



Sierrita Operations  
Environment, Land & Water Department  
6200 West Duval Mine Road  
PO Box 527  
Green Valley, Arizona 85622-0527

December 18, 2009

**Via Certified Mail # 7008 2810 0000 0983 3412**  
**Return Receipt Requested**

Ms. Cynthia S. Campbell  
Arizona Department of Environmental Quality  
Water Quality Compliance Section  
1110 West Washington Street  
Phoenix, Arizona 85007-2935

**Re: Mitigation Order on Consent Docket No. P-50-06**  
**October 1, 2009 through December 31, 2009 Status Report**

Dear Ms. Campbell:

In accordance with Section V.A. of the Mitigation Order on Consent Docket No. P-50-06, Freeport-McMoRan Sierrita Inc. (Sierrita) submits the Status Report covering the period from October 1, 2009, through December 31, 2009.

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

- Sierrita completed fourth quarter 2009 groundwater monitoring activities.
- On October 6, 2009 Sierrita met with Community Water Company to update them on status of the State Trust land purchase.
- On October 23, 2009 Sierrita representatives met with the Arizona Department of Environmental Quality (ADEQ) to discuss a deferral letter in which Sierrita commits to carry on with the implementation of certain tasks in the Mitigation Plan until uncertainties/contingencies in the plan can be resolved, and an updated Mitigation Plan can be submitted.
- The third CAG meeting of the year was held on November 13, 2009 to update members of the group of status of the State Trust land purchase, status of Final Conceptual Wellfield Design, and to review results of the second and third quarter groundwater monitoring.
- On November 13, 2009, after the CAG meeting, Sierrita representatives met with ADEQ to further discuss agency comments on the deferral of Mitigation Plan approval.
- Continued with development of the final wellfield conceptual design.
- Continued work to obtain the easements and/or rights-of-way on public or private land where new wells and associated infrastructure will be placed.
- On December 14, 2009 Sierrita met with ADWR to initiate the permitting of SC and PS wells.

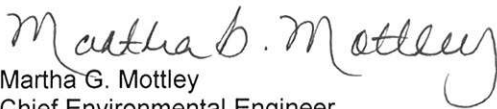
During the next quarter, the following activities will be completed:

- Finalize and submit to ADEQ the final wellfield conceptual design.
- Bid and award contract for engineering design.
- Bid and award contract for drilling of new wells not dependant on purchase of State land (SC and PS wells).
- Obtain ADWR permits for SC wells
- Hold the next CAG meeting around mid to late February after the Final Conceptual Wellfield design is submitted to ADEQ.

- Continue working to obtain the easements and/or right-of-ways on public or private land where new wells not dependant on purchase of State Land will be placed.
- Conduct quarterly groundwater monitoring according to the revised groundwater monitoring schedule.

Please do not hesitate to contact Mr. Stuart Brown at (503) 675-5252 or Martha Mottley at (520) 393-4435 if you have any question regarding this submittal.

Sincerely,



Martha G. Mottley  
Chief Environmental Engineer  
Freeport-McMoRan Sierrita Inc.

MGM:ms  
Attachment  
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xc: Henry Darwin, Arizona Department of Environmental Quality  
John Broderick, Sierrita  
Chad Fretz, Sierrita  
Ned Hall, Freeport-McMoRan Copper & Gold  
Stuart Brown, Bridgewater Group, Inc.  
Jim Norris, Clear Creek Associates