



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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NEWS RELEASE

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Phelps Dodge Mine Fined \$50,000 for Violating New Mexico Mining Safety Law

*First Enforcement Under Historic New Legislation; No Injuries or Fatalities
Involved in Accident*

SANTA FE, NM – The State Mine Inspector today issued a Notice of Violation and \$50,000 Penalty Assessment against Phelps Dodge Tyrone Mine Inc. for violations of the New Mexico Mining Safety Act. This new law, signed by Governor Richardson in March, was created to protect New Mexico's miners from hazardous work conditions like those at the Sego Mine disaster in West Virginia.

"This action shows that New Mexico is serious about using this new legislation to protect our mine workers," said Rebecca Boam, State Mine Inspector.

A fire broke out on mine equipment at the Tyrone Mine located near Silver City on Saturday, June 17, 2006. Phelps Dodge Tyrone Mine Inc notified the state approximately four hours after the event. This was a violation of the notification requirements in the State Mine Safety Act which requires mine operators notify the state's 24-hour emergency operations center within thirty minutes of an accident. There were no injuries or fatalities involved in this fire accident.

The mine safety law passed this year by the Legislature is intended to improve responses to mine accidents and to protect the safety of workers. The mine safety act creates a 24-hour emergency operations center, requires mine operators to file and update Emergency Notification Plans, establishes standards for self-rescue equipment and caches in the mines, and requires that miners be provided with communications devices.

The mine accident notification law provides for penalties of up to one hundred thousand dollars (\$100,000) for failure to notify the State of an accident in a timely manner. The State Mine Inspector has proposed a penalty of fifty thousand dollars (\$50,000) for the Phelps Dodge Tyrone Mine Inc. The penalty amount was calculated under a policy recently approved by the Mine Safety Advisory Board. If Phelps Dodge disagrees with the violations alleged in this NOV, it has the opportunity to appeal this finding.

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.