



A Freeport-McMoRan Company

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September 28, 2007

Via Certified Mail #7006 2150 0004 3614 0579
Return Receipt Requested

Mr. Robert Casey
Water Quality Enforcement Unit Manager
Arizona Department of Environmental Quality
1110 West Washington Street
Phoenix, Arizona 85007

Re: Mitigation Order on Consent No. P-50-06
July 1, 2007 through September 30, 2007 Status Report

Dear Mr. Casey:

In accordance with Section V.A. of Mitigation Order on Consent No. P-50-06, Phelps Dodge Sierrita, Inc. (PDSI) submits the fifth Status Report. This report covers the period from July 1, 2007 through September 30, 2007.

Since the last Status Report was submitted, the following measures have been taken under Section III of the MO:

- PDSI completed third quarter and semi-annual 2007 groundwater monitoring activities.
- On September 27, 2007, PDSI submitted the *Groundwater Monitoring Report for Third Quarter 2007 Tasks 2.2, 2.3, and 2.4 of Aquifer Characterization Plan for Mitigation Order on Consent No. P-50-06*.
- PDSI completed negotiations with various parties to obtain access to properties for purposes of installing new monitoring wells at the six locations identified in the Work Plan.
- As of the end of September, PDSI completed drilling and construction of 12 of the 13 monitoring wells being installed for the Mitigation Order. Drilling of the last well is complete, but well construction will extend into the first week of October.
- Well development, hydraulic testing, and initial water quality sampling were completed at wells MO-2007-1A, MO-2007-1B, MO-2007-1C, MO-2007-2, MO-2007-3B, MO-2007-3C, MO-2007-4C, and MO-2007-5C. Except for MO-2007-3B, water quality data for these wells were included in the groundwater monitoring report for the third quarter of 2007. Well development, testing, and sampling are underway at MO-2007-4A, MO-2007-4B, MO-2007-6A, and MO-2007-6B.

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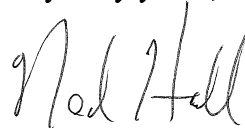
- During this quarter, construction of the groundwater flow model was initiated. Calibration of the model to steady state (pre-development) and transient water level data is in progress.
- The identification and screening of mitigation actions and technologies was initiated for the Feasibility Study (FS) and completed for the Focused Feasibility Study (FFS).

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

- Complete fourth quarter 2007 groundwater monitoring activities by December 31, 2007.
- Complete well construction at MO-2007-5B.
- Conduct well development, hydraulic testing, and initial sampling at MO-2007-5B.
- Complete Aquifer Characterization Report by December 31, 2007.
- Continue the FS by completing the identification and screening of mitigation actions and technologies, and by development and screening of potential mitigation alternatives.
- Complete the FFS by completing the detailed evaluation of potential mitigation alternatives for the northern interceptor wellfield.
- Hold the next CAG meeting on October 9, 2007.

Please do not hesitate to contact Mr. Stuart Brown at (503) 675-5252 or myself at (520) 648-8857 if you have any question regarding this submittal.

Very truly yours,



E. L. (Ned) Hall
Chief Environmental Engineer

ELH:sb
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