



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

September 28, 2012

Via Certified Mail # 7011 1150 0000 0283 5910
Return Receipt Requested

Ms. Mindi Cross
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
July 1st through September 30th, 2012 Status Report**

Dear Ms. Cross:

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 July 1st through September 30th, 2012.

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

- Completed the 3rd quarter, 2012 groundwater monitoring activities.
- Acquired approx. 8,300 acres of State Trust land on July 24, 2012.
- Secured the amendment of the Esperanza Booster Station easement, where the MC-2 well will be located.
- Continued work on obtaining other easements and/or rights-of-way on public or private land where some of the conveyance system and infrastructure will be placed.
- Continued to work with developer to purchase of land for alternate MC-3 well location (now that Sierrita has acquired the State Trust lands, this purchase is not critical).
- Completed drilling of MC-4 well. As with the PS wells, the next step is to install pumps and pipeline.
- Began drilling of MC-1, MC-3, and all six FFS wells on former State Land.
- Continued work on the feasibility study for the new tailings impoundment.
- Continued construction of the booster station needed for the entire mitigation well conveyance system.
- Held the second CAG meeting of the year on July 31st, 2012.

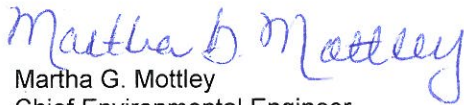
During the next quarter, the following activities will be conducted:

- Continue drilling the remaining MC and FFS wells.
- Complete pump installation on MC-4 and all PS wells.
- Continue construction of booster station for the entire mitigation well conveyance system.
- Continue work to obtain the right-of-ways on public or private lands where some of the conveyance system or infrastructure will be placed.
- Continue development of the new tailing impoundment feasibility study.

- Complete and submit the Semiannual Groundwater Monitoring Report, due on October 31st, 2012.
- Conduct quarterly groundwater monitoring according to the revised groundwater monitoring schedule.
- Revise and submit Mitigation Plan implementation schedule to ADEQ for approval.
- Hold the next CAG meeting.

Please do not hesitate to contact me at (520) 393-2696 if you have any question regarding this submittal.

Sincerely,



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

MGM/ms
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xc: David Haag, Arizona Department of Environmental Quality
John Broderick, Sierrita
Lana Fretz, Sierrita
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