



Copper Queen Branch/Freeport-McMoRan Corporation
36 West Highway 92
Bisbee, Arizona 85803

CERTIFIED MAIL # 7008 1830 0002 0847 4130
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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:

- Submitted Feasibility Study and Mitigation Plan for Drinking Water Supplies affected by Sulfate, dated March 28, 2012.
- Submitted First Quarter 2012, quarterly groundwater monitoring report dated March 30, 2012.
- 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
Jim Norris/Clear Creek Associates
Sheila Deely/Freeport-McMoRan Copper and Gold