary monitoring wells within the permit area. These temporary monitoring wells and associated FA is proposed to be incorporated into the Tyrone Mine Permit No. GR010RE and NMED's DP 1342. Table 7 provided in the termination report shows the cost breakdown for the proposed transfer of FA from one project to another.

Table 7. Financial Assurance Cost Breakdown

Item Description	Exploration Pads & Boreholes	Temporary Monitor Wells ¹	Total
Surface Reclamation	\$6,181	\$5,341	\$11,522
Drill Hole Abandonment	\$165,200	\$53,200	\$218,400
Total	\$171,381³	\$58,541²	\$229,922

Notes.

¹ Surface reclamation includes only pads that have not been reclaimed (24, 26, 37, & 50) and drill hole abandonment is actual depth of the 6 existing temporary monitor wells

² Amount to be maintained until it is absorbed into the GR010RE & DP-1341 closure costs

³ Amount to be transferred and used in future under the Part 4 Exploration Permit

MMD has reviewed the termination report with supporting information and hereby approves the report, accepting the close out of the Emma-B Minimal Impact Exploration Permit No. GR083EM including Modifications 20-1, 21-1, and 22-1 with the following conditions regarding

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the transition of FA to the Emma Project, Regular Exploration Permit No. GR095ER, the Tyrone Mine Permit No. GR010RE, and DP-1341:

1. MMD has determined that it will be necessary to hold on to the FA associated with the Emma B Project No. GR083EM until the FA for the Emma Project No. GR095ER is in place. Once FA is in place for the Emma Project, the Emma B Project FA will be released back to the operator.
2. The FA associated with the temporary monitoring wells shall be held within the Emma-B Project No. GR083EM FA until incorporated into the Emma Project No. GR095ER, or the Tyrone Mine Permit No. GR010RE/DP-1341 FA, whichever comes first.

If you have any questions, please contact me at (505) 467-9589 or at clinton.chisler@emnrn.nm.gov.

Sincerely,



Clint Chisler, Permit Lead
Mining Act Reclamation Program
Mining and Minerals Division

cc: DJ Ennis, MARP Program Manager
Raechel Roberts, Senior Environmental Scientist, Tyrone
Mine File (GR083EM)