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Stuart Brown
Senior Director Remediation Projects

CERTIFIED MAIL # 7007 2680 0001 3581 4387
Return Receipt Requested

July 7, 2011

Ms. Marcia Colquitt, Unit Manager Water Quality Enforcement Unit
Arizona Department of Environmental Quality
1110 West Washington Street
Phoenix, Arizona 85007

Re: Mitigation Order on Consent No. P-121-07
Proposed Mitigation Action for Naco Water Company Well NWC-3

Dear Ms. Colquitt:

Freeport-McMoRan Corporation, Copper Queen Branch (CQB) herein is planning to implement a mitigation action for Naco Water Company well NWC-3¹ which is an existing drinking water supply well with an average sulfate concentration that exceed 250 milligrams per liter (mg/L)². Well NWC-3 is a public water supply well with eleven (11) current service connections located along Naco Highway north of Naco, Arizona (Figure 1). The mitigation action described below is expected to be implemented as soon as practicable because of the unique circumstance that the NWC-3 water supply system needs repairs to address damage sustained during freezing conditions in February 2011. Implementing the mitigation action at this time will avoid a duplication of expenditures by preempting Naco Water Company's repair of equipment that the mitigation action would ultimately replace.

The mitigation action will connect the water system currently served by NWC-3 to the water system that serves Naco (the Naco system) (Figure 2). The Naco system is served by two existing production wells, NWC-2 and NWC-6. The following new facilities will be needed to connect the Naco system to the NWC-3 system:

¹ Arizona Department of Water Resources Well Registration Number 55-203321 registered to Naco Water Company. NWC-3 is a public water supply with eleven (11) current service connections.

² Clear Creek Associates. 2011. First Quarter 2011 Groundwater Monitoring Report, Tasks 1.0 and 2.2 of Aquifer Characterization Plan, Mitigation Order on Consent Docket No. P-121-07, Cochise County, Arizona. April 6, 2011.

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- 4,800-foot, 6-inch PVC water supply pipeline,
- 20,000-gallon storage tank, two 5-horsepower booster pumps, and chlorinator system at the NWC-3 site,
- 2,000 feet of 4-inch PVC distribution line to the NWC-3 service connections,
- 100,000-gallon storage tank and two 30-horsepower booster pump at the NWC-6 site.

Electrical and piping systems also will be upgraded at the NWC-3 and NWC-6 sites. Once the Naco system and NWC-3 system are connected and operating well, NWC-3 will be abandoned using methods that comply with Arizona Department of Water Resources guidelines.

CQB has discussed this mitigation with Naco Water Company and Naco Water Company has developed a preliminary design for the new facilities. The project will be designed, permitted, contracted, and managed by Naco Water Company, which will submit plans to ADEQ as required for an approval to construct. CQB will finance the project under an agreement with Naco Water Company.

This mitigation will provide the service connections of NWC-3 with a permanent, reliable drinking water supply meeting applicable drinking water standards and with a sulfate concentration less than 250 mg/L. Naco wells NWC-2 and NWC-6 have sufficient capacity to supply the NWC-3 service area, are low in sulfate concentration (less than 10 mg/L), and are outside the path of the sulfate plume as currently understood.

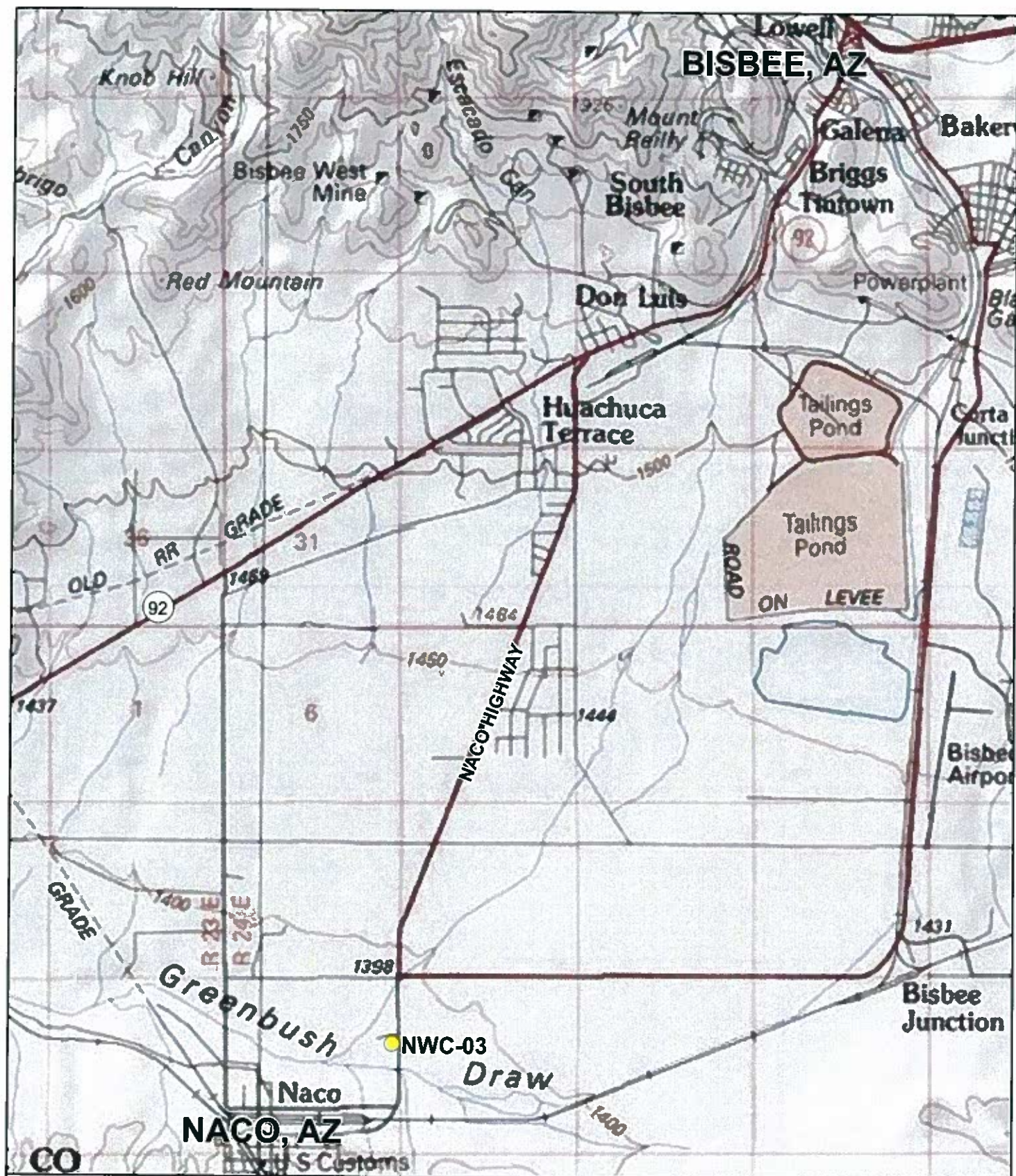
If you have any questions regarding this mitigation action, please contact me or Rebecca Sawyer. Otherwise, ADEQ should expect to receive an application from Naco Water Company for approval to construct the water system improvements.

Sincerely,



Stuart M. Brown
Sr. Director, Remediation Projects
Freeport-McMoRan Corporation, Copper Queen Branch

cc: Henry Darwin/ADEQ
Michael Jaworski/Freeport-McMoRan Corporation Copper Queen Branch
Rebecca Sawyer/Freeport-McMoRan Corporation Copper Queen Branch
James R. Norris/Clear Creek Associates



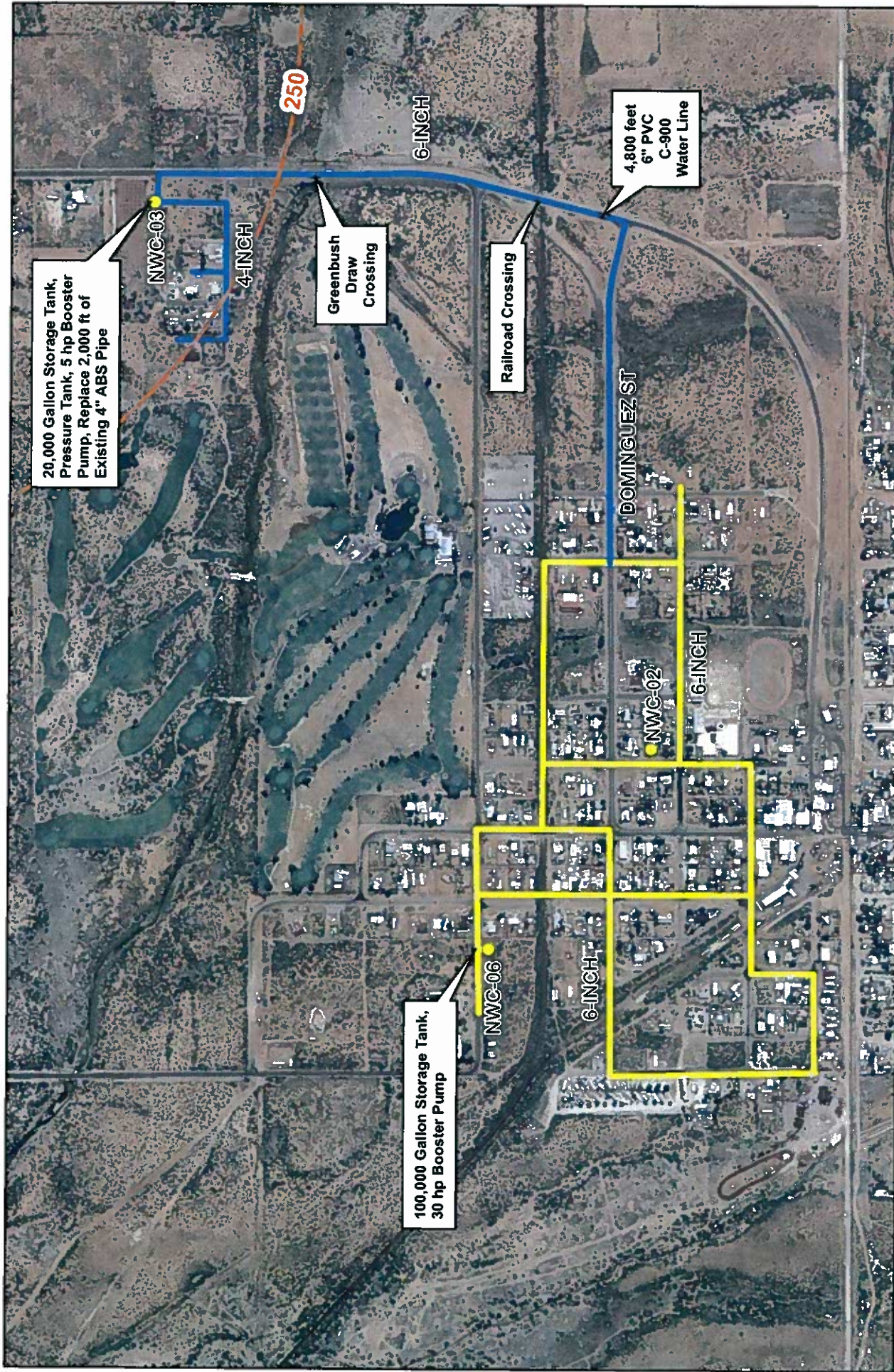
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CLEAR CREEK ASSOCIATES

File ID 055038-041
Date 4/29/11



Figure 1
Bisbee and Naco
Location Map



		Date 4/29/11 File ID 055038-008A
Legend <ul style="list-style-type: none"> ● Production Well — Existing Naco Water Company Pipeline — Proposed Pipeline — 250 mg/L SO4 Contour 		Figure 2 Proposed NWC-3 Mitigation Action