



6200 W. Duval Mine Road • P. O. Box 527 • Green Valley, AZ 85622-0527
(520) 648-8500

March 30, 2007

Via Certified Mail # 7004 1350 0001 1197 3297

Return Receipt Requested

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

**Re: Mitigation Order on Consent
No. P-50-06 – January 1, 2007 through March 31, 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 third Status Report. It covers the period from January 1, 2007 through March 31, 2007.

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

- Phelps Dodge Sierrita, Inc. (PDSI) continued negotiating with various parties to obtain access to existing wells for purposes of collecting quarterly and semi-annual groundwater samples and to properties for purposes of installing new monitoring wells at the six locations identified in the Work Plan.
- PDSI completed first quarter 2007 and winter semi-annual groundwater monitoring activities.
- On February 27, 2007, PDSI submitted the *Evaluation of the Current Effectiveness of the Sierrita Interceptor Wellfield* report in accordance with Section III.C.4 of the MO.
- On March 6, 2007, PDSI met with ADEQ to discuss the interceptor wellfield evaluation report and agency comments on deliverables submitted in December 2006.
- On March 12, 2007, PDSI held the first quarter 2007 Community Advisory Group (CAG) meeting as required by Section III.G of the Mitigation Order.
- PDSI established a website that allows public access to MO documents. The website address is www.phelpsdodge.com/caglibrary.
- During the week of March 12, 2007, PDSI initiated drilling activities at the first new monitoring well location (location #2 identified in the Work Plan).
- On March 30, 2007, submitted the *Groundwater Monitoring Report for First Quarter 2007 Task 2.2 of Aquifer Characterization Plan for Mitigation Order on Consent No. P-50-06*.

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

- Complete second quarter 2007 groundwater monitoring activities by June 30, 2006.

Mr. Robert Casey


March 30, 2007

Page 2

- Continue monitoring well installation at locations #2 and #3, and location #1 assuming successful completion of access negotiations.
- Initiate the overall feasibility study discussed in Section 5 of the Work Plan by completing screening of potential mitigation actions.
- If approved by ADEQ, initiate the focused feasibility study for improving the effectiveness of the interceptor well field.
- Hold the next CAG meeting in June.

If you have any questions regarding this Status Report please contact me at (520) 648-8857 or our project manager Mr. Stuart Brown at (503) 675-5252 if you have any question regarding this submittal.

Sincerely,



E. L. (Ned) Hall

Chief Environmental Engineer

ELH:sb

20070330-001

xc: Joan Card, Arizona Department of Environmental Quality
Cynthia Campbell, Arizona Department of Environmental Quality
John Brack, Phelps Dodge Sierrita, Inc.
Chad Fretz, Phelps Dodge Sierrita, Inc.
Ray Lazuk, Phelps Dodge Corporation
Stuart Brown, Bridgewater Group, Inc.
Jim Norris, Hydro Geo Chem, Inc.