ROBERTSON GEOCONSULTANTS INC.

A Robertson Group Company

Consulting Geotechnical and Environmental Engineers

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Project No 052008

November 15, 1999

Mr. Dave Shoemaker, Manager
Questa Mine
Molycorp Inc.
P.O. Box 469
Questa NM 87556

Dear Dave

Re: Closeout Plan Program for MMD: Responses to Information Request

Attached is a letter of response to the MMD addressing most of the issues raised in their letter of November 1, 1999. In preparing this response we have also considered the letters from NMED dated October 6 and October 25, from Amigos Bravos dated November 2, and New Mexico Environmental Law Center dated October 21.

We have suggested a delay of the DP 933 hearing until June 30, 2000 to allow for some of the required studies to be completed and for NMED's requested review periods. These should be reviewed with them from the attached Table 2.

To address the requirements of NMED for DP 1055 we have provided for submission of a Revised Contingency and Closure Plan at the end of September 2000, and a public hearing (before finalizing the bond) on November 30. This plan precedes the suggested dates for the Closeout Plan for MMD. We have proposed a full study program for the MMD Closeout Plan with the three Review Meetings indicated in Table 1. It would be very difficult to accelerate the MMD Closeout plan development (with these meetings) to meet the earlier submission and hearing times required for DP 1055 by the NMED. To satisfy the NMED requirements for an alternatives analysis, we will include such an analysis in the Revised Closure Plan for NMED, however there will not be an associated set of review meetings.

You should discuss with the MMD and NMED how participation in the Review Meetings can be structured. To be effective technical review meetings the numbers should be small and the attendees should have an appropriate technical background with only one or two representatives from each stakeholder group (NMED, MMD, Amigos Bravos). The representatives report back to their broader stakeholder groups. The forum for the full and general public participation is at the public hearings. The Review Committee model for the Zortman Landusky mines site is an excellent example and precedent. You can suggest to NMED and MMD that they contact Montana State, the BLM and the EPA representatives to that committee, as well as Jim Kuipers (advising Amigos Bravos) on this model.

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I believe the Review Committee Meetings can play an important role in trying to get the stakeholders to understand the issues and difficulties as well as the successes and benefits of the Molycorp approach, as well as offering them the opportunity to evaluate the technical information and alternatives results as these are being prepared. It provides them with the opportunity of expressing their concerns and value assessments relating to these alternatives, therefore of having input to the final Closeout Plan preparation.

Yours truly
Robertson GeoConsultants inc.

Dr. A. MacG. Robertson. P.Eng.
President

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Project No 052008

November 15, 1999

Program Manager
Mining Act Reclamation Program
New Mexico Energy, Minerals
& Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attention: Mr. Fernando R. Martinez

Dear Sirs

RE: Extension of Time for Closeout Plan Approval, Questa Mine, Permit No. TA001RE.

This letter has been prepared at the request of Molycorp Inc. and responds to the requests in the letter dated November 1, 1999, from the New Mexico Mining and Minerals division (MMD) to Molycorp's Questa mine regarding extension of time for Closeout Plan approval.

The primary requirement is for an acceleration of the program for Closeout Plan development (from that which was originally proposed by Molycorp) to ensure that a Closeout Plan is submitted by January 31, 2001. The original Molycorp program included several studies that must be performed over several years to obtain seasonal and long term temporal data required for closeout measure design and performance verification. This program is currently active with several studies on-going. Additional studies can be initiated and initial data obtained from an accelerated program but conclusive results may only be obtained after the Closeout Plan submittal date. There is also some loss of efficiency and effectiveness with such an accelerated program. To allow for planning of the Closeout Plan development we have reviewed the required processes and data and submit the following description of how the Closeout Plan can be developed by Molycorp.

Figure 1 illustrates the anticipated overall closeout plan and implementation life cycle. Starting from the current closeout plan, the immediate requirement is to prepare and submit the Closeout Plan by January 31, 2001. However, on-going studies will provide data relevant to Closeout Plan assessment in the period after the Closeout Plan submission but prior to public hearings and final assessment

by MMD. Therefore, provision is made for the submission of a Supplemental Report to the Closeout Plan by May 31, 2001, a month prior to the proposed public hearings.

In developing a modified schedule we have also addressed NMED's request (letter from NMED to Molycorp dated October 6, 1999) for the submission to NMED of a Modified Preliminary Closure Plan to address existing contamination and prevent future ground and surface water contamination. For such a preliminary plan to be any advance on existing plans requires the completion of the Phase 2 mine rock pile investigation and characterization study. This requires, at minimum, drilling of the mine rock piles during the summer of 2000 to gather the same type of data as was obtained for three mine rock piles in the Phase 1 program. Any alternatives analysis (a requirement of NMED) for closure measures, which precedes such data availability, would not be defensible. On the accelerated program the Phase 2 mine rock pile characterization can be completed by August 31, 2000, and a Modified Preliminary Closure Plan to address NMED's requirements can be submitted to NMED on September 30, 2000. At the request of NMED we have included projected dates for the initial WQA (NMED) hearing on DP 1050 (November 30, 2000) and additional hearings to modify the DP 933 and DP1055 to provide for the Closeout Plan into the schedule for the Closeout Plan development. The projected date for the NMED hearing on DP 933 modification will be June 30, 2000 (Table 2) and projected dates for the NMED hearing on DP 1055 modification will be on June 29, 2001 (Table 1).

The work scope for the development of the Closeout Plan and Supplemental Report to the Closeout Plan involves the period from now until May 31, 2001. There will be on-going studies in progress at the time mandated for the Closeout Plan approval (Dec 31, 2001).

Figure 1 illustrates the continuous nature of Closeout Plan development, and the various activities that are done in each cycle. Briefly:

i. the designs (of closeout measures) are developed to satisfy design criteria, including environmental criteria;
ii. failure mode and effects analyses (FMEA) are performed (formally or informally by the design team and reviewers) to 'test' the designs for effectiveness and robustness;
iii. often the result of such a FMEA is a change in the design criteria. It could also result in the setting of operational constraints, or constraints in the mine development permits: and
iv. a review and decision making process is applied taking into account all stakeholder concerns and desires (termed multiple account analysis or MAA) .

The period to December 31, 2001 (last date for Closeout Plan approval) is represented by the first two spirals in Figure 1. Molycorp will work through steps i to iv for each of these spirals in the preparation of the Closeout Plan and the Supplemental Report to the Closeout Plan.

The steps in the Closeout Plan development are shown on Figure 2. First the pre-mining conditions must be described, followed by a description of the current and future mine development, then the closeout technology and measures and finally a multiple accounts assessment of the suitability of the Plan. If the Plan fails to meet requirements in Step 4 then either the closeout measures or the mine development plans may be modified to improve the plan. Steps 5 to 7 follow on the Closeout Plan submission and are not considered further in this response.

The development of the Questa Closeout Plan has two major significant impediments compared to Closeout Plan development for new mines. The first is that pre-mining environmental conditions were not measured and must now be established from inference from adjacent watersheds. Very large levels of contaminant loading are being discharged to the Red River from natural sources and anthropogenic activities other than those attributable to Molycorp. The sources are known in general terms but the loadings and, most importantly, the pathways to ground and surface waters from these external sources (external to Questa mine), have not been investigated or quantified. There is therefore not a basis for determining if the mine is contributing contaminants greater than the natural pre-mining values. Such information is critical for the setting of the closure measure objectives and assessing the effectiveness of alternative measures. The second is that much of the mine development has already occurred and the option of selecting a different mine development method, to avoid current conditions, does not exist. The conditions resulting from past mining development must be clearly understood to enable effective and economic Closeout measures to be developed. Determination and simulation of pre-mining background conditions are a substantial and crucial part of the study requirements for the Closeout Plan development.

To allow for major stakeholder input during the Closeout Plan development, Molycorp, in addition to normal public participation, is proposing that three technical review meetings be held with representatives from each major stakeholder and key representatives from the regulating agencies. Three meetings of this type are proposed at the times indicated on Table 1. The objectives for these meetings would be:

1. Characterization and scoping meeting: March 31, 2000. At this meeting the existing data base and current understanding of pre-mining

background, and of mine development, will be summarized. The work tasks and specific work plans for the planned studies, the Closeout Plan development process and the draft outline of the Closeout Plan contents will be presented and discussed.

2. Alternative measures review meeting: October 16-17, 2000. At this meeting the results of investigations to date will be briefly summarized. The results of alternative closeout measures and technology will be presented and discussed.

3. Alternative Closeout Plan options review meeting: December 14-15, 2000. At this meeting alternative closeout options for the Questa mine and tailings will be presented and discussed. This will likely include a partial or complete multiple accounts analysis (MAA) review.

For each stage of the Closeout Plan development, Molycorp will take into consideration the observations and suggestions made at these technical review meetings.

We have reviewed our original program for the development of the Closeout Plan and developed a new schedule for these same studies and the additional studies required by MMD. For the sake of clarity, we have split those tasks related to the Tailings Facility Closeout Plan from those related to the Mine Site Closeout Plan. The revised schedules are provided in Tables 1 and 2. Some of the studies cannot be completed in the timeframe requested and the Closeout Plan designs and evaluations will have to be based on the information that is available at the time of design. It is anticipated that the selection of design criteria will be substantiated by the results in the Supplemental Report to the Closeout Plan. Similar substantiation is expected from any tests and monitoring programs that would be on-going beyond December 31, 2001.

The various study tasks relate to the four steps of the Closeout Plan development defined in Figure 2 as follows:

For Step 1 – Pre-mining Environment (Background) Description. To provide a quantitative description of background values of the mine site, pre-mining, we need to complete Study A7 and Tasks 1 and 4 of Study A11.

For Step 2 – Mine Development Description. This includes a description of past mining activities and planned future mining activities. Included in this description is the current effect of development on the mine site (physically, hydrologically, geohydrologically and geochemically). To provide a quantitative description of current conditions we need to

complete Study A1 except for Tasks 1.8 and 2.5, Studies A2, A5, A10 and Tasks 2 and 3 of Study A11,

For Step 3 – Environmental Control & Closeout Plan Technologies and Measures Design. To complete the design of alternative environmental control and closeout measures, the following Tasks must be completed: Tasks 1.8 and 2.5 of Study A1 and Studies D2, E1 and E2.

For Step 4 – MAA Assessment, Including Cost, EA and FMEA. This is in two stages in preparation for Technical Review meeting 2 (October, 2000) and 3 (December, 2000). The meetings are followed by the completion of the Closeout Plan.

The proposed revised plan, described above, addresses the requirements and comments of MMD's letter as summarized on Table 3

The following observations and clarification is provided with respect to this revised program schedule and additional study tasks:

1. The following constraints apply to our ability to accelerate the schedule of studies, designs and evaluations.

   i. Winter conditions of snow cover, or frozen streams constrain the ability to for visual inspections and reconnaissance such is necessary for Task 1.2 of Study A1, Tasks 1.1, 2.1 and 2.4 of Study A7, Study E1, E2 and E3 etc. Winter conditions of snow and frozen soil prevent, or make very difficult to conduct, any field work requiring excavation or placement of soils such as is required for Task 2.1 of Study A1, Task 1.2 of Study A10, and Studies E1 to E3. Such tasks are scheduled to start in the spring of 2000, when weather conditions permit. To comply with the NMED request for a wild life study prior to public hearings on DP933, and to allow for regulatory review of the study workplan as well as the final report, the study would have be performed over a short period in the winter, placing severe constraints on the scope and value of the study.

   ii. Some of the studies are intended to measure the changes that occur over time, particularly annual seasonal variations. For such tests the required duration of testing is at least one full year, and longer when the test has to monitor a full cycle of seasonal changes and changes from season to season. Since the construction and installation of monitoring instruments is anticipated only in the spring a year of monitoring extends into the summer of 2001. Where a substantial period is necessary for equilibrium conditions to re-establish, the initial period of results may not be reliable, extending the period of monitoring required. At the time of Closure Plan

submission (January 31, 2001), the test plots (to monitor cover infiltration) will likely not have achieved steady state infiltration rates, or reflect conditions pertaining to periods of most interest such as the spring melt and infiltration period. Likewise, conditions measured in instrumented boreholes installed in 2000 in the mine rock piles may not yet be stable and will not reflect seasonal variations. The Supplemental report increases the period over which data is collected and presented prior to the public hearing.

iii. Long review periods required by NMED and MMD constrains the ability to initiate studies shortly after workscope development. For this accelerated program, it is assumed that no more than one month of review and response time will be required by regulatory agencies. Delays occurring during review and response periods will have a severe impact on the proposed schedule or information on which the closeout plan is based.

2. A large number of reports are indicated in Table 1. To the extent possible, reports will be combined. For example it is anticipated that the studies and reports for A11 and D3 are likely to be a single report.

3. Having to satisfy a dual process of submitting closure plans to NMED to satisfy their requirements for DP933 and DP1055 issuance and a closeout plan to MMD results in an inefficient program requiring duplication of effort at two different stages of data gathering. The extra effort required to satisfy these separate requirements, within a few months of each other, could be saved for both Molycorp and the State of New Mexico if both requirements could be satisfied by the program and dates proposed for the Closeout Plan.

We trust that this additional information address adequately the MMD requirements and look forward to the opportunity of answering any questions relating to the proposed program and schedule of Closeout Plan development.

Yours sincerely
Robertson GeoConsultants Inc.

Dr. A. MacG. Robertson. P.Eng.
President.

cc. Mr. Dave Shoemaker, Manager, Questa Mine, Molycorp Inc.

Table 1. Schedule for development of Closeout Plan for Mine Site - Questa Mine, New Mexico.

	Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
Part 1: Framework for Review & Submission of Closeout Plan for Mine Site																														
Technical Review Round 1: Characterization & Scoping																														
-Background Data Summary																														
-Development Data Summary																														
-Detailed Work Plans																														
-Draft Outline of Closeout Plan																														
-Meeting										March 31																				
Technical Review Round 2: Alternatives Evaluation																														
-Design & Assessment of Alternative Control Measures																														
-Meeting																							October 16-17							
-Additional Design & Assessment of Alternative Control Measures																														
Submission of Modified Preliminary Closure Plan to NMED																						September 29								
Initial WQA (NMED) Public Hearing on DP 1055																									November 30 (projected)					
Technical Review Round 3: Closeout Plan Options Review																														
-Closeout Plan Options Development																														
-MAA Meeting																										December 14-15				
-Final Closeout Plan Preparation																														
Submission of Closeout Plan																														January 31 2001
Submission of Supplementary Report to Closeout Plan																														May 31, 2001
NMMA (MMD) Public Hearing on Closeout Plan																														June 28, 2001 (projected)
WQA (NMED) Public Hearing on Modification of DP 1055																														June 29, 2001 (projected)
NMED Determination on Closeout Plan																														July 31, 2001 (projected)
Submission of Financial Assurance Proposal (MMD)																														Oct 30, 2001
Public Hearing on Financial Assurance Proposal (MMD)																														Nov 30, 2001 (projected)
Anticipated Approval of Closeout Plan, Financial Assurance in place (MMD)																														Dec 31, 2001 (projected)
Part 2: Work Tasks under DP1055 (Mine Site)																														

Table 1. Schedule for development of Closeout Plan for Mine Site - Questa Mine, New Mexico.

			Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
A	**Characterization and Monitoring**																															
A.1	**Waste Rock Characterization**																															
	Phase 1	*Initial investigation*																														
	Task 1.1	Review of mining history and mine records and determination of dump composition																														
	Task 1.2	Site reconnaissance and mapping to define all sources (natural, mine disturbed and dumps)																														
	Task 1.3	Phase 1 drilling and sampling program	C																													
	Task 1.4	Instrumentation and monitoring	P																													**September 2001**
	Task 1.5	Phase 1 static and kinetic laboratory geochemical testing program	P																													**September 2001**
	Task 1.6	Phase 1 geotechnical/geohydrological testing program																														
	Task 1.7	Phase 1 characterization and monitoring analyses and report										**March 17**																				
	Task 1.8	Preliminary design and evaluation of closure measures																														
	Phase 2	*Investigation and Testing Program*										**March 31**																				
	Task 2.1	Phase 2 drilling and sampling program																														
	Task 2.2	Phase 2 laboratory geochemical testing program																														
	Task 2.3	Phase 2 geotechnical/geohydrological testing program																														
	Task 2.4	Phase 2 characterization and monitoring analyses and report																				**Aug 31**										
	Task 2.5	Design and evaluation of closure measures (Closeout Plan)																														**Jan 31 2001**
A.2	**Geophysical Surveys**																															
	Task 1	Seismic and electrical resistivity profiles in vicinity of MMW-7																				**Aug 31**										
A.3	**Installation of Monitoring Wells**																															
	Task 1.1	Installation of additional monitoring wells	C																													
A.4	**Infiltration of storm water runoff**																															
	Task 1.1	Continued sampling required by Molycorp's Storm Water Pollution Prevention Plan																														**ongoing**

Table 1. Schedule for development of Closeout Plan for Mine Site - Questa Mine, New Mexico.

		Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
Task 1.2	Calculation of potential impact on ground water quality by storm water runoff																														
A.5	**Surface and ground water quality monitoring**																														
Task 1.1	Monthly gauging of monitoring wells																														**ongoing**
Task 1.2	Bi-annually sampling and water quality analysis																														**ongoing**
A.6	**Reporting of regular monitoring well data**																														
Task 1.1	All available gauging and water quality results from the mine monitoring wells forwarded to	C																													
A.7	**Background Characterization Study**																														
Phase 1																															
Task 1.1	Reconnaissance survey						**Jan 31**																								
Task 1.2	Historical and anthropological use determination																														
Task 1.3	Surface water monitoring																														**May 2001**
Task 1.4	Report on background characterization of surface water from non-mining scar affected areas																							**Oct 16**							
Phase 2							**Jan 31**																								
Task 2.1	Ground water reconnaissance survey																														
Task 2.2	Ground water quality monitoring																														**May 2001**
Task 2.3	Background characterization of groundwater from non-mining scar affected areas (w/ drilling)																	**Jul 17**													
Task 2.4	Reconnaissance survey of all scar areas																														
Task 2.5	Watershed baseline contaminant load model																										**Dec 15**				
A.8	**GSI/Water from the P-series of wells**																														
Task 1.1	Submit data	C																													
A.9	**Report Submittals**																														
Task 1.1	Submit 1997 reports by TRC Environmental Solutions Inc., Schafer & Associates and Chadwick Ecological Consultants Inc.	C																													

Table 1. Schedule for development of Closeout Plan for Mine Site - Questa Mine, New Mexico.

		Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
A.10	**Water Balance for Waste Dumps**																														
Phase 1	*Water balance for three representative dumps*																														
Task 1.1	Select waste rock types; analyze soil characteristics; finalize design (with modeling) submit work plan for cover test plot construction	P								Feb 29																					
Task 1.2	Install plots and met station; set-up and data acquisition system																														
Task 1.3	Preparation of As-Built Report																June 30														
Task 1.4	Monitoring																														
Task 1.5	Initial review of model calibration, recommendation for changes (if required)																														
Task 1.6	Monitoring																														June 2001
Task 1.7	Calibration of soil-atmosphere model																						Oct 16								
Task 1.8	Water balance calculations																														
Phase 2	*Water balance for all dumps*																														
Task 2.1	Water balance calculations																										Dec 15				
A.11	**Comprehensive Hydrological Balance**																														
Phase 1	*Natural contaminated drainage site detailed hydrological balance*						Jan 31																								
Task 1.1	Surface water characterization and model																														
Task 1.2	Groundwater characterization and model																														
Task 1.3	Integrated geochemical load balance																										Dec 15				
Phase 2	*Mine detailed hydrological balance*						Jan 31																								
Task 2.1	Surface water characterization and model																														
Task 2.2	Groundwater characterization and model																														
Task 2.3	Integrated geochemical load balance																										Dec 15				
Phase 3	*Tailings detailed hydrological balance(see Schedule for Tailings Facility)*																														
Phase 4	*Red River basin system description*						Jan 31																								

Table 1. Schedule for development of Closeout Plan for Mine Site - Questa Mine, New Mexico.

		Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
Task 4.1	Surface water characterization and model																														
Task 4.2	Groundwater characterization and model																														
Task 4.3	Integrated geochemical load balance																										Dec 15				
B	**Abatement of Existing Ground and Surface Water Contamination**																														
C	**Contingency Plan**																														
C.1	**Submittal of Contingency Plan**																														
Task 1.1	Submit plan (revisions to plan)	P																			Jul 31										
D	**Closure Plan and Financial Assurance Plan**																														
D.1	**Revegetation Program**																														
Task 1.1	Continue implementation and research program with Revegetation Success & Establishment Report																														April 2001
D.2	**Closure Plan**																														
Task 1.1	Determine what, if any additional measures are required for the Closeout Plan																					Sep 30									
D.3	**Post-Closure Hydrologic Model**																														
Task 1.1	Assess mine post-closure impacts to ground water and surface water																														
Task 1.2	Develop and refine dynamic hydrologic model																														
D.4	**Interim Financial Assurance Plan**																														
Task 1.1	Provide financial assurance plan pursuant to Water Quality Act	C																						Oct 30							
Part 3:	**Additional Studies for Close-Out Planning**																														
E	**Additional Studies - Mine Site**																														
Study E1	Surface Erosion & Stability Analysis (Work Plan, Investigation & Report)				Dec 31														Aug 16												

Table 1. Schedule for development of Closeout Plan for Mine Site - Questa Mine, New Mexico.

		Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
Study E2	Rooting Zone and Cover Evaluation (Work Plan, Investigation & Report)						Jan 31																Oct 16								
Study E3	Borrow Materials Investigation (Work Plan, Investigation & Report)						Jan 31																Oct 16								
Study E4	Wildlife Impact Study (Work Plan, Investigation & Report)								Feb 29																						April 2001
Study E5	Open Pit Waiver Information (Work Plan, Investigation & Report)						Jan 31																								April 2001
Study E6	Subsidence Area Waiver Information (Work Plan, Investigation & Report)						Jan 31																								April 2001
Study E7	Vegetation Test Plot (Work Plan)																														Jan 31 2001

Code:

- ▲ Workplan
- ■ Report
- ● Projected Meeting/Hearing
- C Work Task completed
- P Work Task partially completed
- ▬ Duration of Specified Task
- ▬ ▬ Duration of Specified Task (weather permitting)

Note: Work Plan and report submittal dates are the dates of first submittal by Molycorp. It is assumed that no more than one month will be required after submittal for workplan or report acceptance.

Table 2. Schedule for development of Closeout Plan for Tailings Facility - Questa Mine, New Mexico.

	Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
Part 1: Framework for Review & Submission of Closeout Plan for Tailings Facility																														
Questa Tailings Facility Revised Closure Plan submitted	■	**May 1, 1998**																												
NMMA (MMD) Public Hearing on Tailings Closeout Plan															●	**June 29, 2000 (projected)**														
WQA (NMED) Public Hearing on DP 933 Modification																●	**June 30, 2000 (projected)**													
NMED Determination on Closeout Plan																													●	**July 31, 2001**
Submission of Financial Assurance Proposal (MMD)																					■	**Sep 29, 2000 (projected)**								
Public Hearing on Financial Assurance Proposal (MMD)																								●	**Nov 15, 2000 (projected)**					
Anticipated Approval of Closeout Plan, Financial Assurance in place (MMD)																											●	**Dec 29, 2000 (projected)**		
Part 2: Work Tasks under DP1055																														
A Characterization and Monitoring																														
A.11 Comprehensive Hydrological Balance																														
Phase 3 Tailings detailed hydrological balance						▲	**Jan 31**																							
Task 3.1 Surface water characterization and model	P																													
Task 3.2 Groundwater characterization and model	P																													
Task 3.3 Integrated geochemical load balance	P													■	**May 31**															
Part 3: Work Taske under DP 933 (Tailings Facility)																														
A Characterization and Monitoring																														
Task A1 Tailings Revegetation (Work Plan, Investigation & Report)							▲	**Feb 29**																					■	**April 2001**

Table 2. Schedule for development of Closeout Plan for Tailings Facility - Questa Mine, New Mexico.

		Completed	01-Dec-99	15-Dec-99	01-Jan-00	15-Jan-00	01-Feb-00	15-Feb-00	01-Mar-00	15-Mar-00	01-Apr-00	15-Apr-00	01-May-00	15-May-00	01-Jun-00	15-Jun-00	01-Jul-00	15-Jul-00	01-Aug-00	15-Aug-00	01-Sep-00	15-Sep-00	01-Oct-00	15-Oct-00	01-Nov-00	15-Nov-00	01-Dec-00	15-Dec-00	01-Jan-01	15-Jan-01	projected date of completion (if after January 31, 2001)
Task A2	Tailings Cover Test Plot Study (Work Plan, Investigation & Report)						Jan 31																								June 2001
Part 4: Additional Studies for Close-Out Planning																															
B	**Additional Studies - Tailings**																														
Study B1	Surface Erosion & Stability Analysis (Work Plan, Investigation & Report)					Dec 31									May 31																
Study B2	Borrow Materials Investigation (Work Plan, Investigation & Report)						Jan 31								May 31																
Study B3	Wildlife Impact Study (Work Plan, Investigation & Report)								Feb 29						May 31																

Code:

- ▲ Workplan
- ■ Report
- ● Projected Meeting/Hearing
- C Work Task completed
- P Work Task partially completed
- ▬ Duration of Specified Task
- - - Duration of Specified Task (weather permitting)

Note: Work Plan and report submittal dates are the dates of first submittal by Molycorp. It is assumed that no more than one month will be required after submittal for workplan or report acceptance.

Table 3. Direct Response to individual comments from MMD, NMED. New Mexico Environmental Law Center (NMELC) and Amigos Bravos.

Comments received on Molycorp's Application of Extension of Time for Closeout Plan Approval	**Molycorp's Response to Comments**
A. MMD Letter dated November 1, 1999 Re: "Extension of Time for Closeout Plan Approval, Questa Mine, Permit No. TA001RE"	
1. Subpart 501.D of the NMMA Rules....	This revised schedule provides for the substantial completion of all the studies. Rule 501.D. does not require that all studies be completed prior to Closeout Plan approval. Indeed, Rule 506.I. allows for approval of a Closeout Plan subject to conditions necessary to meet the requirements of the Mining Act.
2a. Molycorp's schedule of supporting studies does not include...	The requested studies of Surface Erosion and Stability Analysis (Tailings Facility and Mine Site) and a Rooting Zone and Cover Evaluation Study (Mine Site) have been included in the revised task schedules (Tables 1 and 2). Work Plans for these studies will be submitted by 12/31/99 and 01/31/00. A report on the findings of the Erosion Study will be submitted by 05/31/00 (Tailings) and by 08/16/00 (Mine Site). A report on the findings of the Rooting Zone and Cover Evaluation Study (Mine Site) will be submitted by 10/16/00.
2b. Molycorp's schedule includes submissions of a Borrow Material Investigation ...for the tailings facility...	A revised work plan for a Borrow Material Investigation for the tailings will be submitted by 01/31/00. A report on the findings of the Borrow Material Investigation will be submitted by 05/31/00.
2c. For the mine site Molycorp indicates that the Borrow Materials Information...	A work plan for a Borrow Material Investigation for the Mine Site will be submitted by 01/31/00. A report on the findings of this study will be submitted by 10/16/00.
2d. For the mine site Molycorp indicates that the Open Pit Waiver information...	A work plan for an Open Pit Waiver Study will be submitted by 01/31/00. A report on the findings of this study will be submitted by 04/01/01.
2e. For the mine site Molycorp indicates that the Subsidence Area Waiver information...	A work plan for a Subsidence Area Waiver Study will be submitted by 01/31/00. A report on the findings of this study will be submitted by 04/01/01.
2f. In the MMD letter dated May 28, 1999, MMD required... a Wildlife Impact Study... at the Tailings Facility...	A work plan for a Wildlife Impact Study for the Tailings Facility will be submitted by 02/29/00. A report on the findings will be submitted by 05/31/00.
2g. For the mine site. Molycorp has proposed submittal of a Wildlife Impact Study work plan	A work plan for a Wildlife Impact Study for the Mine Site will be submitted by 02/29/00. A

Table 3 cont'd . Direct Response to individual comments from MMD, NMED. New Mexico Environmental Law Center (NMELC) and Amigos Bravos.

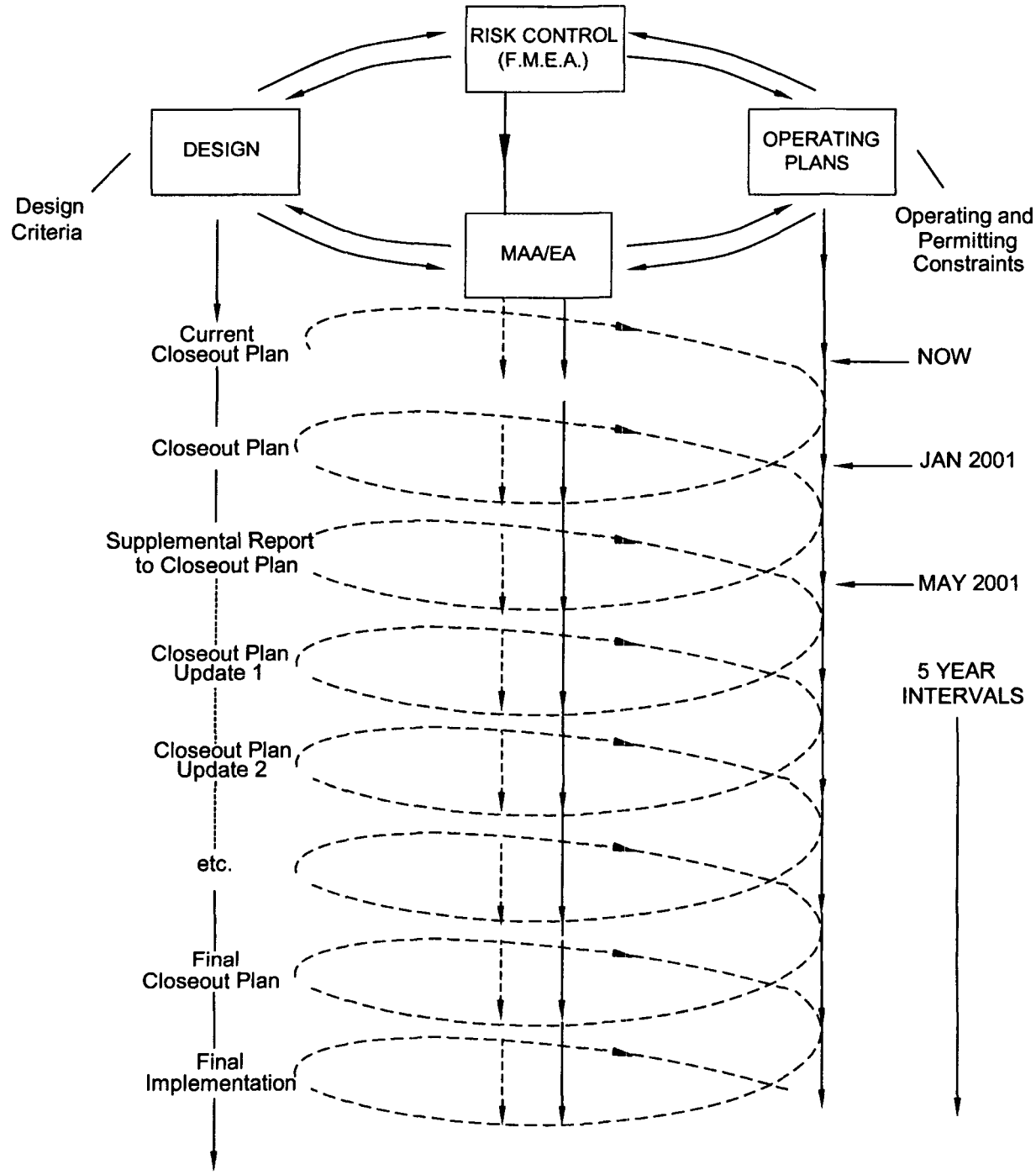
on January 1, 2001...	report on the findings will be submitted by 04/01/01.
2h. Molycorp has proposed submission of the work plan for the Tailings Facility revegetation test plots and cover test plots...	The apparent contradiction has been removed in the revised schedule for the tailings facility (Table 2). Work plans for a Revegetation test plot study and a cover test plot study will be provided by 02/29/00 and 01/31/00, respectively..
2i. The schedule currently only provides 15 days between submittal of the work plan.. and the MMD public hearing ...	Molycorp proposes to hold the public hearing on tailings closeout plan on June 29, 2000. This revised schedule (Table 2) would provide four months of review time between submission of work plans for revegetation and cover test plots and public hearing.
2j. Molycorp indicates that a Revegetation Success and Establishment Report ...	A work plan for a Vegetation Test Plot Study for the Mine Site will be submitted by 01/31/01, i.e. about 5 months prior to the public hearing.
2k. Molycorp has proposed a public hearing date of March 15, 2000 for the MMD hearing on the Tailings Facility Closeout Plan...	Molycorp agrees and proposes to hold the NMMA (MMD) public hearing on the Tailings Facility Closeout Plan on June 29, 2000.
2l. The extension request submittal has the hearings ... scheduled before submittal of the financial assurance proposal...	Molycorp proposes to schedule additional public hearings after submittal of the Financial Assurance proposal for the Tailings Facility (Table 2) and Mine Site (Table 1), respectively.
2m. Items 29 and 31 of the schedule both are submittals for financial assurance of the Tailings Facility ...	Item 29 has been deleted in the revised schedule for the Tailings Facility (Table 2).
2n. In general, the submittals have start and finish dates that ... does not allow for agency comment and document revisions.	The revised schedules allow for a review period of one month for all work plans before the respective study is initiated. Delays in the review and approval process will result in a delay of the study.
3. Subpart 501.D.4 of the NMMA Rules....	Molycorp's response to NMED's comments are discussed below
B. NMED Letter Re: "Comments on the Extension Request for Closeout Plan Approval for the Questa Mine, Permit No. TA001RE	
1a. Item 21 of the schedule...	Item 21 has been deleted from the revised schedule of the tailings facility (Table 2). Projected dates for the initial public hearing of DP1055 (11/30/00) and public hearing for the modifications to DP1055 to include closeout plan (06/29/01) have been included in the revised schedule for the mine site (Table 1).

Table 3 cont'd . Direct Response to individual comments from MMD, NMED. New Mexico Environmental Law Center (NMELC) and Amigos Bravos.

	Anticipated determination dates by NMED have also been included for the tailings facility and the mine site.
1b. The schedule provides for closeout plan approval of the tailings facility...	No response required.
1c. The schedule includes report submittals titled *Evaluation of Tailings Area Seepage* and *Comments on Seepage Related Issues*...	These report submittals have been deleted from the revised schedule for the Tailings Facility.
1d. Molycorp has proposed a public hearing date of March 16, 2000 for modification to DP933 to incorporate the tailings facility closure plan...	Molycorp agrees and proposes to hold the WQA (NMED) public hearing on modification of DP933 (to include the Tailings Facility Closeout Plan) on June 30, 2000.
1e. In item 33 of the schedule it is indicated that a borrow materials work plan will not be submitted until December 28, 2000...	See response to comment 2b. of MMD letter
1f. Item 24 of the schedule shows start and finish dates ...for submittal of a work plan for revegetation test plots and cover test plots...	See response to comment 2h. of MMD letter
1g. Items 47 *Water Balance of Waste Rock Piles*, 48, *Comprehensive Hydrological Balance* , and 52, *Determination of Additional Measures needed for Closeout Plan* ...have finish dates after January 31 2001...	Molycorp has revised the schedule for characterization investigation studies at the mine site to be substantially completed prior to the January 31, 2001 deadline for Closeout Plan submittal (see Table 2). Supplementation will occur May 31, 2001.
C. NM Environmental Law Center Letter Re: "Mine Permit No. TA001RE Extension of Time for Closeout Plan Approval Application	
1. Molycorp cannot demonstrate it will achieve closeout/closure approval by the end of the extension period...	See response to comment 1g of MMD letter.
2. Molycorp's proposed schedule is inappropriate and incomplete...whether molybdenum uptake is an issue at the tailings site... Lack of any milestones or deliverables for analysis of alternatives... ...lack of DP1055 hearing, financial assurance revision under DP933 and financial assurance under DP1055...	See response to comments 2f and 2l of MMD letter. Molycorp proposes to evaluate alternative closeout measures for the mine site in a multiple accounts analysis (MAA). Molycorp invites Amigos Bravos to participate in the MAA process by appointing a representative to the technical review committee which will meet at critical stages of the MAA process (see Table 2). See response to comment 2l of MMD letter and response comment 1a of NMED letter.

Table 3 cont'd . Direct Response to individual comments from MMD, NMED. New Mexico Environmental Law Center (NMELC) and Amigos Bravos.

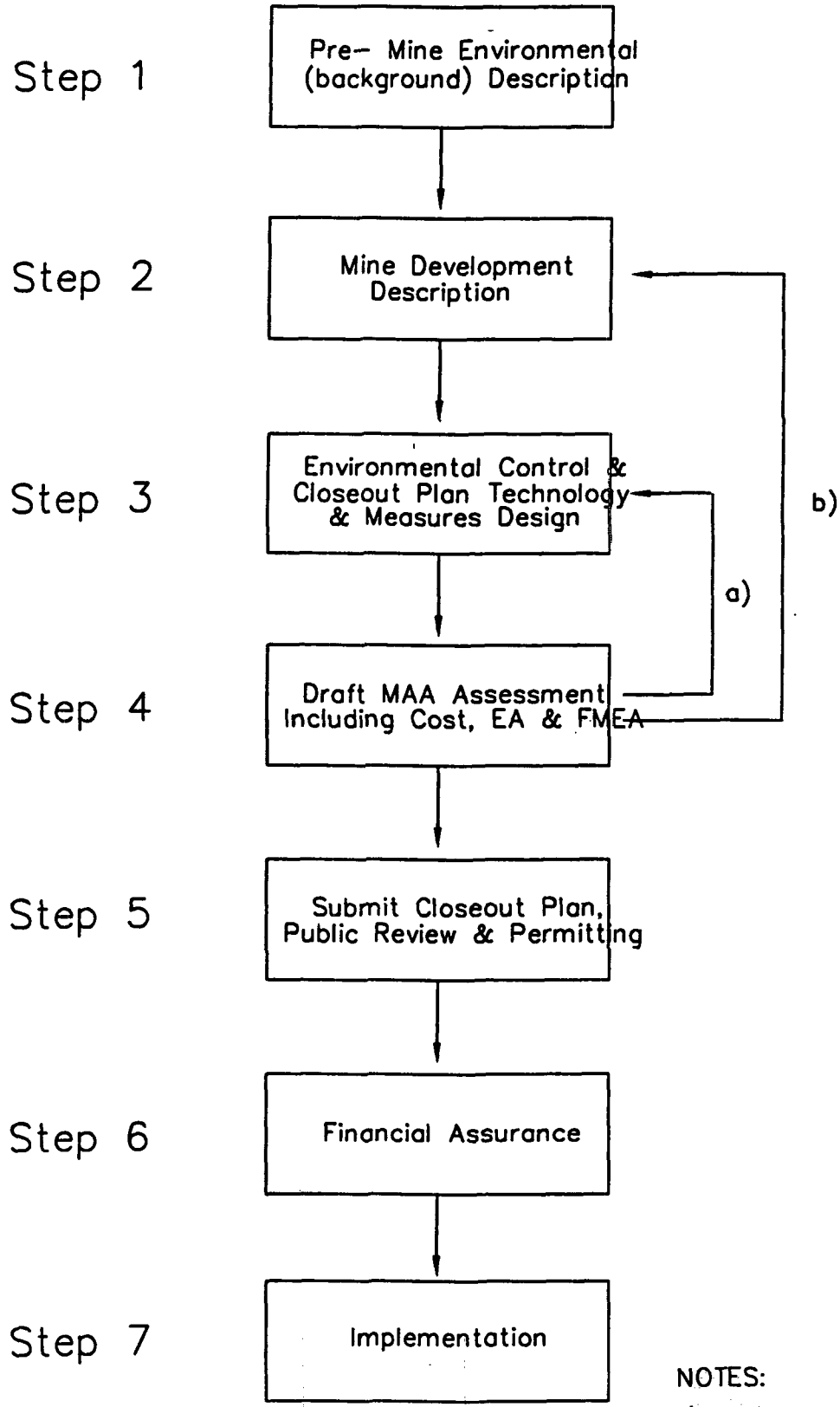
D. Amigos Bravos' Letter Re: "Mine Permit No. TA001RE Molycorp's Application for an Extension of Time for Closeout Plan Approval	
1. Amigos Bravos proposes that Molycorp undertake a more extensive public participation effort...	Molycorp has made substantial changes to the schedule for closeout plan development at the mine site to account for public participation. The revised schedule is centered around a Multiple Accounts Analysis (MAA) to assess alternative closeout measures although it is not required by the Mining Act Rules. Molycorp invites Amigos Bravos and other representatives of the public to participate in this process. A detailed schedule of objectives and milestones for the MAA analysis is provided in Part 1 of Table 1. The schedule for the MAA analysis has been coordinated with the (revised and compressed) schedule of the characterization program to provide as much data as possible for the alternatives evaluation in the limited time frame.



NOTES:
FMEA = Failure Mode and Effects Analysis
MAA = Multiple Accounts Analysis
EA = Environmental Assessment

ROBERTSON GEOCONSULTANTS INC. Consulting Geotechnical and Environmental Engineers	Closeout Plans for Questa Mine
Molycorp, Questa Division	Overall Closeout Plan Development and Implementation Life Cycle

PROJECT NO.	DATE	APPROVED	FIGURE
052008	Nov 1999		1



NOTES:

a) Alternative Control Measures Analysis
b) Alternative Development Analysis

ROBERTSON GEOCONSULTANTS INC.
Consulting Geotechnical and Environmental Engineers

Molycorp, Questa Division

Closeout Plans for Questa Mine

Closeout Plan
Development Path

PROJECT NO.	DATE	APPROVED	FIGURE
052008	Nov 1999		2