



DATE: Jan. 25, 2008

CONTACT: Mark Shaffer, Director of Communications (602) 771-2215

ADEQ Consent Order with Phelps Dodge Addresses Copper Queen Sulfate Contamination in Bisbee and Naco

Community Group to Meet Jan. 29 to Discuss Mitigation Efforts

PHOENIX (Jan. 25, 2008) – Arizona Department of Environmental Quality (ADEQ) Director Steve Owens said today that Phelps Dodge Copper Queen mine is taking steps under a Consent Order the company signed with ADEQ in November to address sulfate contamination in drinking water from the mine, on West Highway 92 in Bisbee, Cochise County.

The Order, which was entered into with ADEQ in November, requires the company to ensure that drinking water affected by the mine's operations does not exceed a maximum allowable limit of 250 parts-per-million (ppm) for sulfate. That is the toughest sulfate level allowed by ADEQ and mirrors a similar requirement imposed on Phelps Dodge by ADEQ at Phelps Dodge's Sierrita mine near Green Valley.

The order also requires Phelps Dodge to provide quarterly status reports to ADEQ and to establish a Community Advisory Group to keep community members informed of the company's activities. The group's first meeting is scheduled for Tuesday, Jan. 29. Members of the advisory group are Russ McConnell, Steve Pauken, Vaira Harik, Alexandra Heth and Terry Garner of Bisbee; Peter Campbell and Joe Garcia of Naco; Fred Schneider of Phoenix; and Bonnie O'Connor of Tucson.

"This Order will help ensure that the drinking water supply for the community is safe from sulfate contamination," Owens said. "Some wells in the area would not be usable for drinking water without taking steps to keep the water safe from sulfate contamination."

The order applies to all drinking water in Bisbee and Naco, where two water companies serve about 8,200 customers. Phelps Dodge has been supplying bottled water to some customers of the Naco Water Company in Naco. Other steps Phelps Dodge might take for Bisbee and Naco include treating the water, finding alternative water sources, or mixing or blending water sources so that water intended for drinking meets the specified sulfate level.

Bisbee Consent Order

2 – 2 – 2

The Order also requires Phelps Dodge to determine the size and direction of the sulfate plume, and to conduct an inventory of wells in the area to ensure that drinking water provided to area residents meets all applicable drinking water standards, including the 250 ppm sulfate limit established in the order. The plume and well reports will take about a year to complete.

Elevated sulfate levels attributable to the Phelps Dodge mine have been identified in groundwater samples collected from wells in the area. Although sulfate is considered a “non-hazardous” substance under federal and state law, ingestion of water containing levels of sulfate exceeding 500 ppm can cause diarrhea and other health problems.

A 2006 Consent Order between ADEQ and Phelps Dodge regarding the company’s Sierrita mining operations near Green Valley in Pima County represented the first time that ADEQ has ever used its authority under WQARF to require a party to deal with contamination caused by a “non-hazardous” substance such as sulfate. It was also the first time ADEQ set the sulfate level at 250 ppm.

The Bisbee Mitigation Order also requires Phelps Dodge to provide quarterly status reports to ADEQ and to establish a Community Advisory Group to keep community members informed of the company’s activities. The group’s first meeting is scheduled for Jan. 29.