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**State Receives \$3.6 Million for Pollution Cleanups and Natural Resource Restoration
Related to Former Asarco Mining and Smelting Operations**

(Santa Fe, N.M.) The State of New Mexico received \$3.6 million in bankruptcy settlements of environmental contamination by Asarco LLC. within the state for sites related to the company's mining business. The company filed for Chapter 11 bankruptcy protection in the Southern District of Texas in 2005.

The state, through the Office of Natural Resources Trustee, the Environment Department and Energy, Minerals and Natural Resources Department, filed claims for environmental damage done by Asarco within the state. New Mexico's participation in the bankruptcy was led by attorneys in the office of Attorney General Gary King.

"I commend the collaboration of the state agencies that took part in the successful resolution of this claim for New Mexicans," Governor Richardson said. "Now we can look forward to restoring the natural resources of the state."

"We are gratified that our state will be compensated to some degree for pollution originating from the former Asarco facilities," said New Mexico Environment Department Secretary Ron Curry. "New Mexico fought for this settlement — as well as to keep the El Paso Asarco facility closed permanently — to undo some of the damage created by the company's air and soil pollution."

Attorneys who led the settlement in the Office of the State attorney General stated, "This has been a long process, and we are pleased that our four year effort has resulted in significant funding to benefit New Mexico's environment and resources. We are also hopeful that the cleanup and restoration activities will provide a boost to the economies of the towns and rural areas in which the various sites are located."

Approximately \$1.12 million was awarded to the New Mexico Office of Natural Resources Trustee for settlement of natural resource damage claims at five sites: the Blackhawk Mine in Grant County, the Deming Mill in Luna County, the Magdalena Mine in Socorro County, and the El Paso Metal Site and the Stephenson-Bennett Mine in Dona Ana County. The Office of Natural Resources Trustee will prepare a restoration plan to identify restoration activities to be financed. The Trustee will announce the availability of the draft

restoration plan so that the public will have an opportunity to comment on restoration actions prior to final selection.

“The bankruptcy settlement, along with remedial actions taken during the bankruptcy, bring us closer to assuring that the protections under the New Mexico Mining Act will be met for the Deming Mill,” stated Bill Brancard, Mining and Minerals Division Director for the Energy, Minerals and Natural Resources Department.

In addition to funds received for restoration of natural resources, \$290,000 was received for cleanup of the Blackhawk Mine in Grant County and the Stephenson-Bennett Mine in Doña Ana County. The Blackhawk Mine Site consists of approximately 50 acres of former tailings impoundments and remnants of a former mill. The Stephenson-Bennett Mine Site, which includes underground workings and a former quarry, has soil in residential areas contaminated with arsenic and lead.

Another \$2.19 million has been transferred into a bankruptcy custodial trust for the Magdalena Mine Site, which is located in Hop Canyon west of Socorro and the Deming Mill, which is located in Luna County. The Magdalena site consists of an 18 acre capped tailings impoundment and various abandoned structures for remediation. The Deming Mill includes a former lead and zinc mill and several capped tailings impoundments.

In total, Asarco is paying \$1.79 billion to settle environmental claims in 19 states, including Arizona, Alabama, Arkansas, California, Colorado, Idaho, Illinois, Indiana, Kansas, Missouri, Montana, Nebraska, New Jersey, Ohio, Oklahoma, Texas, Utah, and Washington, in addition to New Mexico.

Asarco operated copper, lead and other heavy metal mines and smelters across the country, including a smelter in El Paso. The company announced in February that the smelter would not reopen. Prior to that announcement, the State of New Mexico voiced opposition to the reopening of that facility. Asarco continues to operate three copper mines in Arizona and a refinery in Amarillo, Texas.

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