



PUBLIC NOTICE

U.S. ARMY CORPS OF ENGINEERS
LOS ANGELES DISTRICT

BUILDING STRONG®

APPLICATION FOR PERMIT Garfield Expansion and Tailings Dam Reconstruction Project

Public Notice/Application No.: SPL-2010-00066-MWL

Project: Garfield Expansion and Tailings Dam Reconstruction Project

Comment Period: July 2, 2012 through August 1, 2012

Project Manager: Michael Langley; 602-230-6953; Michael.W.Langley@usace.army.mil

Applicant

Brent Fletcher
Freeport McMoRan Morenci Inc
4521 U.S. Highway 191
Morenci, Arizona 85540

Contact

Jim Tress
WestLand Resources, Inc.
4001 E Paradise Falls Drive
Tucson, Arizona 85718

Location

North of Morenci, Arizona in portions of sections 28 and 29 in T3S, R29E and south of Morenci, Arizona in portions of sections 26, 27, 34-36 in T4S, R29E and portions of sections 1-3 and 10-12 in T5S, R29E in Greenlee County, Arizona (Figures 1, 2, and 3).

Activity

To construct an expanded leach stockpile in the vicinity of the Garfield Pit along Upper Chase Creek (Garfield Expansion) that would impact 2.50 acres of WUS and to reconstruct an existing tailings complex to construct a centerline tailings impoundment, associated containment dams, and an access road/utility corridor (Tailings Dam Reconstruction [TDR]) that would impact 0.60 acre of WUS. For more information, see page 4 of this notice.

Interested parties are hereby notified that an application has been received for a Department of the Army permit for the activity described herein and shown on the attached figures. We invite you to review today's public notice and provide views on the proposed work. By providing substantive, site-specific comments to the Corps Regulatory Division, you provide information that supports the Corps' decision-making process. All comments received during the comment period become part of the record and will be considered in the decision. This permit will be issued, issued with special conditions, or denied under Section 404 of the Clean Water Act. Comments can be sent electronically to Michael.W.Langley@usace.army.mil or mailed to:

LOS ANGELES DISTRICT CORPS OF ENGINEERS
ARIZONA-NEVADA OFFICE
3636 NORTH CENTRAL AVENUE, SUITE 900
PHOENIX, AZ 85012-1939

The mission of the U.S. Army Corps of Engineers Regulatory Program is to protect the Nation's aquatic resources, while allowing reasonable development through fair, flexible and balanced permit decisions. The Corps evaluates permit applications for essentially all construction activities that occur in the Nation's waters, including wetlands. The Regulatory Program in the Los Angeles District is executed to protect aquatic resources by developing and implementing short- and long-term initiatives to improve regulatory products, processes, program transparency, and customer feedback considering current staffing levels and historical funding trends.

Corps permits are necessary for any work, including construction and dredging, in the Nation's navigable water and their tributary waters. The Corps balances the reasonably foreseeable benefits and detriments of proposed projects, and makes permit decisions that recognize the essential values of the Nation's aquatic ecosystems to the general public, as well as the property rights of private citizens who want to use their land. The Corps strives to make its permit decisions in a timely manner that minimizes impacts to the regulated public.

During the permit process, the Corps considers the views of other Federal, state and local agencies, interest groups, and the general public. The results of this careful public interest review are fair and equitable decisions that allow reasonable use of private property, infrastructure development, and growth of the economy, while offsetting the authorized impacts to the waters of the United States. The permit review process serves to first avoid and then minimize adverse effects of projects on aquatic resources to the maximum practicable extent. Any remaining unavoidable adverse impacts to the aquatic environment are offset by compensatory mitigation requirements, which may include restoration, enhancement, establishment, and/or preservation of aquatic ecosystem system functions and services.

Evaluation Factors

The decision whether to issue a permit will be based on an evaluation of the probable impact including cumulative impacts of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered including the cumulative effects thereof. Factors that will be considered include conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, flood plain values, land use, recreation, water supply and conservation, water quality, energy needs, safety, food production and, in general, the needs and welfare of the people. In addition, if the proposal would discharge dredged or fill material, the evaluation of the activity will include application of the EPA Guidelines (40 CFR Part 230) as required by Section 404 (b)(1) of the Clean Water Act.

The Corps of Engineers is soliciting comments from the public; Federal, state, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are

also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

Preliminary Review of Selected Factors

EIS Determination- A preliminary determination has been made that an environmental impact statement is not required for the proposed work.

Water Quality- The applicant is required to obtain water quality certification, under Section 401 of the Clean Water Act, from the Arizona Department of Environmental Quality. Section 401 requires that any applicant for an individual Section 404 permit provide proof of water quality certification to the Corps of Engineers prior to permit issuance.

Cultural Resources- Mitigation of all known cultural resources in the Garfield Expansion area has previously been completed (Corps File No. SPL-2000-00559-MB). A Class III cultural resources survey has been conducted within the TDR area and no properties eligible for listing in the National Register of Historic Places were identified that would be affected by the project.

Endangered Species- There are no threatened or endangered species currently listed or proposed for listing that occur within the Garfield Expansion area or the TDR area, and there is no designated critical habitat within either area. The Corps has determined that the proposed project will have “no effect” on any proposed or currently listed threatened or endangered species.

Public Hearing- Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearing shall state with particularity the reasons for holding a public hearing.

Proposed Activity for Which a Permit is Required

Basic Project Purpose- The basic project purpose comprises the fundamental, essential, or irreducible purpose of the proposed project, and is used by the Corps to determine whether the applicant's project is water dependent (i.e., requires access or proximity to or siting within the special aquatic site to fulfill its basic purpose. The basic project purpose for the proposed project is copper mining. The proposed project is not water dependent.

Overall Project Purpose- The overall project purpose serves as the basis for the Corps' 404(b)(1) alternatives analysis and is determined by further defining the basic project purpose in a manner that more specifically describes the applicant's goals for the project, and which allows a reasonable range of alternatives to be analyzed.

The overall project purpose of the Garfield Expansion is the development of leach stockpile capacity that will allow the full utilization of the mineral resource in the Garfield Pit. Updated evaluations of the mineral resource in the Garfield Pit have identified approximately 1,036 million tons (mT) of additional ore. The full utilization of the mineral resource within the Garfield Pit will require the development of additional leach stockpile capacity to accommodate 163 mT of leachable ore that cannot be placed onto existing leach stockpiles.

The overall project purpose for the TDR is to provide the tailings storage capacity necessary to satisfy production rates of the existing concentrator facilities at the Morenci Mine in a manner consistent with current geotechnical management practices.

Additional Project Information

Baseline information-

Garfield Pit: On April 21, 2005, the Corps issued a permit (Corps File No. SPL-2000-00559-MB) to Freeport-McMoRan Morenci Inc (FMMI; then Phelps Dodge Morenci Inc.) authorizing impacts to waters of the United States (WUS) related to the expansion of the Garfield Pit, construction of the Garfield Stockpile, and the relocation of an existing surface water diversion facility on Upper Chase Creek. The purpose of this diversion facility was to allow surface water flows of Upper Chase Creek to bypass existing and proposed mine activities and report to Lower Chase Creek near Clifton, Arizona. Expansion of the Garfield Pit required relocation of the diversion facility further upstream to allow for the facility's continued operation. The specific work authorized under this permit included: relocation of the Upper Chase Creek diversion facility, construction of the Upper Chase Creek coffer dam, relocation of a portion of U.S. Highway 191, expansion of the Garfield Pit; and development of the Garfield Stockpile.

Tailings Complex: FMMI currently operates and maintains a series of tailings impoundments and associated structures at the southern extent of its Morenci operations. This 3,522-acre tailings area (referred to as the Tailings Complex) includes tailings distribution pipelines, decanting ducts, containment dams, and the tailings impoundments. Development of the Tailings Complex began in the early 1900s. FMMI has identified the need for the reconstruction of an existing tailings impoundment within the Tailings Complex to allow for continued use of this facility in a manner consistent with current geotechnical management practices and production schedules.

Project description-

Garfield Expansion: FMMI has identified a larger mineral resource in its Garfield Pit than was known at the time the previous permit was issued. The additional mineral resource identified in the Garfield Pit totals approximately 1,036 million tons (mT) of leachable ore. The majority of this additional ore can be accommodated within the existing leach stockpiles. To accommodate the 163 mT of additional mineral resources that cannot be placed on existing stockpiles, FMMI proposes to construct a 163 mT expansion stockpile. This stockpile would be constructed between the existing Upper Chase Creek diversion facility and the Garfield Pit (Figure 4). Construction of the stockpile will impact approximately 2.50 acres of WUS.

Tailings Dam Reconstruction: The west/east tailings dam reconstruction entails the reconstruction of the southern portions of the existing SB-1X Tailing Area and 1W Tailing Area, as well as the southern and eastern portions of the east tailing area, using a centerline construction method (Figure 5). This configuration would involve the reconstruction of the existing southern toe of the above tailings impoundments using a trapezoidal centerline embankment, or starter dam. After construction of the initial centerline embankment, successively larger embankments would be constructed over the centerline, enveloping the original structure. The reconstruction will necessitate the construction of four new containment dams, Dam 1X, Dam 3X, Dam 4X, and Dam 12X, and the rehabilitation and maintenance of Dam 5, an existing tailings containment dam.

The TDR also requires the relocation of the existing process water collection and pump system in the SB-1X Tailing Area, the construction of a new access road/utility corridor down-gradient of the new toe for the tailings impoundment, and the relocation of two existing electrical transmission lines. The proposed locations of the access road/utility corridor and the two realigned transmission lines will mostly utilize the existing and proposed containment dams when crossing any potential WUS. However, there are two crossings of the access road/utility corridor, located in the eastern portion of the TDR Project Area, which will have minor impacts to WUS beyond those resulting from the construction of the containment dams. Relocation of the existing process water collection and pump system will result in some impacts to WUS up-gradient of the proposed Dams 12X and 1X, but only in areas of the drainages which would otherwise be considered “dewatered” by the reconstruction of the tailings impoundment. The reconstruction under the west/east TDR configuration would impact approximately 513 acres of previously undisturbed uplands and 0.60 acre of WUS.

Proposed Mitigation– The proposed mitigation may change as a result of comments received in response to this public notice, the applicant’s response to those comments, and/or the need for the project to comply with the 404(b)(1) Guidelines. In consideration of the above, the proposed mitigation sequence (avoidance/minimization/compensation), as applied to the proposed project is summarized below:

Avoidance: The location of mineral resources in the vicinity of the Garfield Pit and the need for additional stockpile capacity at this location limits the ability of the applicant to avoid WUS for the Garfield Expansion. In addition, for the TDR, the Tailings Complex has been at its existing location for over 100 years and the ability to avoid impacting WUS at this location is very limited.

Minimization: The Garfield Expansion has been designed to minimize impacts to potential WUS by limiting development to the reach of Upper Chase Creek between the Diversion Facility and the Coffey Dam. The design of the 163 mT expansion stockpile and incorporation of the existing diversion facility into the containment controls for the stockpile limits impacts to WUS other than those directly filled under the proposed project. The Garfield Expansion does not affect potential WUS outside the footprint of the proposed development. Downstream flows to Lower Chase Creek will continue to be maintained, preventing dewatering of any downstream reaches as a result of the proposed project. The TDR centerline impoundment has been located as close to the existing tailings impoundment as practicable and outside of potential WUS. The location of proposed containment dams and access road/utility corridor were chosen to minimize impacts to WUS.

Compensation: Mitigation for impacts to WUS that would result from the construction of the Garfield Expansion and the Tailings Dam Reconstruction will be achieved using existing or to be developed in-lieu-fee mitigation programs or a habitat mitigation and monitoring plan developed in conformance with current mitigation guidelines.

Proposed Special Conditions

To be developed.

For additional information please call Michael Langley of my staff at 602-230-6953 or via e-mail at Michael.W.Langley@usace.army.mil. This public notice is issued by the Chief, Regulatory Division.

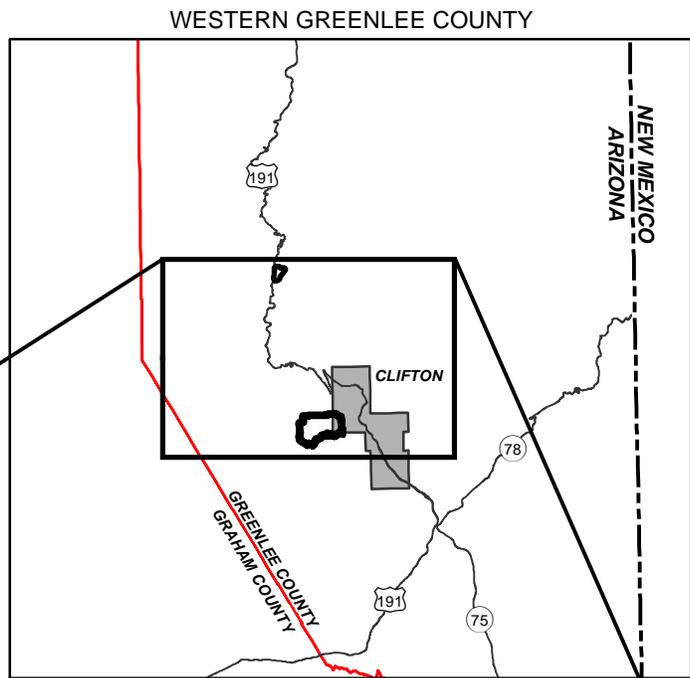
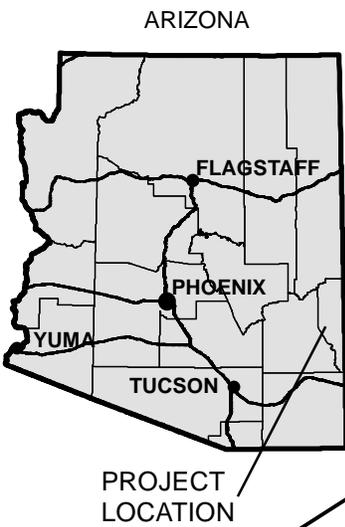


Regulatory Program Goals:

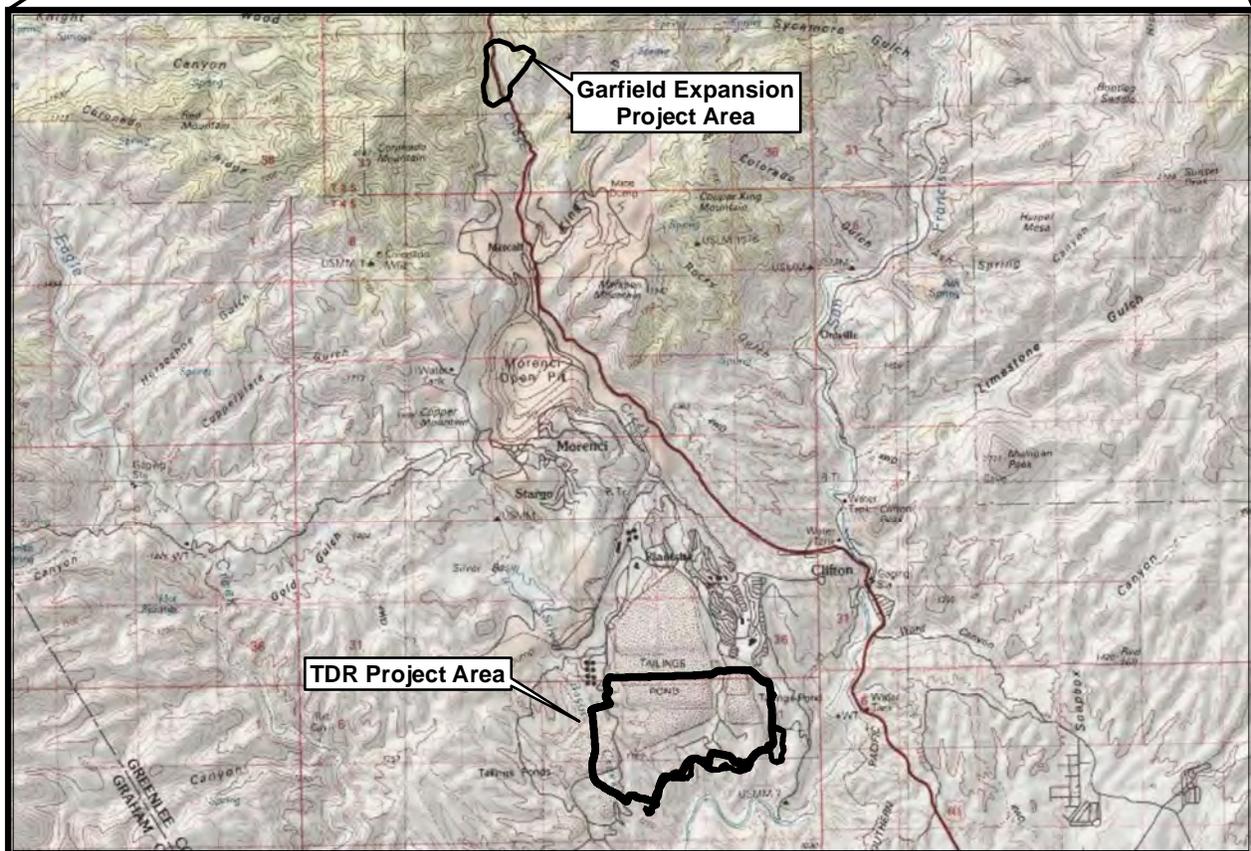
- To provide strong protection of the nation's aquatic environment, including wetlands.
- To ensure the Corps provides the regulated public with fair and reasonable decisions.
- To enhance the efficiency of the Corps' administration of its regulatory program.

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PHOENIX, AZ 85012-1939

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Approximate Scale 1 Inch = 10 Miles



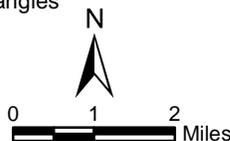
T3S, R29E, Portion of Sections 28 & 29,
 T4S, R29E, Portion of Sections 34-36,
 T5S, R29E, Portion of Sections 1-3 & 10-12
 Greenlee County Arizona,
 Clifton and Mitchell Peak USGS 7.5' Quadrangles

GARFIELD EXPANSION AND TAILINGS DAM RECONSTRUCTION PROJECTS

Public Notice

VICINITY MAP

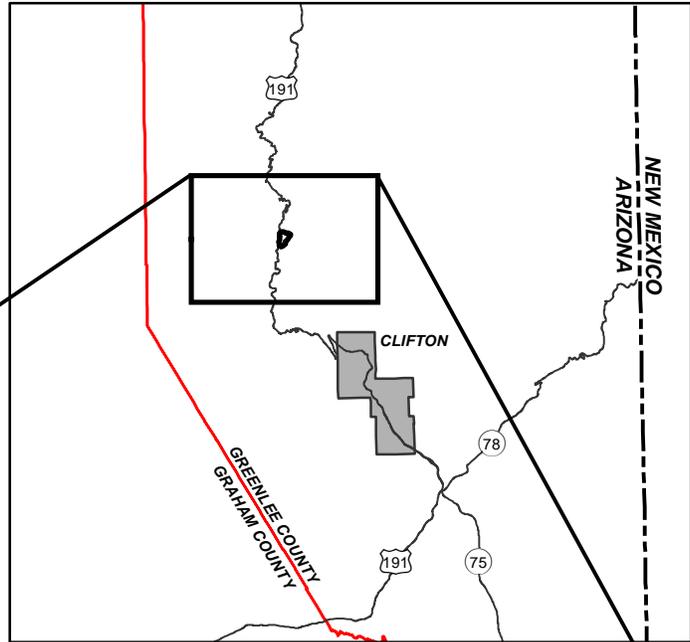
Figure 1



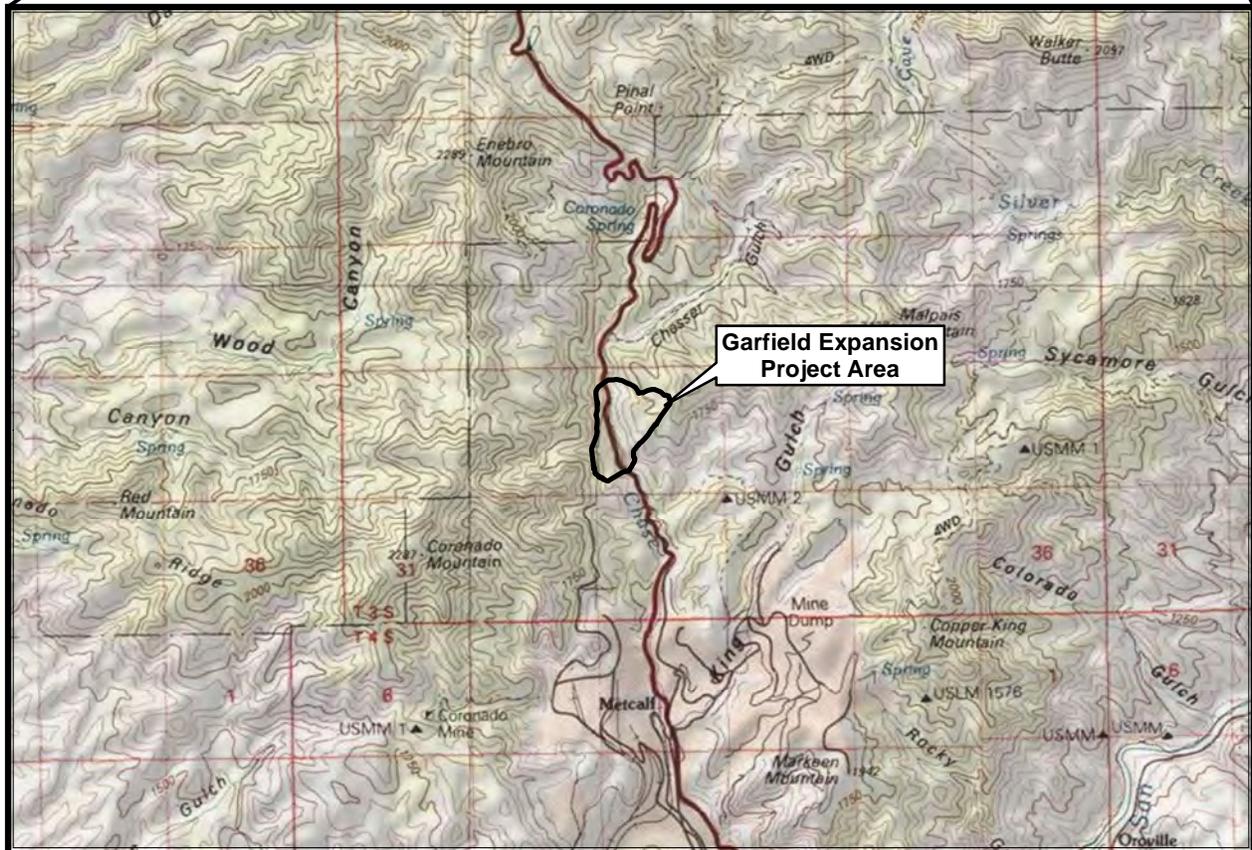


PROJECT LOCATION

WESTERN GREENLEE COUNTY



Approximate Scale 1 Inch = 10 Miles



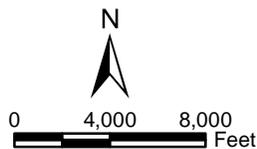
T3S, R29E, Portion of Sections 28 & 29,
Greenlee County Arizona,
Mitchell Peak USGS 7.5' Quadrangle

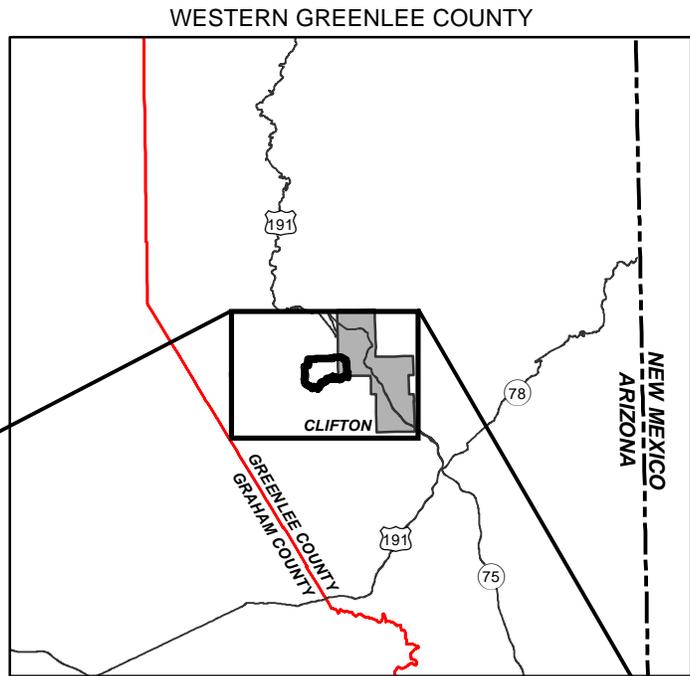
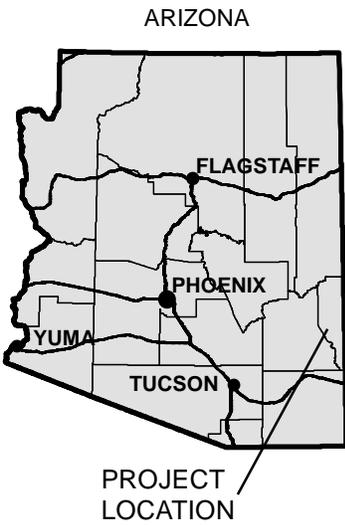
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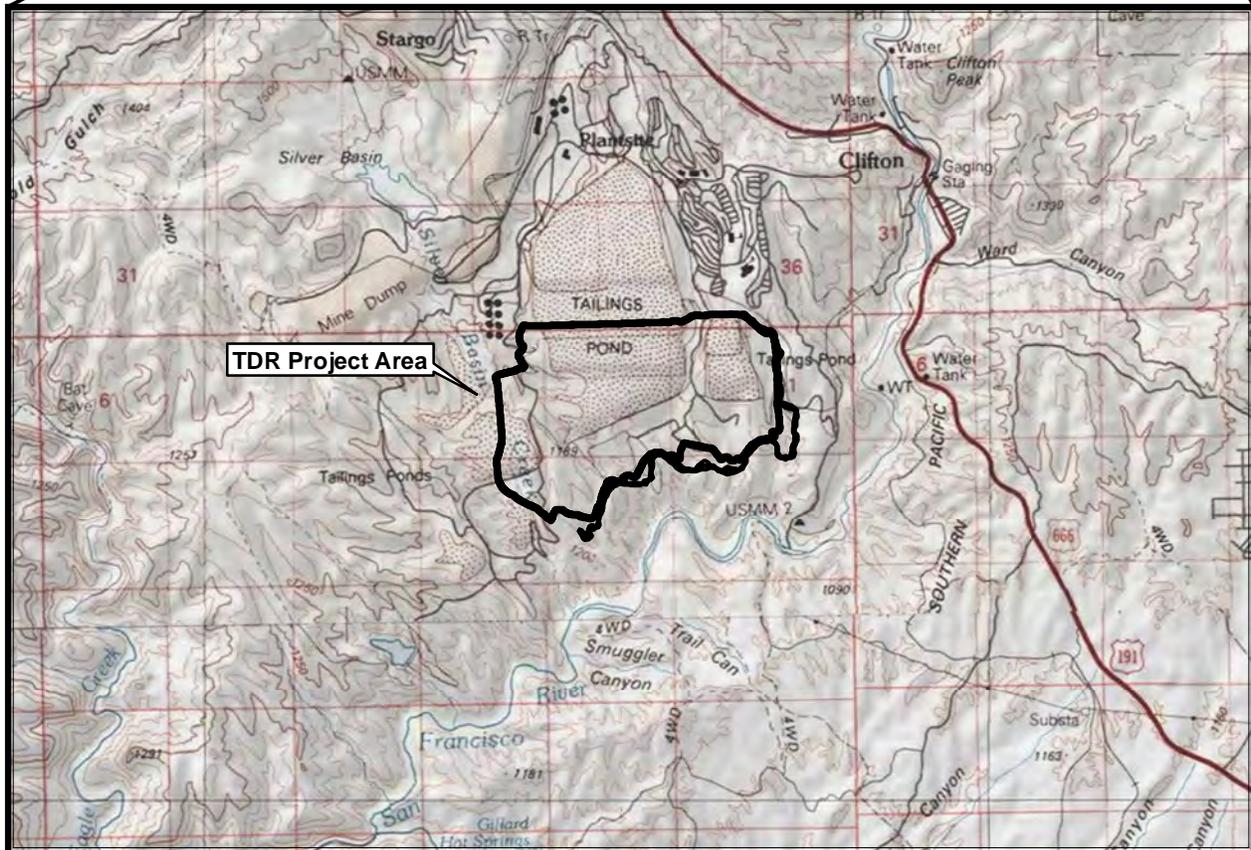
GARFIELD EXPANSION PROJECT AREA

Figure 2





Approximate Scale 1 Inch = 10 Miles



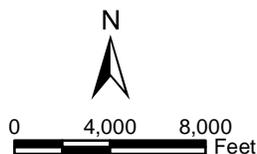
T4S, R29E, Portion of Sections 34-36,
 T5S, R29E, Portion of Sections 1-3 & 10-12
 Greenlee County Arizona,
 Clifton USGS 7.5' Quadrangle

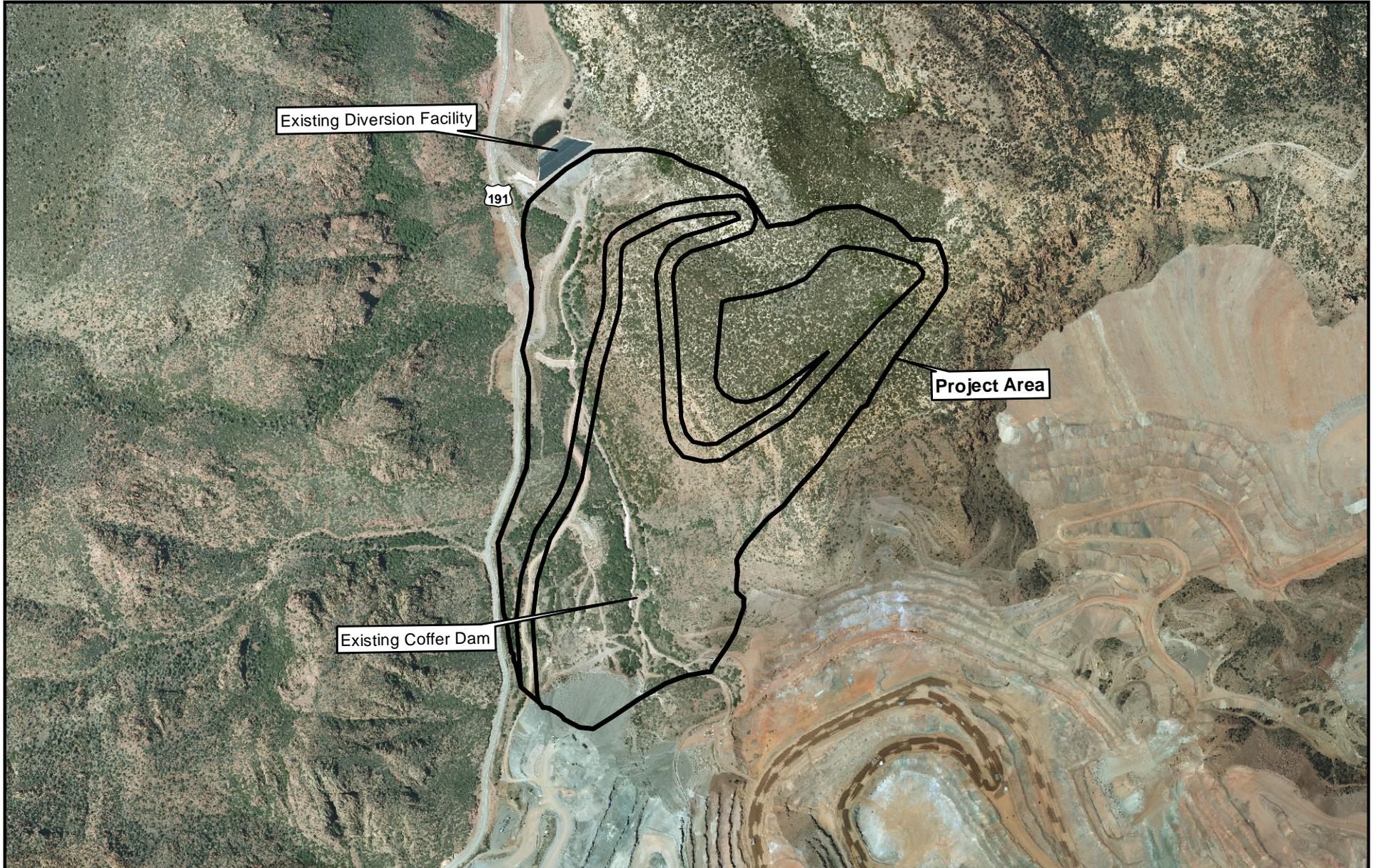
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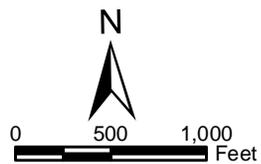
TDR PROJECT AREA

Figure 3





T3S, R29E, Portion of Sections 28 & 29
Greenlee County Arizona,
Photo Source: FMMI, 2010

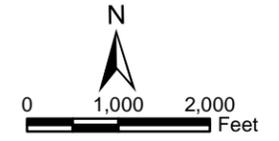


GARFIELD EXPANSION AND TAILINGS DAM RECONSTRUCTION PROJECTS

Public Notice

163mT UCC EXPANSION STOCKPILE

Figure 4



T4S, R29E, Portion of Sections 34-36,
 T5S, R29E, Portion of Sections 1-3 & 10-12
 Greenlee County, Arizona,
 Photo Source: FMMI, 2010

LEGEND

-  Utility Corridor (URS)
-  Project Area
-  Existing Tailings Containment Dam To Be Reconstructed
-  Proposed Tailings Containment Dams
-  Borrow Areas (URS)



GARFIELD EXPANSION AND TAILINGS DAM RECONSTRUCTION PROJECTS

Public Notice

WEST/EAST TDR CONFIGURATION

Figure 5