Intrepid HB AMAX Solution Mine Extension Project Frequently Asked Questions (FAQs)

Who is the project sponsor?

Intrepid Potash – New Mexico, LLC

Where is the project?

Eddy County, NM about 20 miles east of Carlsbad

What is the project?

The AMAX Mine is a closed conventional potash mine that lies to the north of the HB Solar Solution Mine. The Proposed Project is designed to recover and process potassium chloride (KCl) ore from the abandoned underground mine workings of the AMAX Mine. The HB AMAX Solution Mine Extension project would tie directly into Intrepid's existing HB Solar Solution Mine and would expand the size and extend the life of that mine. Intrepid holds the federal, State, and private potassium leases for the area of proposed potash extraction. Surface disturbance would occur on BLM, State, and fee lands. The HB AMAX Solution Mine would provide approximately 14 years of solution mine reserves beyond the 28-year HB Solar Solution Mine life.

To the maximum extent practicable, the HB AMAX Solution Mine Extension project would utilize existing HB Solar Solution Mine facilities and infrastructure to minimize environmental impacts. The solution mining process would be identical to that of the existing HB Solar Solution Mine with injection of salt (NaCl) saturated brine into the workings and extraction of a KCl (potash) enriched (pregnant) brine. Potash recovered from the HB AMAX Solution Mine would be pumped to the existing HB Solar Solution Mine solar evaporation ponds. Once the solution evaporates in the ponds and precipitates out KCL and NaCl, the salts would be harvested and transported to the existing HB Mill for ore refinement.

What is the BLM's role?

The BLM has the responsibility and authority to manage the surface and subsurface resources on public lands. The Carlsbad Resource Management Plan (RMP) has designated lands within the proposed project area as open for mineral exploration and development. Under Continuing Management Guidance for Energy and Mineral Resources, the RMP states that the "BLM will encourage and facilitate the development by private industry of public land mineral resources so that national and local needs are met, and environmentally sound exploration, extraction, and reclamation practices are used."

The decision to be made is whether or not to approve Intrepid's application to extend the existing HB Solar Solution Mine workings to include the AMAX Mine, and, if to approve, under what terms and conditions.

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Project at-a-glance:

- 2 wells for injection of salt-saturate brine into underground mine caverns
- 2 wells for extraction of KCl enriched brine from the cavern
- 2 pilot/testing/instrumentation (PTI) wells – adjacent to extraction wells for brine sampling and instrumentation during operation
- Extension of injection/extraction pipelines
- 1 booster pump station
- 1.6 miles of overhead power lines
- 1 additional source of injectate brine make-up water from the Intrepid North Plant scrubber water recycle system
- 104,600 linear feet of injection and extraction pipelines and 69.2 acres of pipeline disturbance

Should the project be approved, how would it affect the human and natural environment?

Groundwater

- To date (October 2012 – March 2015), 89% of the total injected brine pumped into solution mines has come from non-potable water sources
- Water for processing and injection would come from three existing well fields:
  - North Rustler Well Field (Rustler Formation, non-potable)
  - South Rustler Well Field (Rustler Formation, non-potable)
  - Caprock Well Field (Ogallala aquifer, potable)
- A supplemental water supply consisting of recycled from the Intrepid North Plant scrubber system is also a planned source of water for the HB and HB AMAX Solution Mines
- Supplemental recycled water supplies are used wherever possible
  - The use of recycled process brines from the West Plant was permitted in 2013
  - Construction is underway for the use of recycled scrubber water from the Intrepid North Plant
- Intrepid would continue to monitor drawdown and water quality in the Rustler Formation using the existing monitoring well network
- Rustler well production improvements were made in 2015

Recreation

- Hackberry Lake Recreation Area lies on the eastern edge of the project boundary
- Some crossings of OHV trails but all pipelines would be buried
- Safety signage would be in place during all phases (construction, operations, reclamation) of the project
- New, aboveground facilities and operational activities could potentially affect hunting, trail riders and campers

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Oil and Gas

- Delaware Basin is part of the prolific Permian Basin reserves
- 67 abandoned oil and gas wells in the project area
- 6 wells in or within 1,000 feet of the proposed flood zone
  - All six wells have been properly plugged and abandoned

Paleontology

- The bluff leading to IP-304 has a rock type capable of preserving fossil material
- Spot survey during construction of the pipeline where recommended
- Any fossils found would be immediately reported to the BLM; operations would be suspended until approval to resume

Surface Water

- All proposed infrastructure is >650 feet from 100-year floodplains
- Closest wetland to project infrastructure is 2.2 miles away
- Closest stream or navigable waterway is the Pecos River located 14 miles east of project
- No surface water rights in project boundary

Vegetation

- Chihuahuan Desert Ecoregion
- Predominantly desert scrub, mesquite upland scrub, and grassland
- Project would result in of re-vegetation around operational facilities
- Disturbed areas will be inspected for noxious and invasive weeds and if found will use BLM approved methods to eradicate

Wildlife and Fish

- Minor habitat loss at operational facilities
- Slight reduction in habitat quality due to increased human presence
- Impact wildlife movement during trenching for pipelines

Rangelands and Livestock Grazing

- Disturbance of 14 Animal Unit Month (AUMs) during the construction phase
- Disturbance of 6 AUMs during the operation phase after reclamation is completed