



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

July 27, 2026

Certified Mail # 70221670000184299017

Mr. Jonas Armstrong, Director
New Mexico Environment Department
Water Protection Division
P.O. Box 5469
Santa Fe, New Mexico 87502

Dear Mr. Armstrong:

Re: Freeport-McMoRan Chino Mines Company - AOC Quarterly Report, Second Quarter 2026

This Administrative Order on Consent (AOC) Quarterly Report documents activities performed during the reporting period from April 1 through June 30, 2026. The report is submitted and organized as outlined in Article IX, Section E of the AOC, an agreement 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 2026, the following major activities occurred:

- Chino completed the construction and seeding phase for the removal action of the old Smelter parking area under the Hurley Soils Investigation Unit (HSIU).
- Chino submitted the five-year quantitative vegetation monitoring report for the Bayard Canyon IRA under the Hanover Whitewater Creek IU (HWC IU) and the qualitative vegetation monitoring report for the B-Ranch IRA under the Smelter Tailing Soils IU (STS IU) for NMED review.
- Community Work Group (CWG) met on May 12th for an update on recent AOC activities.
- Chino conducted quarterly post remediation monitoring of the Interim Removal Action sites within the HWC IU and STS IU.
- Chino and NMED conferenced monthly to discuss current AOC activities.
- The AOC Technical Group and their respective consultants met on April 15th to continue discussions on the NMED January issued public and stakeholder comments regarding Appendix B and F of the revised final STS IU Feasibility Study (FS).
- The AOC Technical Group met for their quarterly review on May 12th to discuss current AOC activities, which included a tour of the Chino AOC investigation units continuing into May 13th. NMED and Chino took this opportunity to review the AOC and the associated IU sites with the new EPA Chino AOC lead.

Hanover/Whitewater Creeks Investigation Unit (HWC IU)

IRAs in the Groundhog Mine Area

Groundhog Mine Site:

NMED approved Chino's proposal in the 2025 annual report for terminating the annual monitor reporting requirement for the Groundhog Mine IRA and to assess remedial success under the pending Feasibility Study (FS) and Record of Decision (ROD) for the HWC IU in a letter dated January 23, 2026. Under the renewed discharge permit DP-484, the lower pond is now an operational tailing pipeline containment area, and the surface water is no longer under the AOC Interim Remedial Action (IRA) or a sampling requirement. Additionally, groundwater sampling for the site is now under the discharge permit DP-1340 Site Wide Abatement draft sampling analysis plan under review by the NMED.

Lucky Bill Canyon:

Reclamation construction is now complete for the Lucky Bill Groundhog Mine No. 5 site and is in post-reclamation monitoring, following the approval of the 2023 Construction Quality Assurance Report, 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 the updated seepage collection system at the toe of the Groundhog No. 5 Stockpile in alignment with DP-1340 requirements. No seepage is reporting into the collection system indicating that the stormwater diversions and soil cover are successfully limiting percolation into the stockpile.
- The reclaimed stockpile is currently inspected quarterly for stability to meet the MMD Permit GR009RE requirements and is no longer monitored under the AOC.

Bayard Canyon:

Chino performed additional mass removal of stockpile material in Bayard Canyon in 2021 as a supplemental IRA to the 2019 HWC IU IRA. Chino performs quarterly inspections of the site as per the approved IRA completion report. On September 15 and 16, 2025 Chino performed a survey at the Bayard Canyon IRA site to document vegetation success for species and cover for the five-year quantitative vegetation monitoring per the requirements of the completion report approved in a letter dated November 3, 2022. Chino submitted the five-year monitoring report July 7, 2026. NMED anticipates providing comments in the fourth quarter of 2026.

2019 Whitewater Creek IRA

This HWC IU IRA completed a removal of impacted material from Whitewater Creek in 2019. Under DP-1340, Chino submitted in 2021 and in early 2022, two workplan proposals for sampling base flow surface water and for sampling high flow stormwater runoff, 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. NMED is currently reviewing a draft of the first annual base flow surface water data report. Chino anticipates submitting formally both sampling data results reports in the fourth quarter of 2026. Chino continues to monitor Whitewater Creek for base flow surface expression of the alluvial groundwater in order to conduct a second year of sampling per the approved DP-1340 workplan. Under current drought conditions, there was not sufficient recharge to the alluvial system to drive baseflow surface expression within Whitewater Creek since 2022.

Chino submitted a revised residual risk assessment report (RRA) and received approval from NMED in 2023, as a follow up to the completed IRA. On September 3, 2025, the AOC Technical Group with their consultants held a conference call with the NMED Groundwater Quality Bureau to discuss next steps under the AOC and the DP-1340 abatement plan for Hanover and Whitewater Creeks. NMED is currently developing pre-FS RAC for the HWC IU and anticipates discussion of the draft with Chino during the third quarter of 2026.

Hurley Soils Investigation Unit (HSIU)

Following the posting of public notices to advise of the evaluation review of the remediation, NMED conducted soil sampling of 13 selected residential sites in the town of Hurley in July 2024 and performed additional soil sampling at 9 of these residential sites to provide a more robust sampling data set in August 2025. The HSIU ROD requires NMED to perform an assessment periodically to evaluate the remedy effectiveness of the 2007 to 2014 removal action in remediating copper above 5,000 ppm. Currently, NMED is drafting a Review Assessment Report, with issuance anticipated in the third quarter of 2026.

In early January 2025, NMED approved Chino's request to implement a removal action at a 2.5-acre area previously used as a parking lot supporting the old Smelter operations under the HSIU and the previously approved 2008 Golf Course IRA Workplan. The area is encircled by reclamation and past AOC removal actions, with the removal action intended to eliminate a potential source of copper for the HSIU. Chino initiated the construction phase of excavation and backfill processes for the removal action of the old Smelter parking area on January 13, 2026 and completing the soil removal and regrading on April 23, 2026. Seeding of the lot was completed by mid-July 2026, in order to take advantage of the impending summer precipitation. Chino anticipates submitting the final IRA completion report in early August 2026.

Lampbright Investigation Unit (LIU)

NMED provided pre-FS Remedial Action Criteria (RAC) for the LIU to Chino in a letter dated July 10, 2024. Following stakeholder and public reviews of a draft FS submitted in 2024 and a final FS in 2025, Chino submitted the finalized FS on December 11, 2025. NMED anticipates issuing the Proposed Plan for public and stakeholder review during the third quarter of 2026. Issuance of the Proposed Plan will occur prior to finalizing the Record of Decision (ROD).

Smelter Tailings Soil Investigation Unit (STS IU)

Feasibility Study

Chino submitted the formal draft FS for NMED and stakeholder review on February 19, 2025. Chino provided a presentation of the draft FS to the CWG in March 2025. NMED issued public and stakeholder review comments to Chino on May 23, 2025. Chino submitted a response to those comments with the final FS on October 3, 2025. In response to comments received on the draft FS, Chino conducted sampling to update data results from the 2015 Five-Year pH Monitoring Report of the 2008 "white rain" event in support of finalizing the STS IU FS. A technical memorandum report updating the 2015 data results is appended to the revised final FS dated October 3, 2025. NMED issued public and stakeholder comments regarding Appendix B and F of the revised final STS IU FS in a letter dated January 28, 2026. NMED approved Chino requests for an extension period that ends in July 2026 to respond to the provided comments and to finalize the FS. The AOC Technical Group and their respective consultants met on April 15th to discuss NMED's comments. Chino anticipates providing a response to those comments with the second submittal of the final FS on July 30, 2026.

Interim Remedial Actions

As an extension of the completed 2008 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. Chino performs quarterly erosion and revegetation monitoring of the B-Ranch site as per the approved IRA completion report. On September 16, 2025, Chino performed a survey at the B-Ranch IRA site to document vegetation success for species and cover for the five-year quantitative vegetation monitoring per the requirements of the completion report approved in a letter dated August 20, 2021. Chino submitted the five-year monitoring report on July 7, 2026. NMED anticipates providing comments in the fourth quarter of 2026.

Community Relations

The Community Work Group (CWG) met on May 12th for an update on AOC activities. The CWG voted to meet again on September 8th. NMED is responsible for maintaining the three local Chino AOC document repositories. The online electronic document repository (<http://www.fcx.com/chino/>) is up to date.

Next Quarter's Scheduled Activities

The following work and activities have occurred or are projected for the third quarter of 2026:

- Chino will submit the finalized Feasibility Study (FS) for the STS IU.
- NMED will provide the pre-FS RAC for the HWC IU.
- Chino will submit the final HSIU Hurley Parking Lot IRA completion report for NMED's approval.
- NMED will provide the Proposed Plan for the LIU prior to drafting the final ROD.
- The CWG will meet on September 8th.
- Chino will conduct quarterly inspections of interim remediation sites within the HWC IU and STS IU.
- The AOC Technical Group plans to meet quarterly, and Chino and NMED will review AOC activities monthly.

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Personnel Changes

No personnel changes occurred for the AOC in the second quarter of 2026.

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, appearing to read 'Sherry Burt-Kestel', is written over the printed name.

Sherry Burt-Kestel, Manager
NMO Environmental Services

SBK:wk
Enclosures
20260727-001

cc: David Mercer, NMED
Michael Boulay, NMED
Joseph Fox, NMED
Erica Almance, US EPA
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