



Sierrita Operations  
Environment, Land & Water Department  
6200 West Duval Mine Road  
PO Box 527  
Green Valley, Arizona 85622-052

March 18, 2010

**Via Certified Mail # 7008 2810 0000 0983 6499**  
**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 – Mitigation Plan**

Dear Ms. Campbell:

We understand that the Arizona Department of Environmental Quality (ADEQ) has decided to wait until there is more certainty about the final mitigation alternative before requesting that Freeport-McMoRan Sierrita, Inc. (Sierrita) finalize the Mitigation Plan submitted May 8, 2009. We understand ADEQ's decision to defer finalization of the Mitigation Plan is due in a large part to the fact that a number of activities need to be completed by Sierrita before a plan with the level of detail expected by ADEQ can be prepared. We understand ADEQ would like the Mitigation Plan to include more specificity about the conceptual design and final location of the well field and associated infrastructure and engineering for the project. As you know, this information is in turn dependent in large part on Sierrita's obtaining key permits, easements, and rights-of-way for the well field and associated infrastructure, completing purchase of state lands and obtaining the permits needed for the new tailing impoundment.

Sierrita supports ADEQ's decision and plans to continue with the implementation of the mitigation alternative recommended in Feasibility Study and associated tasks described in the current Mitigation Plan. To that end, Sierrita proposes to perform the following activities in the interim until the current Mitigation Plan can be revised and approved by ADEQ:

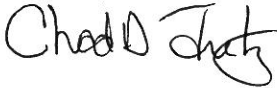
1. Implement the mitigation measures according the schedule described in the current Mitigation Plan and summarized in attachment A.
2. Continue to submit quarterly status reports according to Section V of the Mitigation Order. The report will include a description of any significant disruption in interceptor wellfield pumping that occurred during the quarter, notice of upset conditions or catastrophic failures, and major maintenance conducted in the reporting period or expected in future reporting periods.
3. Continue groundwater monitoring in accordance with the ADEQ-approved schedule.
4. Continue to submit semi-annual groundwater monitoring reports in accordance with the ADEQ-approved schedule.
5. Prepare and submit an annual operations monitoring report of interceptor well field performance as described in Section 4.1.1 of the Mitigation Plan. The operations monitoring report will document groundwater pumping and describe significant operational conditions during the year, and will include, at a minimum, a summary of the systems availability, major well field and conveyance system maintenance activities, well pumping rates, and total system pumping. The operations monitoring report will be submitted by March 31<sup>st</sup> of each year and will report on operations for previous calendar year.
6. Continue to hold meetings with the Community Advisory Group to provide briefings and status of the project.

7. Continue to monitor drinking water supply wells in accordance with the ADEQ-approved plan and schedule. A flow chart detailing how Sierrita will monitor drinking water supply wells and respond to the results of monitoring is included as Attachment B. While it is not expected, if a drinking water well were to exceed trigger levels specified in attachment B, Sierrita would work with the owner/operator of a drinking water supply well to develop a site-specific mitigation plan for the water supply.

Sierrita will submit a revised Mitigation Plan consistent with ADEQ's direction when it has completed those activities described above to allow sufficient certainty about the final mitigation alternative. We expect that most of the uncertainty about the specifics of the final mitigation alternative will be resolved when Arizona State Land Department completes its final action on the purchase of state lands (see Attachment A).

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,



Chad D. Fretz  
Manager, Environment, Land & Water

CDF:mgm  
Attachments (2)  
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xc: Henry Darwin, Arizona Department of Environmental Quality  
John Broderick, Sierrita  
Ned Hall, FCX  
Martha Mottley, Sierrita  
Stuart Brown, Bridgewater Group, Inc.  
Jim Norris, Hydro Geo Chem, Inc.

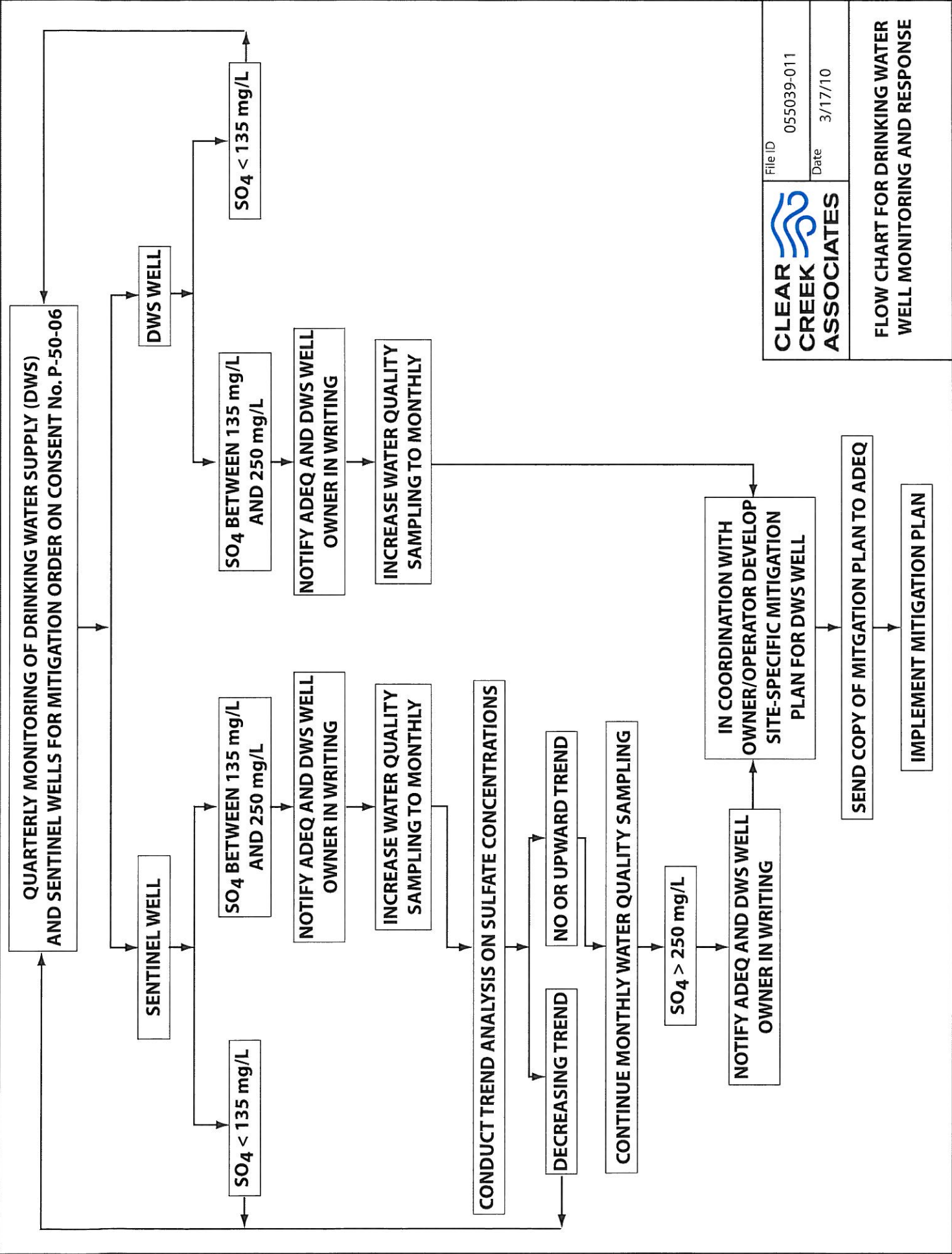
**Attachment A**

**Freeport-McMoRan Sierrita Inc.  
Mitigation Order on Consent, Docket No. P-50-06  
Activities Related to Mitigation Plan  
Projected Schedule**

<b>Task Description</b>	<b>Task Item No.</b>	<b>Target/Actual Task Completion Date</b>
Submit AZ State Land Application	1	July 2009 – June 30, 2011
Final Conceptual Well Design Report	2	September 1, 2009 to February 1, 2010
Engineering Design	3	April 1, 2009 – October , 2010
Obtain required permits for construction of new wells not dependant on purchase of State land (SC and PS wells)	4	July 1, 2010
Complete construction of new wells not dependant on purchase of State land (SC and PS wells)	5	July 1, 2010 – July 1, 2011
Complete Purchase of AZ State Land or determine purchase is not feasible.	6	July 30, 2009 – July 1, 2011
Obtain required permits for construction of new well and conveyance systems dependant on purchase of State land (PS, FFS and MC wells)	7	July 1, 2011 – July 1, 2012
Complete construction of new well and conveyance systems dependant on purchase of State land (PS, FFS and MC wells)	8	July 1, 2013
Prepare and submit Post-Implementation Monitoring Plan for approval	9	Feb 1, 2013
Prepare and submit O&M Plan for approval	10	Feb 1, 2013
Submit revised Mitigation Plan for approval	11	Feb 1, 2013
Prepare and submit quarterly status reports.	12	Last day of the month of the current quarter
Prepare and submit groundwater monitoring report	13	Semi-annually April 30 and October 31

**Attachment B**

**Flow Chart for Drinking Water Well  
Monitoring and Response**



File ID 055039-011

Date 3/17/10

FLOW CHART FOR DRINKING WATER WELL MONITORING AND RESPONSE