

News Release



ARIZONA DEPT. OF ENVIRONMENTAL QUALITY
1110 West Washington Street
Phoenix, Arizona 85007
Contact: Mark Shaffer, (602) 771-2215
www.azdeq.gov

ARIZONA ATTORNEY GENERAL'S OFFICE
1275 West Washington Street
Phoenix, Arizona 85007
Contact: Amy Rezzonico, (602) 542-8019
www.azag.gov

FOR IMMEDIATE RELEASE

Freeport-McMoRan Morenci Inc. Agrees to \$150,000 Settlement to Resolve Water Quality Violations from 2008 Spill

PHOENIX (July 14, 2011) – The Arizona Department of Environmental Quality and Arizona Attorney General's Office announced today that Freeport-McMoRan Morenci Inc. has agreed to a \$150,000 settlement for releasing 168,000 gallons of sulfuric acid and heavy metals from a pipeline into Lower Chase Creek, a tributary of the San Francisco River.

Freeport-McMoRan will pay a \$75,000 penalty and complete a supplemental environmental project valued at \$75,000 as part of a consent judgment in Maricopa County Superior Court for water quality violations caused by the Oct. 30, 2008, spill from its Morenci copper mine in Greenlee County.

The supplemental environmental project agreed to by Freeport McMoRan includes conducting one or more household hazardous waste collection events for residents within Graham or Greenlee counties at dates and locations to be announced.

Freeport McMoRan's Morenci facility discharged the highly corrosive acidic solution directly into Lower Chase Creek from a stormwater pipe. The material traveled downstream for a distance of more than two miles, passing through areas of the creek publicly accessible from both Morenci and Clifton. The discharge occurred after one of Freeport McMoRan's contractors incorrectly connected an electrolyte solution pipeline into a pipeline dedicated to transporting stormwater through the mine.

The pollutants in the discharge exceeded Arizona surface water quality standards for copper, zinc and pH in Lower Chase Creek. The company's Aquifer Protection Permit and Arizona Pollutant Discharge Elimination System Permit do not authorize the release of these substances into the environment.

After becoming aware of the spill, Freeport McMoRan acted to mitigate environmental impacts by constructing a series of four temporary earthen check dams, which stopped the discharge only 120 feet upstream from the confluence of the San Francisco River, which was flowing at the time. In the hours and days following the spill, Freeport McMoRan also minimized the

potential impact to the aquifer by recovering 93,000 gallons of discharged liquids and removing 85,000 tons of contaminated sediment from the creek bed.

“The spill jeopardized the safety of the public who use Lower Chase Creek and impacted its delicate environment. Fortunately, no injuries were reported and Freeport McMoRan acted appropriately to minimize risk to the public and the environment through its quick remediation activities,” ADEQ Director Henry Darwin said.

Darwin also said he was pleased that Freeport McMoRan would be conducting household hazardous waste collection events in the area as part of the settlement.

“The company has taken its environmental obligations at its Morenci Mine seriously, including the protection of human health and the environment in Arizona, by offering local residents upcoming events in Graham and Greenlee counties to safely dispose of electronic waste, refrigerators, waste tires and household hazardous waste,” Darwin said.

“I am appreciative of Freeport McMoRan’s quick response in cleaning up this spill,” Attorney General Tom Horne said. “Mining companies need to rigorously comply with state standards to protect the health of our citizens and our environment.”

The consent judgment is subject to court approval.