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Immediate Release

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## **Environment Department Enters into Settlement Agreement with Phelps Dodge Over Chino Pipeline Spills**

(Santa Fe, NM) — The New Mexico Environment Department (NMED) and Phelps Dodge's Chino Mines Company have entered into an agreement to resolve spills from the company's pipelines at its Chino mine in Grant County.

Phelps Dodge has agreed to immediately pay a \$42,150 civil penalty to resolve this issue. The company has also agreed to replace the pipelines and improve pipeline operating procedures when work at the mine is restarted. This copper mine is currently not operating and these pipelines are therefore not in use.

"These measures, including a more robust schedule of visual inspections and a properly functioning automated leak detection system, will help ensure that no future spills occur," said NMED Secretary Ron Curry. "If they do, this agreement includes stipulated penalties of up to \$15,000 a day. NMED is pleased with this agreement and the enhanced abilities it gives us to ensure that ground water in this area is not further damaged."

This settlement covers three spills of tailing slurry and process water from Chino pipelines, an approximately 480,000-gallon spill on December 8, 2000, an approximately 18,000-gallon spill on December 21, 2000 and a January 19, 2001 spill of approximately 20,000 gallons. Between 1990 and 2001, 45 spills occurred at the Chino mine.

The Chino mine has a series of pipelines to transport tailings--mine waste--from its Ivanhoe Concentrator to its tailings ponds, a distance of nine miles. This concentrator, as well as the rest of the mine's operations, have been shut down since March 2001, although Phelps Dodge plans to resume operations at the mine when it is economically feasible.

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Tailing slurry is a threat to the environment and to ground water as it contains high levels of several metals as well as a dangerous potential to become acidic over time. Ground water in the vicinity of these pipelines is contaminated with these constituents, although it is impossible to trace this pollution to these spills considering the long history of mining in the area.

For further information, contact Jon Goldstein, Communications Director, NMED at (505) 827-0314.

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