May 30, 2012

Ms. Mindi Cross  
Water Quality Compliance Section  
Arizona Department of Environmental Quality  
1110 West Washington Street  
Phoenix, Arizona 85007

Re: Mitigation Order on Consent No. P-121-07  
March 1, 2012 through May 31, 2012

Dear Ms. Cross:

Freeport-McMoRan Corporation, Copper Queen Branch (CQB) is submitting the sixteenth Status Report in accordance with Section V.A. of Mitigation Order on Consent No. P-121-07. This submittal covers the period from March 1, 2012 through May 31, 2012, in accordance with ADEQ’s February 12, 2008, approval of the schedule for submission of quarterly Status Reports.

Since March 1, 2012, the following measures have been taken under Section III of the MO:

- Completed second quarter 2012 groundwater monitoring.
- Continued drilling project for replacement well installations. The well at the Howard property was completed and construction of the well at the Franco property is in progress.
- Continued working with Naco Water Company (NWC) for planned mitigation of NWC – 03. NWC completed design of the upgrades for well sites NWC03 and NWC06, and is developing the design for the transmission pipeline. NWC is developing a bid solicitation for construction of the well site upgrades.
- Continued working with Arizona Water Company (AWC) on implementation of pipeline extensions for private well mitigation in San Jose area. AWC completed construction of the pipeline extensions, but is waiting on an Approval of Construction
from Arizona Department of Environmental quality before water service can be provided.

During the next quarter, the following activities will be conducted:

- Complete third quarter 2012 groundwater monitoring.
- Prepare and submit report on second quarter 2012 groundwater monitoring.
- Continue working on implementation of selected mitigation options.
- Hold second CAG meeting for 2012.

If you have any questions regarding this Status Report, please contact me or our project manager Stuart Brown.

Sincerely,

Rebecca A. Sawyer
Sr. Environmental Engineer
Freeport-McMoRan Corporation, Copper Queen Branch

cc: Stuart Brown/Freeport-McMoRan Copper and Gold
    Mike Jaworski/Freeport-McMoRan Corporation, Copper Queen Branch
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