



A Freeport-McMoRan Company

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September 21, 2007

Via Certified Mail #7006 2150 0004 3614 2153
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
Proposed Project Schedule Revision/Notice of Force Majeure

Dear Mr. Casey:

In accordance with Section III.H of Mitigation Order on Consent No. P-50-06, Phelps Dodge Sierrita, Inc. (PDSI) submits this request to revise the project schedule for monitoring well installation, and, in accordance with Section VIII.B., also gives notice to ADEQ that the delay giving rise to the need to revise the project schedule is the result of a force majeure. PDSI's October 31, 2006 Work Plan to Characterize and Mitigate Sulfate with Respect to Drinking Water Supplies in the Vicinity of the Phelps Dodge Sierrita Tailing Impoundment, Pima County, Arizona established a September 30, 2007 due date for the completion of monitoring well installation. As of that date, we will have completed more than 10,000 feet of drilling and construction of 12 of the 13 monitoring wells being installed under the Mitigation Order. Drilling of the final well will be complete, but well construction will extend into the first week of October.

PDSI has made every effort to complete well installation by the established due date, including the mobilization of two drill rigs for a period of 49 work days or two months to allow concurrent drilling and well construction at multiple sites. Despite taking these actions, PDSI needs to request a time extension to complete casing installation and placement of annular materials in the last monitoring well. Although we believe the final well can be constructed by the end of the first week of October, we propose that the schedule be revised to October 12, 2007 to give us some additional time in case the driller has an equipment malfunction.

There are several reasons for requesting the time extension and events arising from causes beyond the control of PDSI which will delay performance in accordance with the project schedule. First, access negotiations were delayed at well site 6, the location of the final well.

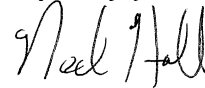
We made two separate attempts to negotiate access with several private property owners and were unsuccessful on both occasions. As result, PDSI had to relocate the well site and secure access from Pima County. Second, to minimize disruption to the community, work was limited to daylight hours only rather than employing two 12-hour shifts. This protracted the duration of drilling. Third, despite repeated requests, PDSI was unable to obtain a third rig because the extremely high demand for drilling services in the past year caused a shortage of reverse circulation drill rigs and qualified crews.

Our requested revision to the project schedule will not impact the overall project schedule, and we expect the monitoring well installation to be complete by October 12, 2007, and to complete the remaining project activities and tasks by the dues dates identified in our work plan.

Please provide me with your written concurrence of our proposed revision to the project schedule for completion of monitoring well installation.

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
20070921-002

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.