

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Stephen A. Owens
Director

1110 West Washington Street • Phoenix, Arizona 85007 (602) 771-2300 • www.azdeq.gov

October 1, 2008

Mike Jaworski, Site Manager Freeport McMoran Gold & Copper Inc. Copper Queen Branch 36 W Highway 92 Bisbee, Arizona 85603

Re: Monitoring Well Proposal

Dear Mr. Jaworski:

Confirming my telephone conversation with Stuart Brown of the Bridgewater Group and Jim Norris of Hydro Geo Chem on Friday, ADEQ approves Freeport's use of Naco Water Company ("NWC") Well #4 as a monitoring well and substitute for the previously proposed monitoring well #2. ADEQ understands that Naco Water Company recently redrilled NWC #4 to screen it deeper in the aquifer. This change to NWC #4 eliminates the need for construction of MW #2 as a deep well as previously proposed by Freeport. ADEQ understands that Freeport is currently monitoring sulfate levels in NWC#4 on a monthly basis due to earlier high levels of sulfate in this drinking water source. ADEQ believes it is important to continue the monitoring at this increased frequently in light of the fact there is no intervening "sentinel" well to indicate a possible migration of the sulfate plume toward NWC #4. In the event that Freeport desires to change the frequency of the monthly monitoring in the future, ADEQ expects that Freeport will notify ADEQ in advance.

ADEQ also remains concerned about Freeport's long term access to NWC #4. In the event the Naco Water Company denies access for Freeport's monitoring activities, ADEQ may require Freeport to install a separate monitoring well in this area in order to meet the goals of fully investigating the extent of contamination from the sulfate plume.

If you have any questions or concerns, please contact me at (602) 771-2209.

Sincerely,

Cynthia S. Campbell, Manager Water Quality Compliance Section

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ADEQ

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Cc: Stuart M. Brown, President Bridgewater Group, Inc.

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