PROPOSED PLAN FACT SHEET

INVITATION TO COMMENT ON THE PROPOSED CLEANUP OF MOLYCORP INC. SITE

(NOW CHEVRON MINING INC. – QUESTA MINE)
Questa, Taos County, New Mexico
December 31, 2009

This Sheet will tell you about…

- **Proposed Cleanup Plan**
- **How to Participate**
- **Site Risks**
- **Cleanup Goals**
- **Where to get more information**

PROPOSED CLEANUP PLAN

The U.S. Environmental Protection Agency, Region 6 (EPA) announces the Proposed Plan for the Molycorp Inc. (now Chevron Mining Inc. – Questa Mine or CMI) site (Site), located near Questa, New Mexico. The Proposed Plan identifies the actions that EPA believes are the best way to protect your health and the environment. The following actions will address mining-related contamination at five areas of the Site that warrant cleanup under the Superfund law:

- Mill Area
  Dig up 2,400 cubic yards of contaminated soil to a depth of about 2.5 feet and transport the soil to a permitted off-Site treatment and disposal facility. This will cost $3 million and take 1.5 years to complete (Alternative 3).

- Mine Site Area
  Regrade waste rock piles, cover with clean soil and revegetate with native plants. Move any excess waste rock to another location (repository) at the mine site to be determined during design. Collect contaminated ground water below the waste rock piles using existing and new pumping wells and drains. Build a new water treatment plant at the mine site and treat collected seepage and ground water to remove contamination. Maintain water in the underground mine at a level below the Red River and treat collected mine water. Use Conservation Easement and Restrictive Covenants recorded by CMI in 2009 to legally restrict land and ground-water use at the mine site, including the mill area. These actions will cost between $364 million and $730 million and take between 25 and 28 years to complete (Alternative 3A and 3B).

- Tailing Facility Area
  Collect/extract contaminated ground water downgradient of the dams using existing and new drains and pumping wells south and southeast of the tailing impoundments. Treat collected water with CMI's existing water treatment plant or a new plant to remove contamination and discharge clean water to the Red River. Pipe unused irrigation water in the eastern diversion channel adjacent to the tailing impoundment to prevent it from seeping through buried historic tailing located north of Change House and contaminating ground water. Cover tailing impoundments with 3 feet of clean soil and revegetate with native plants following cessation of tailing disposal operations. Use Restrictive Covenants recorded by CMI in 2009 to legally restrict residential land use and ground water use at the tailing

facility. Continue to monitor ground water outside and within tailing impoundment to ensure cleanup actions are effective. Perform additional characterization of ground water in some areas to determine if the ground water remedy needs to be expanded. These actions will cost $143 million. Ground water is expected to be cleaned up 15 years after cessation of tailing disposal operations and placement of soil cover (Alternative 3B).

- Red River, Riparian, and South of Tailing Facility Area
  Protect fish by controlling inputs of contaminated ground water at seeps and springs along mine site reach of Red River. Dig up 26,000 cubic yards of contaminated soil in the valley south of the tailing facility to a depth of 2 feet to protect wildlife and livestock. The soil will be disposed in the tailing facility and the excavation backfilled with clean soil. Dig up 3,800 cubic yards of tailing spills along the north bank of the Red River (the riparian area) to protect wildlife. Dispose these materials in the tailing facility. This will cost $4 million and take 2 years to complete (Alternative 3B).

- Eagle Rock Lake
  Install storm water inlet controls to reduce the amount of sediment entering the lake during storm events. Dredge 15,000 cubic yards of contaminated sediment from the 3-acre lake, dewater the sediment and dispose at an appropriate on-Site facility (most likely in the tailing facility). This will cost $2 million and take 2 years to complete (Alternative 3B).

HOW TO PARTICIPATE

EPA and the New Mexico Environment Department (NMED) want to know your views about the plans for cleaning up this Site. We are providing a variety of ways for you to comment on the Proposed Plan, learn more about the project, and get involved.

Attend the Public Meetings

To help you understand and comment on this Proposed Plan, EPA will host two public meetings. At the first meeting, we will discuss the contents of the plan, help you understand the cleanup alternatives, and answer questions.

At the second meeting, EPA will listen to public comments and discuss next steps. A court stenographer will record the meeting transcripts. The public meetings will be held:

Thursday, January 21, 2010
6:30 p.m. – 8:30 p.m.
and
Thursday, January 28, 2010
6:30 p.m. – 8:30 p.m.
at
VFW Hall Post 7688
(2 miles north of Questa)
Hwy 522, Questa, NM

Provide Comments to EPA

Your comments will help EPA make final decisions about the Site cleanup, and they may result in a final cleanup plan that differs from this one. The final cleanup plan (or "selected remedy") will appear in a document called a Record of Decision (ROD), which is expected to be completed in 2010.

Written comments on the Proposed Plan or other material in the Administrative Record file must be postmarked by January 29, 2010. A summary of the comments received along with how those comments changed the decision that was reached will be documented in the ROD.

SITE RISKS

EPA performed a human health and ecological risk assessment on the environmental data collected at the Site by CMI for the Remedial Investigation and Feasibility Study (RI/FS). These findings were presented to the community on August 23, 2007. Based on the human health risk assessment, EPA found that there is some risk to people (hypothetical future resident or future commercial/industrial worker) who may come into contact with contaminated soil at the Mill Area. There is also some risk to people (for example residents) who may drink contaminated ground water drawn from rural domestic wells in the area south of the tailing facility or in the mine site area

or come into contact with contaminated surface water at the mine site or tailing pond sediment at the tailing facility (such as a recreational visitor or trespasser). Currently, there is no known exposure to the contaminated ground water from use of private water wells, as there are no residents near the mine site and most of the residences south of the tailing facility are connected to the Questa municipal water supply. EPA is continuing to evaluate the water quality of the Red River State Fish Hatchery, as several full-time workers and their families live at the hatchery.

While the chance of being harmed from exposure to this Site contamination is small, it is serious enough to require that actions be taken to reduce the level of the contaminants of concern (COCs) present in the soil, sediment and water at the Site. It is noted that EPA did not evaluate potential exposure to current mine workers, as they are covered under Mine Safety Health Administration (MSHA) regulations for an operating mine.

Based on the ecological risk assessment, EPA found that there is a risk to fish (resident brown trout) from exposure to contaminated surface water in the Red River at and down stream of seeps and springs along the mine site reach of the river. There is also a risk to wildlife (deer, elk, birds) and livestock (domestic cattle, sheep) from exposure to contaminated soil and tailing spills in the riparian area of the Red River or the area south of the tailing facility and to deer and elk due to exposure to tailing at the tailing impoundments.

Finally, there is a risk to aquatic insects and other invertebrates due to exposure to contaminated sediment in Eagle Rock Lake.

CLEANUP GOALS

Several cleanup goals have been developed for each of the five areas that will be addressed by EPA's proposed cleanup plan. A summary of these goals are:

- Protect people by preventing direct contact/ingestion of contaminated soil in Mill Area.
- Prevent ingestion by people of contaminated ground water drawn from private wells.
- Eliminate or reduce, to maximum extent practicable, leaching and migration of COCs and acidity from waste rock (acid rock drainage) to ground water.
- Protect recreational visitors/trespassers by reducing exposure of contaminated surface water.
- Remediate contaminated ground water at the Mine Site Area and Tailing Facility Area to meet state/federal ARARs or preliminary Site-specific risk-based cleanup levels.
- Eliminate or reduce, to the maximum extent practicable, the seeping and migration of COCs from tailing to ground water.
- Protect Red River aquatic species from long-term (chronic) exposure to COCs and acidity at springs by reducing discharge of contaminated spring water to Red River.
- Eliminate or reduce direct exposure and exposure via accumulation in plants to contaminated soil and tailing spills for protection of wildlife and livestock.
- Eliminate or reduce direct exposure of aquatic insects to contaminated sediment in Eagle Rock Lake.

WHERE TO GET MORE INFORMATION

You can see a copy of the Proposed Plan, which describes the cleanup alternatives studied, and also get more information about the Site by visiting the Administrative Record file, which can be found at:

Village of Questa
2500 Old State Road 3, P. O. Box 260
Questa, New Mexico (575) 586-0694

New Mexico Environment Department
1190 St. Francis Drive, P.O. Box 26110
Santa Fe, NM (505) 827-2340

U.S Environmental Protection Agency – Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX (214) 665-6427

If you have questions or need additional information, contact:

Mark Purcell
Remedial Project Manager
U. S. Environmental Protection Agency
214-665-6707 or 1-800-533-3508 (Toll-free)

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U. S. Environmental Protection Agency
214-665-8522 or 1-800-533-3508 (Toll-free)

Beverly Negri, Team Leader
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214-665-8157 or 1-800-533-3508 (Toll-free)

For press inquiries, please call the EPA Region 6 Press Office, at 214-665-2208 or 214-665-2261.

You can find more information about the Region 6 Superfund program on EPA's Region 6 website:
http://www.epa.gov/region6/superfund or
http://www.epa.gov/earth1r6/6sf

The EPA wishes to thank the community members for their participation at all EPA community meetings and encourages everyone to attend the January 2010 meetings to be held by EPA.

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