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PRINTED: 09-13-2012

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: COPPER BASIN

ALTERNATE NAMES:
SKV MILLSITE

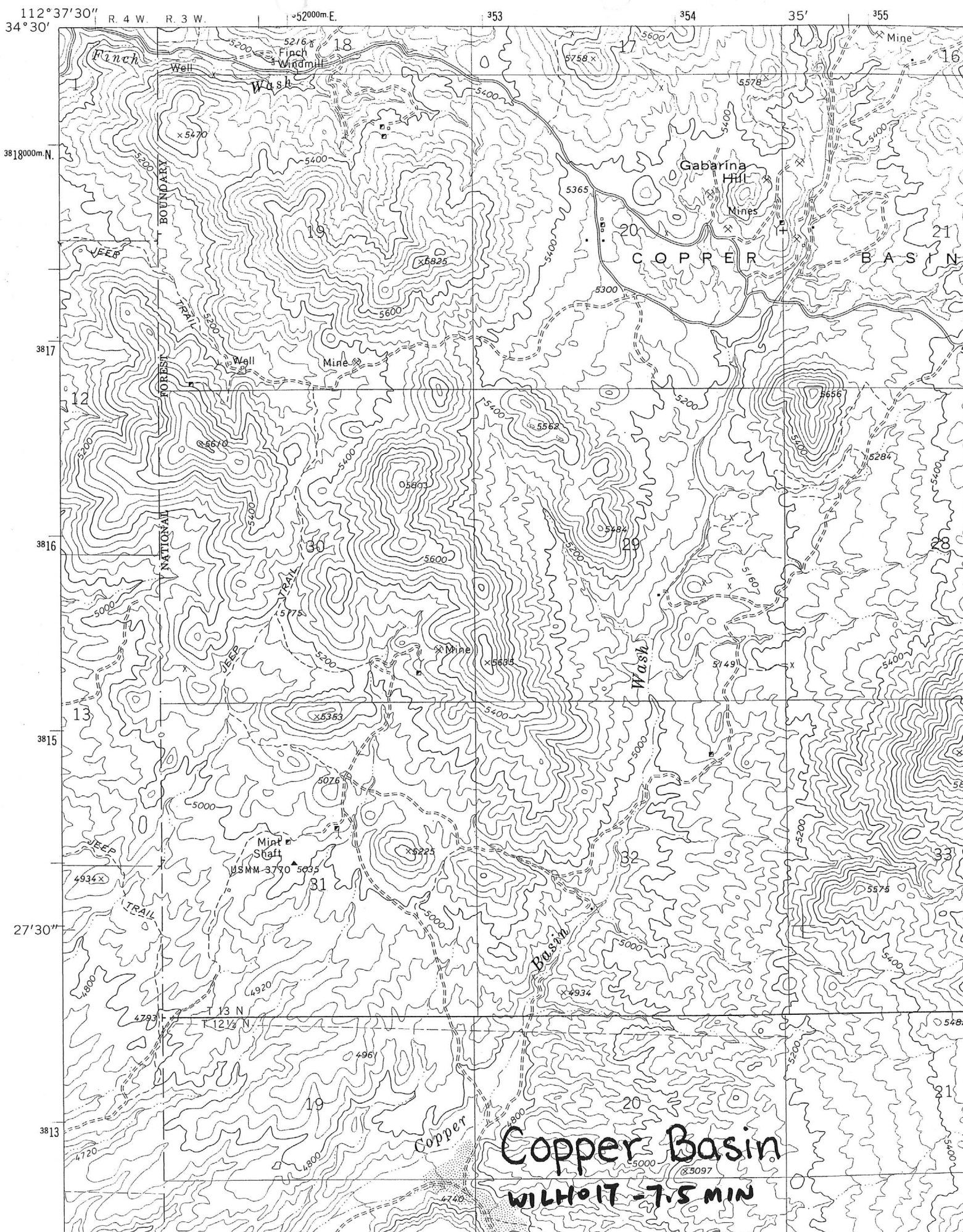
YAVAPAI COUNTY MILS NUMBER: 1334

LOCATION: TOWNSHIP 13 N RANGE 3 W SECTION 20 QUARTER NE
LATITUDE: N 34DEG 29MIN 30SEC LONGITUDE: W 112DEG 35MIN 00SEC
TOPO MAP NAME: WILHOIT - 7.5 MIN

CURRENT STATUS: EXP PROSPECT

COMMODITY:
COPPER SULFIDE
MOLYBDENUM SULFIDE

BIBLIOGRAPHY:
1974 PHELPS DODGE ANNUAL REPORT
COPPER BASIN LAND EXCHANGE ENVIRON. STATEMENT
PRESCOTT N.F.
GEOL & ORIGIN OF MINZLD BRECCIA PIPES COPPER
BASIN, AZ W.P. JOHNSTON & J DAVID LOWELL,
ECON. GEOL. VOL. 56 N. 5 P 916-940 (1961)
ADMMR COPPER BASIN FILE



PRINTED: 01/15/2003

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PHELPS DODGE
COPPER BASIN PROPERTY

YAVAPAI

T13N, R3W Secs 16,17,19,28,29,30,31,32,33
T12 $\frac{1}{2}$ N, R3W Secs. 19, 29, 21, 28, 29, 30.

See also: Commercial Mine (file) Yavapai County
Copper Hill Group (file) Yavapai County (also owned by Phelps Dodge)



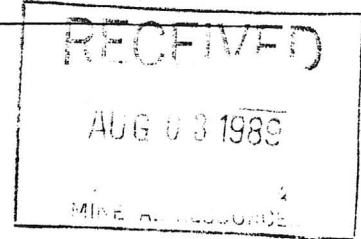
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COPPER BASIN PUBLIC REVIEW

An Opportunity for Open Communication concerning the EIS for the
Proposed Copper Basin Land Exchange and Mine Plan*

July 24, 1989

A NOTE TO THE CONCERNED PUBLIC FROM WESTERN NETWORK:



It has been some time since our work together in the Prescott area, gathering issues to be addressed in the Environmental Impact Statement for the Copper Basin Land Exchange and Mine Plan. The magnitude of concerns and the volume of public participation during this scoping process were extremely gratifying to Western Network as the public participation sub-contractor for the EIS process. The Copper Basin EIS will be a better, more complete document as a result of your involvement, and Western Network will assist the Forest Service in doing everything we can to make your involvement count.

The Forest Service/Bureau of Land Management Copper Basin Interdisciplinary Team prepared the report which follows, after careful review of the issues raised by the public during the scoping process. This report outlines the issues which will be addressed in the EIS, as well as summarizing the areas of concern raised by the public.

The Copper Basin ID Team and Western Network urge you to stay involved in the EIS process and follow your areas of concern as the studies get underway. Western Network and the ID Team will be contacting you soon through the Copper Basin Public Review about the next steps in the public participation process. In the meantime (within 30 days if you can), feel free to call Western Network in Santa Fe with any questions or comments. Written comment should be forwarded to the return address on this document. The Western Network toll-free number is 1-800-326-9805

ISSUES BEING CONSIDERED IN THE ENVIRONMENTAL IMPACT STATEMENT
FOR THE COPPER SIN LAND EXCHANGE AND MINE PLAN PROPOSALS
USDA FOREST SERVICE
SOUTHWESTERN REGION
PRESCOTT NATIONAL FOREST

AND

USDI BUREAU OF LAND MANAGEMENT
PHOENIX DISTRICT OFFICE
LOWER GILA RESOURCE AREA

AREAS OF CONCERN:

The areas of concern, represented consistently throughout citizen participation activities for the proposed land exchange and mine plan, have been categorized into several subjects for introduction to this issue document. In general these issue areas are:

the environment,
the economy,
the quality of life,
cumulative and long-term impacts,
public participation,
the mitigation measures,
and alternatives.

The Environment: The environmental considerations cover many areas which could be significantly affected, either positively or negatively, by the implementation of the mine plan by Phelps Dodge Corporation, or the approval of a land exchange by the Forest Service and Bureau of Land Management (BLM). The environmental factors to be considered in this Environmental Impact Statement (EIS) are the physical resources of water (both ground and surface), air, noise, visuals, shock and vibration, electrical radiation, and toxic elements; and biological resources (wildlife, fish, livestock, vegetation, threatened and endangered plants and animals). Cultural resources will be considered as part of the environment, and as part of social elements to be discussed in the EIS. Most of those who commented have emphasized the importance of considering environmental effects and protecting the biological and physical environment. The environmental consultant, Espey, Huston & Associates, will gather information from the literature, scientists, concerned citizens, and experts in their fields, complete technical studies, and coordinate with cooperating agencies to analyze effects and best determine how to protect the environment.

The Economy: As might be expected, a major industrial complex such as a mine, will change the social and economic structure of the rural and community areas around the complex. The public perceives both positive and negative impacts from the mine plan proposal. They even suspect that the land exchange could effect the economic condition of the area, during and after a land exchange. There is no doubt that changes will occur if either the mine or land exchange proposals were implemented, or if either or both were not implemented. Most people feel that the effects of employment, taxes, housing, community services, and secondary or other economic effects must be considered along with the quality of life in the effected area, for a variety of reasonable alternatives.

Many people have expressed the view that the public lands, National Forests and Public Domain, should be put to their highest and best uses. Many feel that exchanging public land to private corporations is not in the best interest of the public. The contracted environmental consultant will assess the associated costs and benefits of each alternative.

The Quality of Life: Many of Prescott's and surrounding communities' residents have moved or stayed here because of the area's quality environment. Rural and urban residents laud the environmental factors that make Prescott what it is. These people feel that their current quality of life, and those factors of the environment which are important to them, are jeopardized by the proposed mine and land exchange. It is important to understand the character of life's quality in the Prescott area, and assess what would change if the proposals or alternative(s) were implemented.

Health issues which relate to mining have been a public interest for many years. Water, air quality, and safe, clean environments are part of the human health issue. For health issues it is important that we recognize what we don't know is often as important as what we do know. The environmental consultant will be very careful to consider and disclose the relative certainty of information, and the identity of missing information.

Cumulative and Long-term Impacts: Comments were received on the accumulation of impacts in the environment which in total would have significant effects, whereas individually there would be an insignificant impact. An important aspect of this EIS is to assess the effects both individually and cumulatively. The cumulative impacts may result directly from the proposed actions or from a combination of effects which are, in part, directly related to the proposals. There are also effects, both positive and negative, which may extend long past the life of the proposed mining operation. The effects of a land exchange are also expected to be long-term. These effects will be addressed in the EIS.

Public Participation: People have concerns related to the Forest Service and BLM roles in land exchanges. They are concerned about the current laws and regulations that permit mining and the location of mining facilities on public lands. Many feel that they have something positive to contribute to the understanding of these issues. The Forest Service, BLM, and the project consultant are committed to giving the people that opportunity for contributions toward the development of a credible and understandable analysis of impacts. The EIS will be used as a tool to share what we have learned with others.

Mitigation Measures: Mitigation of mining impacts before, during, and after are of key interest in the development of the EIS. Some mitigation may deal with alternatives. Some may require reclamation of disturbed lands. The project consultant will disclose techniques valuable for mitigation of disturbances or effects. Alternative actions which may have less effect on the environment, economy, quality of life, and cumulative impacts will be evaluated.

Besides the use of narratives, citizens request that other than technical criteria be used in making a final decision regarding the land exchange and disclosing the effects of the mining operations. There will be emphasis on the need for qualitative information and studies, which would address the values of Prescott area residents, and their visions for the future of their communities. Other qualitative analyses will address such questions as: what is the identity of the Prescott area? What are the quality of life, including economic, needs of the citizens?

Since peoples' concerns over impacts include, not only specific environmental and social impacts, but also the cumulative effects of all these impacts on the community, it is important that the EIS address the cumulative impacts of the proposals. Growth and economic development not directly associated with the mine will be included in analyzing these cumulative impacts. The EIS will analyze for disclosure purposes, long-term impacts from mining, including impacts after the mine has closed.

Many area residents are concerned with the lack of economic opportunity in Prescott and Western Yavapai County. The EIS will look at whether the mine would give the region some of the economic vitality that it now lacks. The public, including government agencies, will be provided information regarding economic impacts from the mine, including number of jobs, needed skills, rates of pay, and secondary economic benefits, like spin-off businesses that would be created, or supported, by the mine. The question on whether or not the mine may damage the local economic future by discouraging retirees and tourists will be examined. We will examine potential effects the mine's closing or temporary shutdown may have on the economy, and established social services.

The public will be provided clear, accurate information about mining practices proposed for Copper Basin and the regulation of mining practices, including responsible parties, enforcement capabilities, and monitoring. This analysis will provide information regarding the current and likely national and international need for copper resources, and a brief discussion on alternatives to mining. Residents of the area will be provided information about reclamation and post-mine uses of the mining area. Phelps Dodge will provide prospective plans for reclamation. Regulations concerning reclamation, and measures that the community can take to ensure that proper reclamation would be carried out, will be examined.

The community and interested public will continue to be involved in future disclosures regarding the mine, including the EIS process. After the EIS is completed, and depending upon the nature of decisions by the Forest Service, BLM, and Phelps Dodge, the public could be involved in the state and federal permitting processes. As the EIS process evolves we hope to allay the concern about the credibility of the process and of the key parties, the Forest Service, BLM, Phelps Dodge, and the contractors. The fear that the decision is already made is unfounded, as will be apparent as the process is developed. Any documents which control the relationships between the above parties are part of the public record, and may be amended as necessary to eliminate potential conflicts of interest among the parties.

The following paragraphs highlight the significant issues which will be addressed in the EIS.

Vegetation and Wildlife: Concern over environmental issues includes the health and welfare of plant and animal life in the region. Vegetation and wildlife tradeoffs for each land exchange alternative needs to be understood. Residents are concerned that construction associated with the mine would disrupt wildlife. They are also concerned that air, water, and earth pollution from the mining operations would harm wildlife and native vegetation. Alternative uses of the offered land significantly effect their use by wildlife. We need to understand the nature and length of disturbances, the species affected, and appropriate mitigation measures. Potential reclamation measures beneficial to air, water, and the biological and physical environments will be disclosed. Monitoring procedures to assure effectiveness of these measures will be analyzed by alternative.

Visual: Public concern over visibility focuses on how air pollution is likely to affect scenic vistas in the area, how mining facilities would scar the landscape and impact upon vistas, and how lighting at the mine facilities would affect night visibility. Since a major local vista point overlooks the proposed land exchange and mine areas, it is requested that the environmental consultant evaluate the effects of proposed changes in the vista from this point. It is necessary to examine physical changes seen from vistas as well as from trails, roads, and living areas which are found to be affected. In addition, an examination of the air quality will indicate whether or not there will be suspended particulates sufficient to impair visibility. The effects of night lighting of the mining complex will also be studied. The effects of siting a power line into the mine site will be analyzed for visual impacts. Potential changes in land uses on the offered or selected exchange lands also needs to be examined. These changes could effect the land exchange decision, as well as current and future visual quality of these lands.

Noise: Residents of the Prescott area are concerned about how they would be affected by noise from mining activities. This concern also extends to impacts on wildlife. The EIS will address noise impacts from all stages of mine activity (including construction and reclamation), and the cumulative impacts from all activities associated with the mine, including traffic and spin-off development. Alternative uses, such as subdivisions, of offered lands will also be assessed.

Shock Waves and Vibrations: Some members of the public are concerned about the impact of shock waves and vibrations resulting from mining activities. They are particularly concerned about how vibrations may affect geologic stability, how buildings might be affected (especially historic structures and archeological sites), and if this issue is significant how impacts might be mitigated. The environmental consultant is prepared to address these questions.

Electrical Radiation: Recent publicity regarding health threats from electrical transmission lines has contributed to concerns regarding possible negative health impacts from electrical radiation. The EIS will address these potential health risks, risks to wildlife, as well as the potential for interference in the reception of radio, TV, etc.

Cultural Resources: The scoping process revealed concern about cultural resources. A thorough archeological survey of all areas affected by the mine, including those selected lands involved in the proposed land exchange, will be made. The regulations governing how archeological and historical resources will be protected and managed will be disclosed in the EIS. Various regulations contained in the different alternatives. These differences will also be disclosed.

EIS PROCESS, PUBLIC PARTICIPATION, AND CREDIBILITY:

Questions about the validity of the EIS process and the credibility of the preparers were frequently raised during the scoping period. The public also expressed concern that their efforts at impacting the process and the resulting document would be futile. They are concerned that they would not be taken seriously and that those in charge had already made up their minds. There was also serious concerns about conflicts of interest involving the mining company, the Forest Service, BLM, the EIS contractor, and subcontractors.

Although these concerns cannot be included as "issues" to be addressed in the EIS, the Forest Service, BLM, and the preparers of the EIS do not want to disregard this overriding category of concern. The validity and credibility will be monitored at every step by the parties involved, and most importantly by the public. Ways for the public to monitor these concerns will be developed with your help as soon as the studies begin. We pledge to make the public participation process open and democratic so that all who have an interest will have plenty of opportunity, both to become informed and to contribute to the final product. Without your trust and support the EIS process and document will be seriously weakened; these concerns, therefore, will become the foundation on which the issues will be studied and the results evaluated.

ROSCOTT NATIONAL FOREST



JAN 27 1989

December 28, 1988

<p>Who is Espey, Huston & Associates, Inc.?</p>	<p>Espey, Huston & Associates, Inc. is the prime consultant selected by the Forest Service to conduct baseline studies and prepare the EIS for the Copper Basin project. Headquartered in Austin, Texas, EH&A has environmental consulting experience throughout the southwestern U.S. Since 1972, EH&A has prepared hundreds of environmental reports (including Environmental Impact Statements) to satisfy the requirements of the National Environmental Policy Act of 1969. EH&A's technical expertise will be supplemented through the involvement of local experts in order to ensure that the issues specific to the Copper Basin project are adequately addressed.</p>
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Heroy Kissinger
Az. Department of Mines &
Mineral Resources
State Fairgrounds / Mineral Museum
Phoenix, Ariz.
85007

Who is The Public? The public in this case is anyone with an interest in the EIS. This includes individuals, organizations, and governmental agencies...federal, state, local and tribal. There is no geographical limit on the public as long as they are potentially impacted by the action proposed.

Who is in Charge of This EIS Process? Under the terms of an agreement between the Forest Service, the Bureau of Land Management and Phelps Dodge, the Forest Service is the federal agency responsible for the the preparation of the EIS. The cost of the study, including the public participation process, will be paid for by Phelps Dodge. According to the agreement, the Forest Service has control over the expenditure of funds and the development of the study, and will make the final decision, in cooperation with the BLM, on the proposed action...in this case, the Proposed Land Exchange.

Why is The Forest Service Completing This EIS? The National Environmental Policy Act of 1969 states that any time the federal government is involved in an action which may have significant impacts on the environment, the federal agency must perform an analysis of the impacts...both positive and negative impacts...prior to making a decision on the action. In this case, the Forest Service is considering an action - The Copper Basin Land Exchange - which could result in significant impacts on the area.

What is The Copper Basin Land Exchange? Phelps Dodge owns copper deposits in Copper Basin on patented land, and proposes to mine these deposits by acquiring adjacent public lands (currently administered by the Forest Service and the Bureau of Land Management) for tailings and milling facilities. In order to acquire the adjacent public land for these purposes, the company has proposed an exchange of Phelps Dodge land. The lands offered for exchange by Phelps Dodge are surrounded by National Forest. The enclosed map shows the general locations of the sections of land proposed to be exchanged.

What is The Relationship Between The Land Exchange and The Proposed Phelps Dodge Copper Mine? Although the land exchange is the federal action under consideration that has triggered the preparation of an EIS, the EIS will actually serve two purposes. First, the impacts resulting from the proposed land exchange will be examined. Secondly, as a result of public interest in the land exchange and mine plan proposals, the Forest Service has agreed to review the impacts of the proposed Phelps Dodge mine plan. It is important to understand that even though impacts of the mine will be addressed in the EIS, the decision made by the Forest Service after completion of the EIS can only relate to the land exchange.

What Is The Scoping Process? The first task for the EIS team is to identify the issues which need to be addressed in the EIS. This task of identifying issues is called "scoping". The public role is extremely important, because the public has an opportunity at this point, before the EIS study begins, to call attention to issues that should be included. It is crucial for the Forest Service and Espey, Huston & Associates, Inc. to have a complete picture of issues to be studied in order to budget both time and money adequately for studies to answer the questions raised.

You, the public, will have several ways to contribute your ideas - through individual interviews with Western Network, through written comments, or at public meetings. We hope that one of these avenues will be convenient for you.

What Happens First? Western Network will open an office January 4th in Prescott. This office will be staffed full-time by Western Network personnel through the month of January. During this time we will interview as many individuals and government representatives as we can who wish to talk to us about their concerns on the land exchange and mine plan. We will also be available to speak at meetings in the area. For an appointment with us, please contact us at our Prescott office after January 4, 1989.

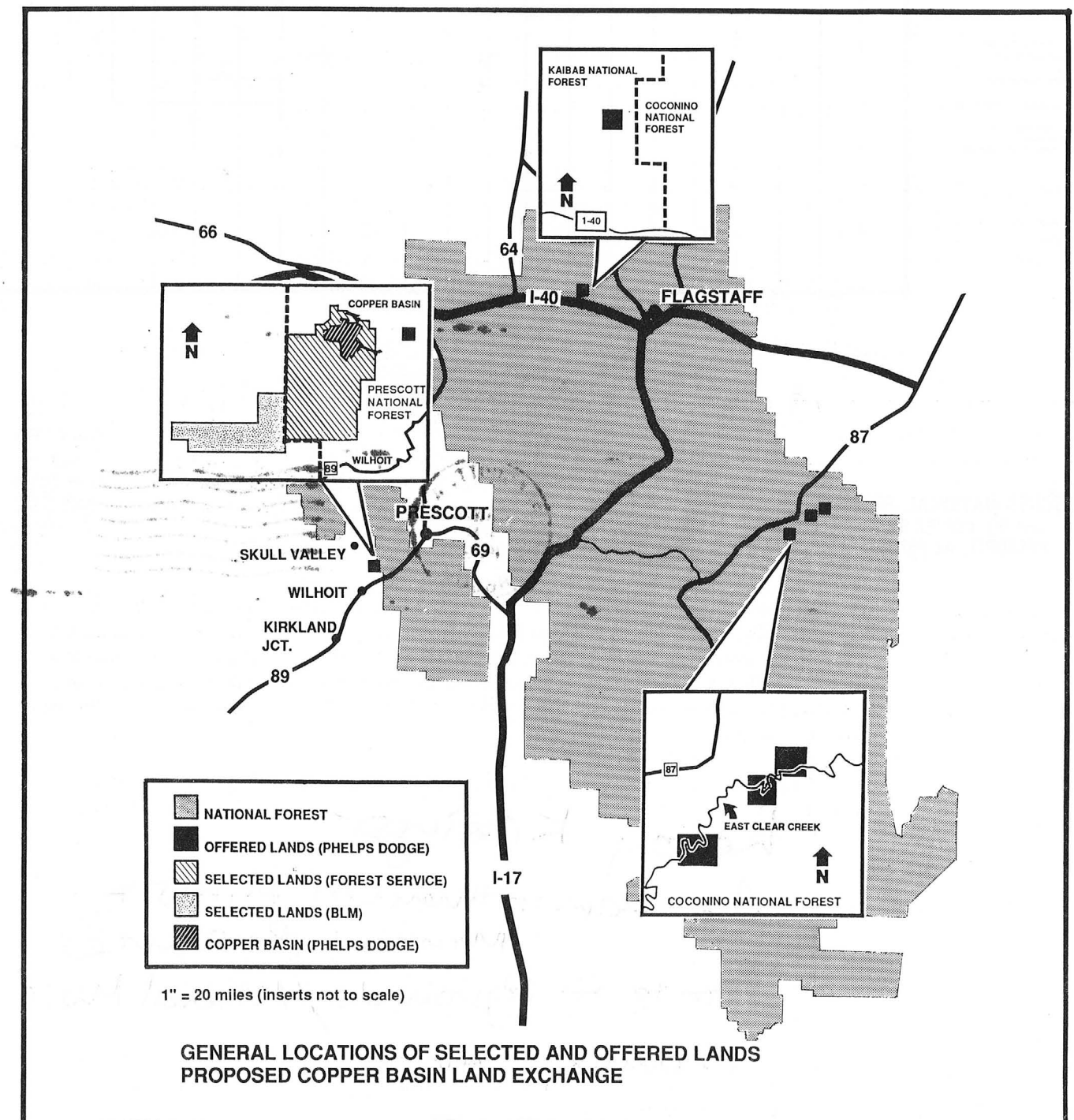
A conceptual schedule of activities related to the EIS, with emphasis on the public participation events, is enclosed. This schedule is tentative; any changes we make as we progress will be made available to you in a timely manner.

Public Meetings: 1/26 Kirkland Posse Hall 7:00-10:00
1/27 Sheraton / Prescott 7:00-10:00 *

Will There Be A Public Meeting? The law requires public involvement during the scoping process. We are choosing to hold three scoping meetings, tentatively set for January 26, 27, and 28, 1989, in order to give maximum opportunity for public input in the process. We are considering one meeting in Kirkland and two in the Prescott area, but the location, the format and the agendas of the meetings will be developed during the interview process as we learn more about your views.

Western Network staff look forward to spending time in Prescott, learning more about the area, and meeting with as many of you as possible. With your help we can develop a comprehensive set of issues for the EIS to address. We welcome hearing from you. Write or call us at:

WESTERN NETWORK
126 North Marina Street • Prescott, Arizona 86301
(602) 445-5311



* 1/28 Sheraton / Prescott 2:00-7:00 pm (small groups)



NEWS RELEASE

Western General Offices, Office of the General Manager

Phelps Dodge Tower, 2600 N. Central Avenue, Phoenix, AZ 85004-3015 • (602) 234-8100

FOR IMMEDIATE RELEASE

CONTACT:

M. P. Scanlon
(602) 234-8113

PHOENIX, ARIZONA -- December 3, 1986 -- Phelps Dodge Corporation and the U.S. Forest Service have reached agreement for Phelps Dodge to fund an Environmental Impact Study (EIS) of Phelps Dodge's proposed Copper Basin project southwest of Prescott, Arizona. The study is a prelude to a land exchange that will enable Phelps Dodge to develop a copper mine at the property.

The study will be conducted by an independent contractor to be selected by the Forest Service and will review the potential environmental, social and economic effects of the project. Phelps Dodge will pay for the study. The company expects that the EIS will begin early in 1987 and will take approximately 15-18 months to complete. Before the study begins, the public will be invited to recommend subjects to be covered.

The independent contractor's findings will be reviewed and revised, if necessary, by the Forest Service. If the Forest Service finds the land exchange to be to the overall benefit of the public interest, the land exchange will be completed. Acquiring the Forest Service land near the ore body will permit Phelps Dodge to design and develop the mine in an orderly and practical fashion. The lands that Phelps Dodge proposes to deed to the Forest Service will be valuable additions to the National Forest System; their addition to the Forest system will improve management of adjoining forests, preserve wildlife habitats, enhance recreational opportunities and preclude private development of those lands.

The Copper Basin deposit lies about eight miles southwest of Prescott, with the Sierra Prieta Mountain Range intervening. Phelps Dodge has owned the mineral property since 1882 and decided in 1970 to ready it for development after extensive evaluation by drilling. There was mining activity in the area until the 1960s.

A preliminary mine plan will be developed as part of the environmental study. The company estimates that the mine will employ about 450 people. Recent forecasts by Dr. George Leaming of the Western Economic Analysis Center reveal that the mine, once operating, will make annual economic contributions over the life of the mine of more than \$49 million to the Prescott area, \$63 million to Yavapai County and \$228 million to the State of Arizona.

In announcing Phelps Dodge's commitment to fund the study, M. P. Scanlon, Phelps Dodge Vice President, pledged "full cooperation in the review process, to accomplish an exchange that has been too long delayed by both internal and external factors." Scanlon also praised a Forest Service offer to locate a Forest Service representative in Prescott to keep the public informed of the study team's progress and findings. The next steps will be for the Forest Service to appoint that person and solicit proposals from contractors qualified to conduct the study.

"Neither the size nor the characteristics of the proposed mine need have any negative effect on the Prescott community," Scanlon said. "Phelps Dodge welcomes constructive public participation in the review process and we will be candid in providing information and cooperative in resolving problems and building a climate of understanding."

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COPPER BASIN

YAVAPAI COUNTY

NJN WR 2/5/88: Jimmy Vacek (card) reported that he has leased a portion of Phelps Dodge's Copper Basin (file) Yavapai County for the production of azurite nodules. They occur in a granitic material. Mr. Vacek is having processing problems removing the nodules without destroying them. He would welcome any ideas for solutions to this problem.

NJN WR 4/1/88: John Gutierrez, Arizona Zone Geologist, US Forest Service, reported that Phelps Dodge (file) wants the Department of Environmental Quality and the Forest Service to review a preliminary mining plan for their Copper Basin (file) Yavapai County.

KAP WR 7/1/88: Passed the Copper Basin Mine (file) Yavapai County while en route to another property. It was noted that the property is very well posted against trespassing with both Mine Inspector's Office signs and those of Phelps Dodge.

PHELPS DODGE - COPPER BASIN PROPERTY

YAVAPAI COUNTY

KAP WR 3/16/84: Keith Miller of the National Park Service reported he (and the Park Service) is involved in studying the Phelps Dodge land trade proposal for PD's Copper Basin deposit. Some of the land PD is offering is located adjacent to the Tuzigoot National Monument. The land was once used for dumps and/or tailings from PD's Jerome area operations.



STATE OF ARIZONA

DEPARTMENT OF MINES AND MINERAL RESOURCES

Mineral Building • State Fairgrounds • Phoenix, Arizona 85007

(602) 255-3791

November 21, 1990

Ms. Kathy Huckabee, Editor
The Prescott Sun
239 N. Marina St.
Prescott, AZ 86301

Dear Ms. Huckabee:

Your article and editorial concerning mining in the November 14, 1990 edition was a collection of misunderstandings and misinformation.

You stated that "there are no reclamation requirements". That is absolutely false. Both the Bureau of Land Management and the Forest Service have extensive reclamation requirements and require that in each case, a bond is posted to cover the costs.

It is true that no royalty fees are required. However, the government extracts taxes, not only from the company, but also from the wages of the miners. On top of this are the sales taxes, property taxes, etc. indirectly generated by a viable operation.

It is also true that the land can be patented for \$5.00 per acre (lode claim) if an ore body is found. However, to prove whether an ore body exists typically costs millions of dollars for a small one and 10's of millions of dollars for a large ore body. The would be miner, who must risk his own time and money to locate and prove an ore body does not get a free lunch as you imply.

Any mining operation, and in particular any cyanide process, must obtain a permit from the Arizona Department of Environmental Quality (ADEQ). It must be designed and constructed to prevent any release to the environment. Even in the rare event of an accidental spill (and I noticed that you had to go as far afield as Montana in 1983 and South Carolina to find examples) there is little if any threat to the environment. The cyanide is in a very weak solution as used, is diluted further by the agent of spillage (flood, etc.) and it breaks down rapidly in sunlight.

As for the use of cyanide being a "new process", it was introduced in the 1890's not the 1980's.

I have been associated with mining all of my life and I try to keep abreast of all the new processes. However, I have never heard of "micro-blasting" and I have no idea what you might be referring to. Nor do I know of any process that will "pulverize mountains". Can you please refer me to literature on these processes? Also, it is very unlikely that "Chiseling out the low-grade ore market could gut many, many mountains in the West", because,

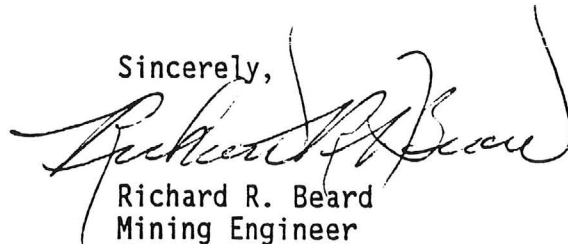
unfortunately, very few mountains contain ore. That is why mining can only be done in specific and limited areas. That is also why Prescott is where it is. There was ore in the area which attracted the prospectors and the town grew up to exploit the wealth created by the miners from the ore.

You admit that gold and copper production is "good for the state's economy - creating job, broadening tax bases and beefing up business for spin-off industries". However, you say that "some don't think it is worth the environmental costs". They have their jobs or income so they apparently don't give a damn about those people who will be denied jobs so that the earth won't be disturbed. I look at it differently. I think that we should raze the houses they live in and the buildings they work in and return the land they are desecrating, to pristine purity. I also think that we should save the trees that must be sacrificed to make the paper to print your attacks upon the livelihoods of others.

If you want wilderness you should be willing to undergo this small inconvenience to get wilderness. Also, if you can, convince all those people who come to protest the mineral development to quit using the wealth and materials produced by these awful miners. They then will not be able to come to enjoy this pristine wilderness anyway. They will have to give up their cars, planes, trains, air conditioners, etc. You see, the best way to stop mining is to boycott all of the things that mining provides.

Please, I implore you, think before you act! See if you can get through a day without using many of the products of the mining industry and its workers. Mining must continue, it is a necessity of life. All that your obstructionism will do is raise the cost of mining in this country which will raise the cost of everything in this country. This, in turn, will deepen the trade deficit to the point that our economy will collapse and we must look to South America or perhaps Eastern Europe for handouts. For the sake of preserving a minuscule portion of our public land we will become a third rate nation. All of the mining throughout the history of Arizona has disturbed less than 1% of the land.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard R. Beard". The signature is fluid and cursive, with a large loop at the end.

Richard R. Beard
Mining Engineer

RRB:mc

EDITOR:

Your claim to want to present a balanced view has encouraged me to write this letter.

When Phelps Dodge mining company said they were dropping the Copper Basin project it was a sad day for Yavapai County for the following reasons:

The State of Arizona would, during operations, have received \$3,012,600.00 Yavapai County would receive \$1,197,000.00 per annum. Yavapai College would receive \$310,000.00. The local school dist. \$1,159,500.00.

The contribution by Phelps Dodge for the 2 1/2 years of development time was: \$21,766,000.00. Copper was the product to be produced. Among all the deficits our government faces, the trade deficit is another serious one. We now import 50% of our copper. This is a part of the \$170 billion dollar trade deficit. Some of needed minerals and metals are 100% imported now.

Environmental fanatics would not be entirely satisfied until all mining is prevented in the U.S.A.. The protesters seen marching etc. etc. have all arrived by automobiles which could not exist without several metals or manufactured plastics, rubber etc. . They live in homes which have hot water and heating systems and glass windows. Copper is a very vital metal for electronics, plumbing, and any number of other uses.

Property owners are taxed to the limit, yet, there is a real need for more expenditures in education and general services which the government provides. The protesters who are almost adults or young adults --many of whom join in this effort to prevent the creation of any source of wealth, like a mine, also whine and cry about any increase in tuition which the student must pay... Oh no, this is not fair, the tax-payer would be the logical person to pay for their education.. and this taxpayer is selfish and small-minded if he looks at a large new mining operation as a bit of tax relief as well as a source of additional monies to apply toward some beneficial social goal.

From 1976 to 1986 the population of Yavapai County increased from 50,000 to 92,000. An increase of 85% in ten years. Most of these people came from the East where they had sold their home or farm and came to Yavapai Co.(Prescott) with enough money to retire. These people do not worry about employment opportunities in the area. They want a pristine, quiet environment. This group in combination with the fuzzy brained environmentalist have had quite an impact on the decision of P.D. to drop this Copper Basin Mine--- some 10 miles out of the town of Prescott.

I have lived in the Prescott area for fifty-three years.

T.W. Alexander

PO Box 275

Humboldt, Az. 86329



Arizona Prospectors Association
Charles F. Connell
12912 W. Solano Dr.
Litchfield Park, Arizona 85340

1502 W. Washington
Phoenix, Az 85007

Mr. Kissinger;

I would like to thank you for taking time out of your busy schedule to help the Arizona Prospectors Association. I am referring to the discussions you had with Phelps Dodge in reference to our Clubs' ability to regain access to their Copper Basin Claim. As a Club, we have been going to Copper Basin for years and had a pretty good working relationship with Mr Ladner. I understand that a few "bad apples" have spoiled everyones use of the area. The Club has always appreciated the privilege to be able to prospect in that area and respected that by leaving the area as good or in better shape when we left.

Once again, the Club really appreciates your help in re-establishing our access to the Copper Basin area. If there is anything that the Club can do to help the Mineral Museum please do not hesitate to contact one of the Officers or myself.

Sincerely,

Charles F. Connell
Charles F. Connell
President



Copper Basin
1044 Blue Jay Drive, Prescott, AZ 86303 • (602) 778-3795

May 12, 1989

Mr. Leroy Kissinger
Director
Department Of Mines
and Mineral Resources
Mineral Building, State Fair Grounds
Phoenix, Arizona 85007

Dear Mr. Kissinger:

Last March we arranged to take a number of Prescott citizens on a tour of the Phelps Dodge Tyrone, New Mexico mine. The tour proved to be an enlightening experience for most all the participants, particularly for those that had not visited a mine before. We have had so many favorable comments concerning the trip that we are going to conduct a second one.

We would like you to attend. Hopefully a visit to a mine similar to the one proposed at Copper Basin in an area similar to that at Prescott might alleviate some of the concerns expressed during the recent "Scoping" period about the effects of the exchange and mine.

Our Tyrone mine has many characteristics similar to those of the operation envisioned at Copper Basin. It is nearly the same size, utilizes the same method of mining and copper recovery and is located about eight air miles west of the populated area of Silver City, New Mexico.

Silver City and Prescott also share many of the same characteristics. Silver City is an educational center with the presence of Western New Mexico University, has a growing retirement and business community and is at approximately the same elevation.

Following this mine tour, our group will be joined by a cross section of Silver City residents at the Copper Crest Country Club.

The date for the tour is Tuesday June 6, 1989. Transportation will be by chartered aircraft provided by Phelps Dodge. We will depart Prescott airport at 7:30a.m., Tuesday morning and return that afternoon (4:30 to 5:30p.m.). Dress should be casual as some short distance walking may be involved.

Nick 234-8110

Call Thurs May 18

Mr. Leroy Kissinger, Director
Page 2
May 12, 1989

If you plan to take advantage of this opportunity, please respond as soon as possible (no later than May 25) so luncheon and flight arrangements can be confirmed. Responses can be directed to me at 778-3795 or 778-3864 or come by my office at The Oaks Professional Building, 143 North McCormick Street, Suite 206 (upstairs). Written responses can be sent to the letterhead address.

We believe this will be a very educational, interesting and informative experience for those choosing to join with us. We look forward to hearing from you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ralph".

Ralph G. Ladner
Copper Basin Liaison

SAM NUNN, GEORGIA, CHAIRMAN

J. JAMES EXON, NEBRASKA
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ARNOLD L. PUNARO, STAFF DIRECTOR

United States Senate

COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

April 5, 1989

Mr. Leroy E. Kissinger
Director
Arizona Department of Mines
and Mineral Resources
Mineral Building
State Fairgrounds
Phoenix, Arizona 85007

Dear Mr. Kissinger:

Thank you for contacting me about Phelps Dodge's Copper Basin Mine project. I appreciate your sharing your views.

As you know, the initial scoping has been completed and the environmental impact studies are expected to begin in July. A member of my Washington staff has been working with officials from the Forest Service and Phelps Dodge, and it appears that work on the EIS will begin this summer.

The proposed Phelps Dodge-Forest Service land exchange has generated considerable controversy, and many residents in Prescott have contacted me about their opposition. However, I believe that we should allow all the elements of the National Environmental Policy Act process to run their course. This is required by law, and will assist in allaying the concerns many people have expressed.

Again, I appreciate your contacting me about your support.

Sincerely,



John McCain
United States Senator

JM/mj

United States Senate

WASHINGTON, D.C. 20510

April 4, 1989

Mr. Leroy E. Kissinger
Director - Az Dept. of Mines &
Mineral Resources
Mineral Building/State Fairgrounds
Phoenix, Arizona 85007

Dear Mr. Kissinger:

Thank you for taking the time to share your thoughts with me.

I appreciate having the benefit of your views regarding the proposed land exchange between the Forest Service and Phelps Dodge Corporation. It is the responsibility of the Forest Service to conduct a thorough Environmental Impact Statement (EIS) and then determine, based on the findings of the EIS, the appropriate way to proceed. I am closely monitoring this process and will carefully examine the EIS when it is completed. At that point, I will determine if additional actions are required, based on the record. In the meantime, you may be assured that I will keep your views on this issue in mind.

Again, thank you for contacting me. Your concerns are ones which I share.

Sincerely,


DENNIS DeCONCINI
United States Senator



Copper Basin
1044 Blue Jay Drive, Prescott, AZ 86303 • (602) 778-3795

March 31, 1989

Mr. Leroy E. Kissinger, Director
Arizona Department of Mines
and Mineral Resources
Mineral Building, State Fair Grounds
Phoenix, Arizona 85007

Dear Mr. Kissinger:

I just want to take a few minutes to thank you for the very well reasoned and well written letter you sent to our congressional representatives in support of the Copper Basin EIS. Unfortunately, this is a political process and your letter will certainly help balance the scales in the process.

I also appreciate your offer to help spread the "Good Word" about the mining industry in general. Many are not aware of the extensive changes in the industry that have been brought about by the environmental laws which now regulate mining and, of course, there are always some that don't want to know.

Again, thanks.

With best regards,

A handwritten signature in cursive script, appearing to read "Ralph".

Ralph G. Ladner
Copper Basin Liaison

BOB STUMP
3D DISTRICT, ARIZONA

211 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-4576

DISTRICT OFFICE:
5001 FEDERAL BUILDING
PHOENIX, AZ 85025
(602) 261-6923

Congress of the United States
House of Representatives
Washington, DC 20515

ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON RESEARCH
AND DEVELOPMENT
SUBCOMMITTEE ON INVESTIGATIONS
DEFENSE POLICY PANEL

VETERANS' AFFAIRS COMMITTEE
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS,
RANKING MINORITY MEMBER
SUBCOMMITTEE ON HOSPITALS
AND HEALTH CARE

March 20, 1989

Leroy E. Kissinger
Director
AZ Dept. of Mines and Mineral Resources
Mineral Building
State Fairgrounds
Phoenix, AZ 85007

Dear Leroy:

Thank you for your letter regarding the proposed Copper Basin Land Exchange.

In response to a number of concerns which had been expressed about the proposed land exchange, a public hearing was held in August, 1984. More than 1,000 residents of the Prescott area attended that hearing. As a result of the concerns expressed at the hearing and in letters and phone calls, the decision was made to do an Environmental Impact Statement (EIS) on the proposed land exchange to identify and mitigate impacts which may result from the proposed exchange.

The first step in the EIS process, referred to as the "Scoping Process", encourages all interested parties to identify to the Forest Service those areas which they feel should be included for study in the EIS. Public meetings were held in Kirkland and Prescott at the end of January to facilitate this process. The scoping process and the public comment period ended on March 3, 1989. Western Network was hired to assist the Forest Service and Espey, Huston, & Associates, the firm hired to prepare the EIS for Copper Basin, to help complete the scoping process. Now that the scoping process has been completed, and the terms of the EIS have been defined as a result of the scoping process, the EIS will be developed by Espey, Huston, and Associates.

No doubt the success of the EIS, as well as the ability to make a sound decision on the Copper Basin Land Exchange proposal, is dependent on a clear understanding of the issues and access to reliable data. Public involvement in the EIS process is important, and will assist in the reliability of the study.

In all honesty, I do not believe that a responsible decision

Page 2
Kissinger, Leroy E.
March 20, 1989

can be made on the proposed Copper Basin Land Exchange
until the completion of the EIS.

Appreciate your taking the time to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "BS" followed by a stylized flourish.

BOB STUMP
Member of Congress

BS:lw



STATE OF ARIZONA

DEPARTMENT OF MINES AND MINERAL RESOURCES

Mineral Building • State Fairgrounds • Phoenix, Arizona 85007

(602) 255-3791

March 17, 1989

Mr. Coy Jemmett, Supervisor
Prescott National Forest
344 South Cortez Street
Prescott, Arizona 86303

Dear Mr. Jemmett:

I am writing to you both as a property owner in Prescott and as someone who has a vital interest in what happens in the mining industry.

As a property owner who has watched taxes increase by 50% in the last 3 years, I am disturbed that a very vocal and unreasonable few are being allowed to continue to delay progress on the EIS to determine the ultimate impact of completing the land exchange between Phelps Dodge and the Forest Service and BLM.


It is more than ironic, it is actually sinister, that the very people who brought legal action to require the EIS are now the same persons who are causing delay in progress on the study. Their stated reasons that the study may be jaded because Phelps Dodge is paying for it has no basis in reason.

I urge you as strongly as I know how, to proceed with the work. Once completed let the chips fall where they may, but stop allowing a few anti-mining radicals deprive the county and state of the benefits of a new project that will employ people and pay taxes.

Prescott exists because of mining. It will continue to exist and flourish with a new project. I believe that the legitimate concerns about impact will be answered and/or planning can be made to mitigate any real damage to the surrounding area.

I don't have an answer for those snobs who believe mining people are not genteel enough to fit in the Prescott intellectual atmosphere.

Yours truly,


Leroy E. Kissinger
Director

Arizona Department of Mines
and Mineral Resources

LEK:at



STATE OF ARIZONA

DEPARTMENT OF MINES AND MINERAL RESOURCES

Mineral Building • State Fairgrounds • Phoenix, Arizona 85007

(602) 255-3791

March 17, 1989

The Honorable Bob Stump
United States House of Representatives
320 North First Avenue, Room 5001
Phoenix, Arizona 85025

Dear Bob:

During the past 3 years taxes on my home in Hidden Valley Ranch at Prescott have gone up over 50%. The trend is likely to continue.


At the same time a few very vocal radical "so-called" environmentalists led by Jerry Smith Fornara have been allowed license to delay progress on a project that would materially help spread the tax burden on the citizens of Yavapai County.

In 1984 this radical few successfully brought legal action to require a new environmental impact study before the land exchange between Phelps Dodge and the Federal government could be completed. The land exchange is important to the successful development of P.D.'s Copper Basin Mine Project. By the way, the land to be acquired by USFS and BLM is equally important to those agencies.

Now the radical few for some reason have decided that maybe the EIS will, in fact, show that a successful mining operation can happen without significant damage to the Prescott environment. Regardless, they are now causing delay of the work to do the study and complete the EIS.

I urge you as strongly as I know how, both as a home-owner in Prescott, and as Director of the Arizona Department of Mines and Mineral Resources, to put the necessary pressure on the Forest Service to cause them to complete the process. This is the only way the concerns of the vast majority of the Prescott community can be answered. I don't believe the snobs who don't want mining people in the community can be answered or do they even deserve one.

Yours truly,


Leroy E. Kissinger, Director
Ariz. Department of Mines and
Mineral Resources

LEK:at

cc: Coy Jemmett, Super.
U. S. Forest Service
Prescott National Forest



STATE OF ARIZONA

DEPARTMENT OF MINES AND MINERAL RESOURCES

Mineral Building • State Fairgrounds • Phoenix, Arizona 85007

(602) 255-3791

March 17, 1989

The Honorable Dennis DeConcini
United States Senate
Arizona Bank Plaza
97 E. Congress, Suite 190
Tucson, Arizona 85701

Dear Senator DeConcini:

During the past 3 years taxes on my home in Hidden Valley Ranch at Prescott have gone up over 50%. The trend is likely to continue.

At the same time a few very vocal radical "so-called" environmentalists led by Jerry Smith Fornara have been allowed license to delay progress on a project that would materially help spread the tax burden on the citizens of Yavapai County.

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Yours truly,


Leroy E. Kissinger, Director
Ariz. Department of Mines and
Mineral Resources

LEK:at

cc: Coy Jemmett, Super.
U. S. Forest Service
Prescott National Forest



STATE OF ARIZONA

DEPARTMENT OF MINES AND MINERAL RESOURCES

Mineral Building • State Fairgrounds • Phoenix, Arizona 85007

(602) 255-3791

March 17, 1989

The Honorable John McCain
United States Senate
151 Centennial Way Suite 1000
Mesa, Arizona 85201

Dear Senator McCain:

During the past 3 years taxes on my home in Hidden Valley Ranch at Prescott have gone up over 50%. The trend is likely to continue.

At the same time a few very vocal radical "so-called" environmentalists led by Jerry Smith Fornara have been allowed license to delay progress on a project that would materially help spread the tax burden on the citizens of Yavapai County.

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Yours truly,


Leroy E. Kissinger, Director
Ariz. Department of Mines and
Mineral Resources

LEK:at

cc: Coy Jemmett, Super.
U. S. Forest Service
Prescott National Forest



Copper Basin
1044 Blue Jay Drive, Prescott, AZ 86303 • (602) 778-3795

March 7, 1989

Mr. Leroy Kissinger
1369 Coyote Road
Prescott, Arizona 86303

Dear Mr. Kissinger:

Re: Phelps Dodge Copper Basin Project

I am writing to enlist your support and assistance in a project which is important to the Prescott area and to Phelps Dodge.

SITUATION

The Forest Service is currently involved in the very early stage of preparing an Environmental Impact Statement ("EIS") to study the environmental effects of a land exchange by which Phelps Dodge would acquire some federal land around a patented ore body which Phelps Dodge owns. The company has owned the land containing the ore body since near the turn of the century. It is located eight air miles southwest of Prescott, Arizona, in an area known as Copper Basin.

In order to bring this resource to a point where development of the ore body could begin, it is necessary to acquire the use of federally owned lands surrounding it. Those lands would be used for placement of the necessary mine support facilities such as a concentrator, low grade ore stockpile, tailing, repair shops, etc.

Some nineteen years ago, Phelps Dodge proposed to the federal government an exchange of company owned land for the federally owned land needed for mine development. The lands the company is offering to exchange are:

1. Klostermeyer Springs near the base of the San Francisco Peaks,
2. Government Springs near Prescott, and
3. Three parcels of land on the Mogollon Rim near Payson.

Mr. Kissinger
March 7, 1989
Page 2

The land the company is offering is in the high forested regions of northern Arizona. The land we wish to acquire is of a high desert variety in Copper Basin.

The EIS will determine the environmental impacts of an open pit mine and concentrator at Copper Basin. Public input is currently being obtained to assist the Forest Service to determine which issues should be addressed.

The land exchange, mine proposal and EIS procedure are opposed by some persons in the Prescott area. One of the issues raised by opponents is that the EIS will be biased because Phelps Dodge is funding it. However, as a result of a lawsuit in 1984, those opponents required that an EIS be prepared. Those opponents agreed in the settlement of that lawsuit that the EIS be funded "in whole or in part from the Forest Service, Bureau of Land Management, National Park Service, and Phelps Dodge Corporation." Those federal agencies found that they do not have the funds to pay for the EIS. Therefore, if the EIS is to be prepared, it must be funded by Phelps Dodge. However, a binding agreement between the Forest Service, Bureau of Land Management and Phelps Dodge states that the Forest Service has sole control over the selection of the EIS contractor and over the conduct of the EIS studies.

Other issues raised by the opponents of the land exchange are that groundwater will be contaminated/overdrafted; blasting will cause earthquakes; and the intellectual atmosphere of the Prescott community will be jeopardized if mine employees move into the area. These subjects and all other environmental impacts which may be caused by the land exchange and mine operation are what will be studied for the EIS. The Forest Service and BLM must consider those environmental impacts before a decision is made to approve or disapprove the land exchange.

ACTION

Unfortunately, the EIS process to study the land exchange and environmental impacts can be disrupted by negative public comments made to political and governmental leaders unless those negative comments are balanced by positive comments. We would appreciate your writing to our congressional representatives and the U.S. Forest Service supporting the EIS study. Attached for your convenience is a list of addresses and points of information which you may wish to use in a letter to those officials.

Mr. Kissinger
March 7, 1989
Page 3

CONTACT

If you need more information, please call me anytime at 778-3795.
I would be more than happy to discuss the situation with you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ralph G. Ladner".

Ralph G. Ladner
Copper Basin Liaison

RGL/mkt
Attachment

Points which may be included
in personal letters to Forest
Service and Congressional
Delegates:

Dear _____:

1. Support the Environmental Impact Statement (EIS) being conducted on the Copper Basin Project near Prescott, Arizona.
2. Request that the study be allowed to move ahead without delay in order that the issues and concerns of the public can be addressed, answered and alleviated.
3. Without the EIS and subsequent land exchange, the timely development of one of the ore body cannot be assured.
4. The EIS process, authorized under the National Environmental Policy Act (NEPA), allows equal opportunities for proponents as well as adversaries to be heard.
5. Discontinuing or delaying the EIS benefits no one and is contrary to the due process afforded under NEPA.

Sincerely,

Cory Semmett, Supervisor
Prescott National Forest
344 South Cortez Street
Prescott, Arizona 86303

The Honorable Senator John McCain
United States Senator
151 North Centennial Way, Suite 1000
Mesa, Arizona 85201

The Honorable Senator Dennis DeConcini
United States Senator
700 East Jefferson, Suite 200
Phoenix, Arizona 85034

The Honorable Congressman Bob Stump
Representative in Congress
230 North First Avenue, Room 5001
Phoenix, Arizona 85025



Western General Offices

Phelps Dodge Tower, 2600 N. Central Avenue, Phoenix, AZ 85004-3015 • (602) 234-8100

A. H. Kinneberg
Senior Vice President

Editorial Advisory

July 27, 1984

FACTS ABOUT THE PROPOSED COPPER BASIN U.S. FOREST SERVICE LAND EXCHANGE

The Proposed Exchange

A land exchange is pending for Phelps Dodge (P.D.) with the U.S. Forest Services (U.S.F.S.) The U.S.F.S. will acquire about 2,218 wooded acres and will give Phelps Dodge 6,089 non-wooded acres in exchange. The land offered by Phelps Dodge has a slightly higher value than the selected land presently owned by the U.S.F.S. Phelps Dodge already owns 1,000 acres in the Copper Basin.

Timing

The proposed land exchange has been on-going since April 1970 when Phelps Dodge proposed the exchange under the authority of the General Exchange Act of 1922 and the Federal Land Policy and Management Act of 1976.

U.S.F.S. Agreement

The U.S. Forest Service has agreed to the exchange because the land it acquires will be more valuable and of more potential use for public recreation than the property which U.S.F.S. now owns in Copper Basin.

If the Exchange is Not Consummated

In the event the exchange fails to go through, Phelps Dodge can still obtain title to the land adjacent to the mine site by paying a per-acre processing fee under the Federal Mining Law of 1872.

Copper Basin

Location

Copper Basin, the area in which Phelps Dodge wants to acquire additional acreage, is about eight miles southwest of Prescott. The area has no timber and its vegetative cover is virtually all chaparral type.

Copper Basin and Prescott are insulated from each other by the Sierra Prieta Range. The mountains have heights ranging from 1,300 to 1,700 feet above the elevations of both Prescott and Copper Basin.

Water

Copper Basin is located in a different water basin than Prescott and therefore would not affect the Prescott water supply.

Mine Development

The actual development of a mine in Copper Basin is not expected for 15-20 years, when Phelps Dodge anticipates its need for additional copper resources to occur. At that time, an open pit mine may be developed.

The ore body at Copper Basin is not large enough to support a smelter and Phelps Dodge is quite positive they are not going to build one. Also, the estimated work force will not require a townsite.

At a projected mining rate of 30,000 tons of ore daily, the mines will have an estimated life span of 10-15 years.

The end product of Copper Basin will be 5 - 7 railroad cars of copper concentrate per day.

Copper concentrate will be transported from the mine via railroad or highway that does not enter the City of Prescott.

Economic Impact

A proposed mine would expand the economy of the area. Using today's figures, Phelps Dodge estimates 400 employees at an average wage of \$25,000 plus \$10,000 in benefits for a total annual income of \$35,000. This translates to a \$14 million annual payroll for Phelps Dodge. Using the money multiplier of 1.5, there is another \$21 million in indirect impact. Thus the combined economic impact on the district is \$35 million per year.

Yavapai County will realize millions in revenue produced by the property, income and severance taxes.

Environmental Aspects

Since there will be no smelter in the Copper Basin, the threat to the quality of the Prescott atmosphere is removed.

Copper Basin has been the center of mining activities since the late 1870's. Two groups of claims, The Chelsea Group, located in the southwest portion of Copper Basin and Commercial Mine, a grouping of 49 patented claims, were relatively active until 1962. Old mine dumps, prospect holes and tunnels are scattered throughout the area.

Recreational use of the site is limited because of several factors including climate (temperatures range from about 100 degrees in the summer to below freezing in the winter), dense, chaparral-type vegetation and limited to poor access via several low standard roads entering from the east, west and south.

There are no known endangered or threatened wildlife or plant species in the Copper Basin area. Archaeological sites have been identified by the staff of Prescott College and investigated by Arizona State University personnel. All requirements relating to these sites have been met.

Specifics of the Land Exchange

Land from Phelps Dodge to the U.S. Forest Service

- o Government Springs, approximately 140 acres located four miles southwest of Prescott. Has a perennial spring, first developed by the U.S. Cavalry in the late 1800's as a watering station. Although it is currently in disrepair, it provides water for livestock and wildlife. It is an accessible wooded tract very well suited as a recreational area. Acquisition will help consolidate National Forest ownership.

- o Packard Ranch, approximately 139 acres located at the confluence of the Verde River and Sycamore Creek. The ranch is considered a key wildlife area due to the uniqueness of the riparian (naturally occurring flora and fauna) vegetation. It is also a key access point to the Sycamore Canyon Wilderness area. The parcel is adjacent to the southern trailhead from Sycamore Canyon Wilderness Forest Development Trail 66.
- o Aztec Lands - This exchange involves two parcels of land on the Mogollon Rim within the Coconino and Sitgreaves National Forests.

- a. Coconino National Forest, an approximately 820-acre tract that is located 40 miles southwest of Winslow. The land is considered a prime wildlife area due to the riparian vegetation surrounding East Clear Creek. The creek flows in a southwest to northeast direction. This tract is also a prime forest area with approximately 300 acres of accessible Ponderosa pine.

Acquisition of the tract would consolidate land for the U.S.F.S.

- b. Sitgreaves National Forest, about 1,118 acres located 50 miles southwest of Winslow. Terrain has low-rolling hills with short slopes exceeding 35 percent along the canyon sidewalls of Willow and Leonard Canyons. Existing soil is capable of producing good to excellent stands of Ponderosa pine.

Acquisition of the tract would consolidate land for the U.S.F.S. and permit them to manage the timber resource for maximum production.

For further information, contact:

Jack Ladd 1-234-8111
Spokesman, Copper Basin Project

Ken Bennett 1-234-8152
Betty Cloudt 1-234-8123
Public Relations



Western General Offices

Phelps Dodge Tower, 2600 N. Central Avenue, Phoenix, AZ 85004-3015 • (602) 234-8100

A. H. Kinneberg
Senior Vice President

Editorial Advisory

July 27, 1984

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The proposed land exchange has been on-going since April 1970 when Phelps Dodge proposed the exchange under the authority of the General Exchange Act of 1922 and the Federal Land Policy and Management Act of 1976.

U.S.F.S. Agreement

The U.S. Forest Service has agreed to the exchange because the land it acquires will be more valuable and of more potential use for public recreation than the property which U.S.F.S. now owns in Copper Basin.

If the Exchange is Not Consummated

In the event the exchange fails to go through, Phelps Dodge can still obtain title to the land adjacent to the mine site by paying a per-acre processing fee under the Federal Mining Law of 1872.

Copper Basin

Location

Copper Basin, the area in which Phelps Dodge wants to acquire additional acreage, is about eight miles southwest of Prescott. The area has no timber and its vegetative cover is virtually all chaparral type.

Copper Basin and Prescott are insulated from each other by the Sierra Prieta Range. The mountains have heights ranging from 1,300 to 1,700 feet above the elevations of both Prescott and Copper Basin.

Water

Copper Basin is located in a different water basin than Prescott and therefore would not affect the Prescott water supply.

Mine Development

The actual development of a mine in Copper Basin is not expected for 15-20 years, when Phelps Dodge anticipates its need for additional copper resources to occur. At that time, an open pit mine may be developed.

The ore body at Copper Basin is not large enough to support a smelter and Phelps Dodge is quite positive they are not going to build one. Also, the estimated work force will not require a townsite.

At a projected mining rate of 30,000 tons of ore daily, the mines will have an estimated life span of 10-15 years.

The end product of Copper Basin will be 5 - 7 railroad cars of copper concentrate per day.

Copper concentrate will be transported from the mine via railroad or highway that does not enter the City of Prescott.

Economic Impact

A proposed mine would expand the economy of the area. Using today's figures, Phelps Dodge estimates 400 employees at an average wage of \$25,000 plus \$10,000 in benefits for a total annual income of \$35,000. This translates to a \$14 million annual payroll for Phelps Dodge. Using the money multiplier of 1.5, there is another \$21 million in indirect impact. Thus the combined economic impact on the district is \$35 million per year.

Yavapai County will realize millions in revenue produced by the property, income and severance taxes.

Environmental Aspects

Since there will be no smelter in the Copper Basin, the threat to the quality of the Prescott atmosphere is removed.

Copper Basin has been the center of mining activities since the late 1870's. Two groups of claims, The Chelsea Group, located in the southwest portion of Copper Basin and Commercial Mine, a grouping of 49 patented claims, were relatively active until 1962. Old mine dumps, prospect holes and tunnels are scattered throughout the area.

Recreational use of the site is limited because of several factors including climate (temperatures range from about 100 degrees in the summer to below freezing in the winter), dense, chaparral-type vegetation and limited to poor access via several low standard roads entering from the east, west and south.

There are no known endangered or threatened wildlife or plant species in the Copper Basin area. Archaeological sites have been identified by the staff of Prescott College and investigated by Arizona State University personnel. All requirements relating to these sites have been met.

Specifics of the Land Exchange

Land from Phelps Dodge to the U.S. Forest Service

- o Government Springs, approximately 140 acres located four miles southwest of Prescott. Has a perennial spring, first developed by the U.S. Cavalry in the late 1800's as a watering station. Although it is currently in disrepair, it provides water for livestock and wildlife. It is an accessible wooded tract very well suited as a recreational area. Acquisition will help consolidate National Forest ownership.

- o Packard Ranch, approximately 139 acres located at the confluence of the Verde River and Sycamore Creek. The ranch is considered a key wildlife area due to the uniqueness of the riparian (naturally occurring flora and fauna) vegetation. It is also a key access point to the Sycamore Canyon Wilderness area. The parcel is adjacent to the southern trailhead from Sycamore Canyon Wilderness Forest Development Trail 66.
- o Aztec Lands - This exchange involves two parcels of land on the Mogollon Rim within the Coconino and Sitgreaves National Forests.
 - a. Coconino National Forest, an approximately 820-acre tract that is located 40 miles southwest of Winslow. The land is considered a prime wildlife area due to the riparian vegetation surrounding East Clear Creek. The creek flows in a southwest to northeast direction. This tract is also a prime forest area with approximately 300 acres of accessible Ponderosa pine.

Acquisition of the tract would consolidate land for the U.S.F.S.
 - b. Sitgreaves National Forest, about 1,118 acres located 50 miles southwest of Winslow. Terrain has low-rolling hills with short slopes exceeding 35 percent along the canyon sidewalls of Willow and Leonard Canyons. Existing soil is capable of producing good to excellent stands of Ponderosa pine.

Acquisition of the tract would consolidate land for the U.S.F.S. and permit them to manage the timber resource for maximum production.

For further information, contact:

Jack Ladd 1-234-8111
Spokesman, Copper Basin Project

Ken Bennett 1-234-8152
Betty Cloudt 1-234-8123
Public Relations

P.D. COPPER BASIN (F)

UNITED STATES
DEPARTMENT OF AGRICULTURE
FOREST SERVICE
Southwestern Region
Albuquerque, New Mexico

MINERAL REPORT

2810

June 16, 1982
Date of Examination

Howard A. Wirtz
Mineral Examiner

July 16, 1982
Date of Report

Category: Mineral Patent Application

Claim Names: Victoria No. 5-A, Copper Broom One,
Copper Hill Fraction No. 1

BLM State Office and Serial Number: A 17623, A 17624, A 17625

Brief of Conclusions and Recommendations: That the three fractional lode mining claims, subjects of this report, proceed to patent, all else being regular.

Approved: _____

Regional Mining Engineer

8/4/82
Date

Approved: _____

Director, Lands and Minerals

8/4/82
Date

Introduction and Summary

Phelps Dodge Corporation has been active in the Copper Basin mining district since about 1914 when they started operating as the Commercial Mining Company and shipped high grade copper ore to the smelter in Douglas, Arizona. They received patent to part of the claims they were working in 1921 and over the years have patented or purchased a block of claims comprising 753.209 acres (See Attachments 1 and 2).

The three subject patent applications totaling 12.312 acres lie within this block and appear to have resulted from inadvertencies that left small unpatented wedges of land within the block of patented claims.

A "porphyry copper" type ore body covered by the claims has been disclosed by extensive exploration starting in 1959. The disseminated ore body containing an estimated 175 million tons averaging 0.55% copper and 0.02% molybdenum has been indicated by core drilling and sampling.

Labor and improvements made upon and for the benefit of the three subject lode claims by the applicant are shown conclusively to be valued in excess of \$500 for each claim.

While Phelps Dodge has no immediate plans for the development of the Copper Basin ore deposit, it appears certain that a valuable mineral deposit has been demonstrated to exist that may be profitably mined by open pit operations such as those practiced in numerous similar pits in Arizona and elsewhere.

Since all legal requirements for patenting of the three subject patents have been shown to have been met by the applicant, it is recommended that they proceed to patent, all else being regular.

Lands Involved

The lands applied for in the three subject MPA's are located in T.13N., R.3W., G&SRB&M, Copper Basin Mining District, Yavapai County, Arizona, as follows:

<u>MPA</u>	<u>Claim Name</u>	<u>Mineral Survey</u>	<u>Acres</u>	<u>Section</u>
A 17623	Victoria No. 5A	4763	7.295	16,21
A 17624	Copper Broom One	4756	5.039	21
A 17625	Copper Hill Fraction No. 1	4775	0.028	20

Record Data

The subject patent applications were received by the Bureau of Land Management State Office on January 26, 1982. They were forwarded to the Forest Service, Region 3 in Albuquerque on March 31, 1982. The applications were assigned to the writer and received at the Arizona Zone Office on May 26, 1982. The three applications are part of the same ore body and are quite near each other and thus will be considered in this one report. Record data concerning the subject claims are in the official records of Yavapai County in Prescott, as well as the BLM State Office in Phoenix.

An examination of the land status in the vicinity of the three subject lode claims showed that all the surrounding lands are private lands patented to Phelps Dodge, the applicant.

Location and Identification

The three subject claims are about 7 miles southwest of Prescott, Arizona. The Copper Basin Mining District, organized about 1890, covers the mines and mineralized areas in and around the region. A network of dirt roads connects the various mines and points of interest including the numerous exploratory holes that have been drilled in evaluating the ore body. Copper Basin is accessible from Prescott via the Copper Basin Road (#196), or from several spurs from Highway 89.

A field examination of the three subject claims was made by the writer on June 16, 1982 accompanied by Harry Metz, geologist for Phelps Dodge and Ron Thompson, Forestry Technician, Minerals, of the Bradshaw Ranger District.

Mr. Metz pointed out the claim boundaries and corners, drill hole locations, old mines and workings, points of geological interest, etc. He also showed us the required postings of "Notice of Intent to Make Application for Patent" and the necessary copy of the mineral survey for each claim.

Topography and Vegetation

Copper Basin lies on granite igneous bedrock and related crystalline intrusive rocks. The southern portion consists of old and recent alluvial deposits along Copper Basin Wash, and the northern portion comprises low hills and a large basin for which the area was named. The natural topography has been modified over the years by mining activities, resulting in dumps and numerous roads. Slopes range from less than 5% on the alluvial deposits to 80% on the rockland. Elevations range from 4,700 to 5,800 feet.

Copper Basin is within the Bill Williams Watershed which drains from Copper Creek into Kirkland Creek and southwestward into Alamo Dam on the Bill Williams River.

Soils have formed from primarily granitic rocks, and are coarse-textured, i.e., loams and sandy loams with varying amounts of gravel, stone, and cobble. Upland soil series are predominately sandy skeletal, mixed, mesic, typic ustorthents. The alluvial soils on lower slopes are coarse loamy, mixed, nonacid, mesic, cumulic haplustolls and fine mixed, mesic ustollic haplargids. Small areas of unclassified soils - rockland and coarse-textured alluvium - are scattered throughout the western half of Copper Basin. Further soil studies are underway to update the older survey.

The majority of the soils in Copper Basin have a high surface erosion hazard and show a presently highly eroded condition. This is true not only for the natural landscape, but also for the many mined areas, roads, and waste dumps.

The vegetative cover in Copper Basin is a chaparral type with little herbaceous ground cover. Principal species are shrub live oaks, catclaw, pinyon, alligator juniper, manzanita, crucifixion thorn, desert willow, agave, prickly-pear cactus, spanish dagger, mountain mahogany, ceanothus, yerba santa, lovegrass, mountain laurel, wright silktassel, side oats, blue and black grama, snakeweed, and menodora.

Water quality is generally quite poor due to a considerable content of copper, iron, sulfates, etc. (high total dissolved solids). This appears to be due to the high surface concentration of copper and iron sulfides aggravated by the mining activities.

Copper Basin is within a semi-arid climatological zone with an average annual precipitation of 12 inches per year occurring mainly as summer showers from July through September accompanied by strong gusty winds. Afternoon thunderstorms of high intensity and short duration are common. The average precipitation for May and June is less than one-half inch. A moderate amount of precipitation occurs during the winter with light or moderate showers which can continue intermittently for several days. Temperatures range from summertime highs of over 100°F to below freezing in the winter.

Geology and Mineralization

Copper Basin lies in the mountain region that separates the Colorado Plateau from the Basin and Range Province. The terrane is essentially a complex of igneous and metamorphic rocks of older Precambrian age intruded by a composite stock of presumed Laramide age as well as by late Tertiary rhyolite. A "porphyry copper" type copper-molybdenum deposit in which most of the mineralization seems to have been controlled by pipe structures has been demonstrated to exist by drilling, sampling and mapping. The Laramide stock is thought to have an elongated "beet" shape restricted at depth. The intrusive units vary widely in composition, but mineralization is most closely associated with quartz monzonite and quartz monzonite porphyry.

Mineral deposits of the district have a rough zonal arrangement with the copper-molybdenum mineralization in the center of the breccia pipes which are roughly cylindrical, vertical structures ranging in diameter from 50 to 600 feet. An aureole of lead-zinc-silver minerals surrounds some of the breccia pipes. The mixed breccia in the pipes is cemented by late magmatic fluids that passed upward from the magma chamber loosening and moving the fragments thus enlarging the pipe, depositing quartz and sulfide ore minerals, and finally choking flow in the conduit. Successive flexures of the stock occasionally reopened fractures allowing a resurgence of hydrothermal solutions to rise through conduits depositing additional minerals. Pyrite, chalcopyrite and molybdenite are the valuable ore minerals. These were deposited along fracture surfaces throughout a large area in Copper Basin with the higher grade ore generally associated with the fractured pipe structures.

Some 25 exposed mineralized pipes are known within the rocks forming the Copper Basin stock. The main cluster of pipes, including the productive ones, form round reddish brown hills (See photo, Attachment 4) on the west side of Copper Basin. The Commercial, Copper Hill and Loma Prieta mines have exploited three separate pipes and supplied most of the copper ore produced from the district probably totaling about \$300,000 worth. Most of the production was of direct shipping siliceous copper fluxing ores.

Although the Copper Basin district has undergone a complex structural history since early Precambrian time, including faulting of regional magnitude, there does not appear to be any post-mineral structural movement of any significant magnitude.

Exploration and Sampling

The applicant began an exploration program of the Copper Basin ore body in 1959 with the goal of establishing the existence of a "porphyry" type mine that could be mined by open pit methods. Expenditures in excess of \$10,000,000 covering diamond drilling, sampling, mapping and other items related to exploration, have disclosed what appears to be an ore body that meets the requirements for further development of a potentially profitable mine.

Actually the deposit has not yet been explored completely (nor is it customary, or even possible, to completely explore a sizable ore deposit until it is completely worked out). However, it appears that sufficient drilling has been done to outline the deposit and identify enough mineral of potential ore grade to begin an operation at the scale necessary to successfully develop a deposit of this magnitude.

Descriptions follow of the development and sampling on each claim covered by this report that have convinced this examiner that a valid discovery has been made on each claim covered. It must be borne in mind that in a large disseminated porphyry type deposit the overall ore grade is made up

of both high grade zones and low grade zones. These varying grades are mined in such proportions as necessary to provide a constant feed to the mill so that processing can be as uniform as possible. Thus, it will be noted that some claims have been shown to contain mineral of high grade (over 1% copper) while others contain lesser values. Only copper values are cited but actually values in molybdenum, gold and silver are also present.

Approximately 100 diamond drill holes have been drilled on the Copper Basin ore body averaging about 1,000 feet each. The holes were located in such a way as to best outline the ore body and not necessarily to cover the claims. Copies of the drill logs prepared by PD geologists that show geologic descriptions of the rocks penetrated as well as results of chemical analyses have been made available to the undersigned for study. Location of the holes that pertain to the subject claims are shown on Attachments 3-A, B, & C.

Victoria No. 5-A

The Victoria No. 5-A lode claim is in Sections 16 and 21. See Attachment 3-A. Diamond drill holes (DDH) G-8 and G-32 are located within the boundaries of the claim. Hole G-8 cut 750 feet of core that averaged 0.17% copper followed by 200 feet averaging 0.39% copper.

Hole G-32 encountered 1,150 feet of ore averaging 0.38% copper. DDH G-4 which is just outside the boundary of the claim cut an average grade 0.36% copper over 500 feet. Hole P.D.3, also just over the line of the present applied for claim, cut 900 feet of ore averaging 0.31% copper. Hole P.D.-20, again just over the line from the applied for fraction, cut 350 feet of 0.45% copper.

While these ore grades show a copper content less than the average for the deposit, the claim contains ore that is part of the calculated reserves for the entire deposit when averaged with higher grade blocks.

Copper Broom One

The Copper Broom One lode claim is in Section 21. See Attachment 3-B. Two holes drilled from the surface of this claim have disclosed the Copper Basin ore body. These DDH's (23 and 26) intersected an interval of 110 feet of copper mineralization averaging 0.59% copper; however, the overall average was less than the average grade of the entire ore body. The ore on the Copper Broom One nevertheless forms part of the total reserve that will be mined and blended to form a uniform mill-feed that could be processed and marketed at a profit under normal economic circumstances.

Copper Hill Fraction No. 1

The Copper Hill Fraction No. 1 lode mining claim is in Section 20 (See map, Attachment 1 and 2). Since the area of this fraction is only 0.028 acre and it is several hundred feet long in a triangular shape, the width, even at the wide end, is less than 2 feet. Nevertheless, a test pit was dug at the widest point. See Attachment 3-C. A sample taken from this pit assayed 0.41% copper.

DDH 15-D, the closest hole to the actual claim, showed 900 feet of ore grading 0.39% copper. DDH 2-D located in the adjoining Copper Hill claim logged 900 feet of 0.52% copper. Finally, DDH 16-D located in the adjoining Manzanita claim drilled 636 feet of 0.39% copper.

The grade of copper shown on this fractional claim is somewhat less than the average for the entire Copper Basin deposit; however, the claim contains ore that has been included in the overall calculations that will be mined along with the rest of the ore body.

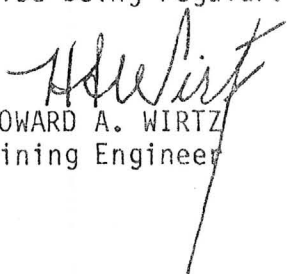
Conclusions

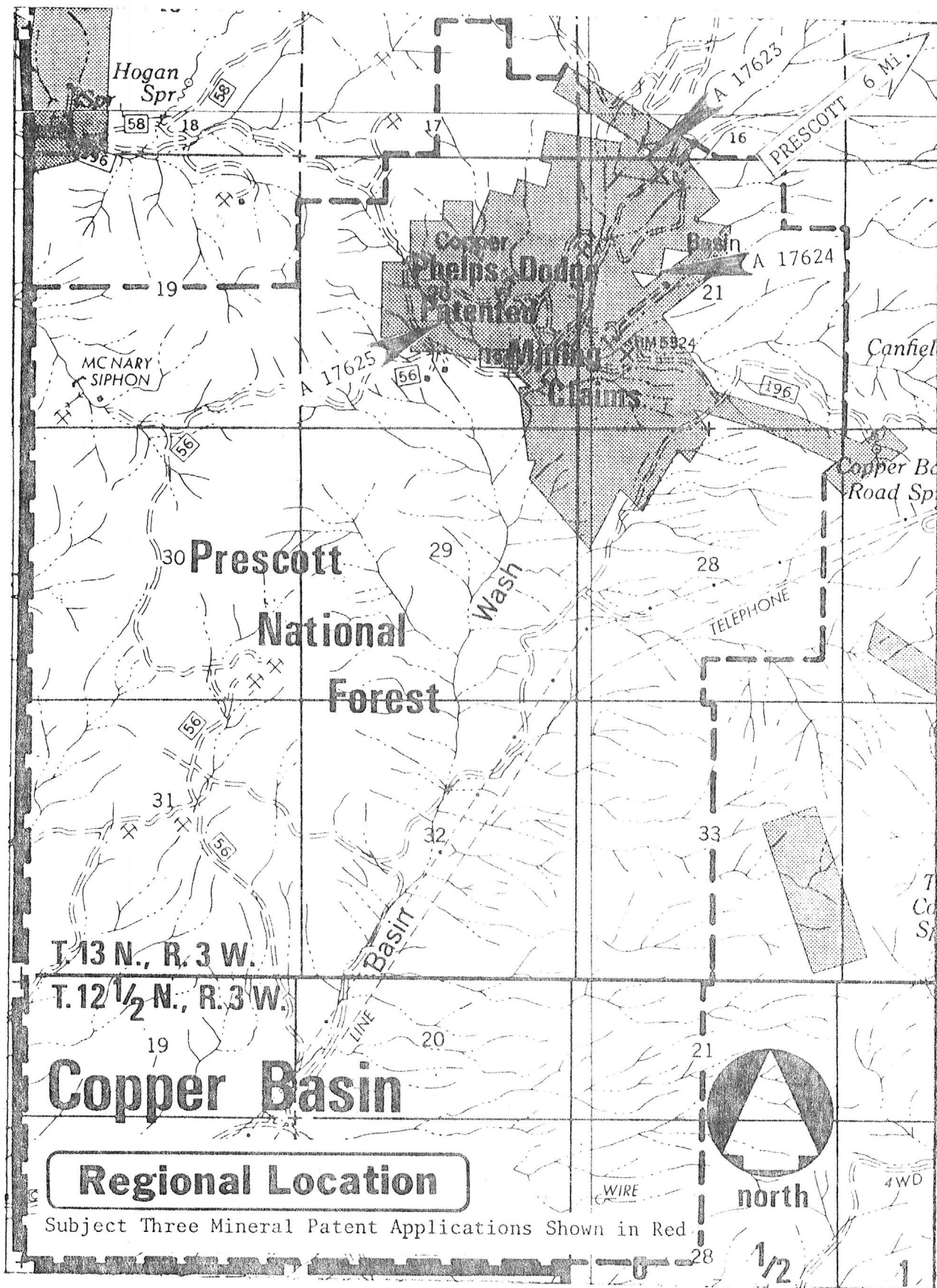
Ore reserves of 175,000,000 tons averaging 0.55% copper and 0.02% molybdenum have been adequately demonstrated by the applicant as being contained in the Copper Basin ore deposit. The three subject claims applied for contain ore that is part of the main ore body (already patented). Mining will be conducted by open pit methods and advantage will be taken of a very favorable projected low stripping ratio since relatively small amounts of waste overburden will need to be removed.

High grade ore blocks will be blended with lower grade material to yield a uniform mill-feed.

After considering the information obtained by this investigation, it is the opinion of the undersigned that each of the three claims covered by the subject applications contains physical evidence of the existence of mineralization containing copper and other metals. The mining of these ores can be reasonably expected to be profitable.

It is recommended that the three subject claims proceed to patent, all else being regular.


HOWARD A. WIRTZ
Mining Engineer

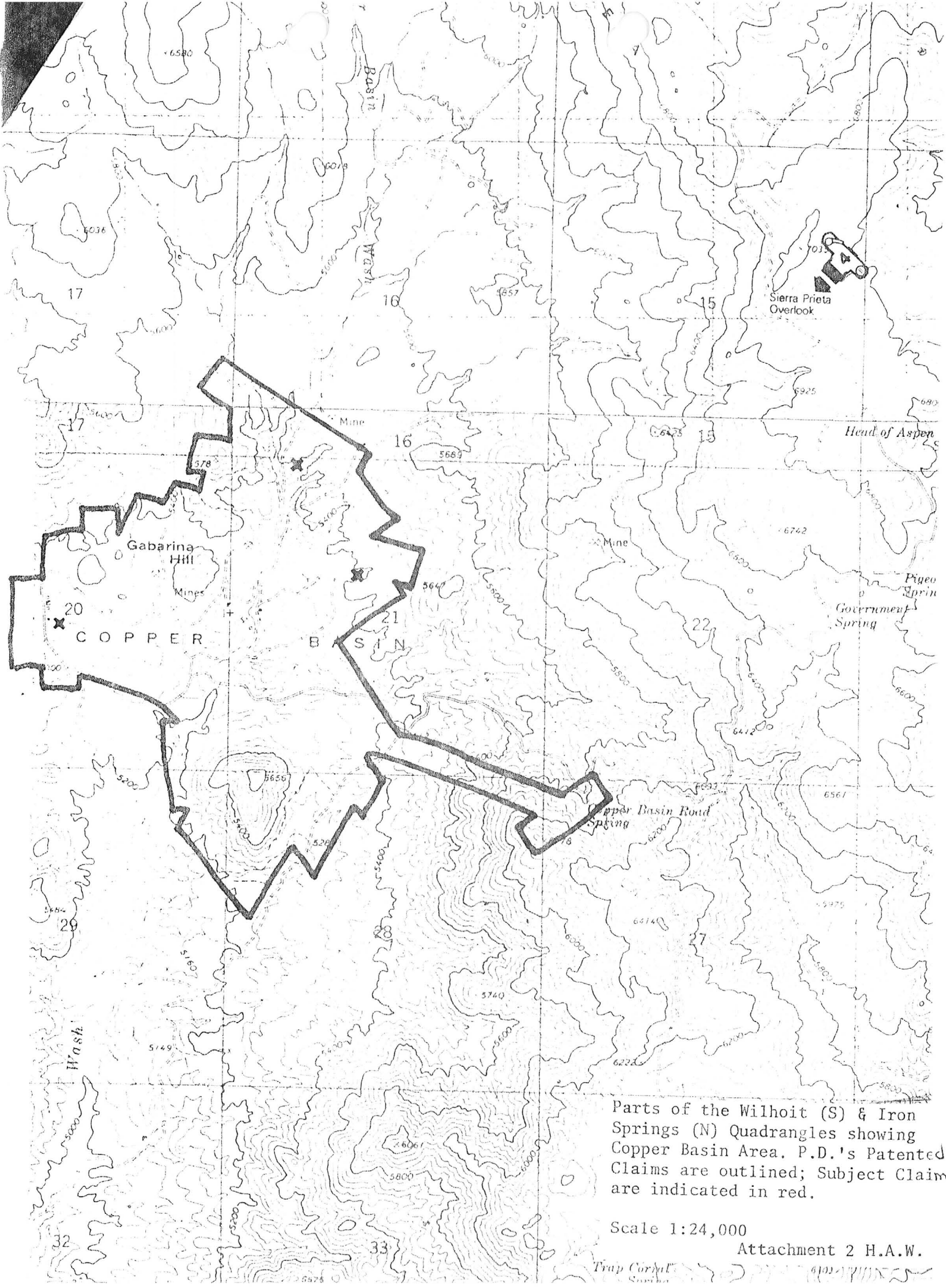


Regional Location

Subject Three Mineral Patent Applications Shown in Red

scale miles

Attachment 1 H.A.W.



Parts of the Wilhoit (S) & Iron Springs (N) Quadrangles showing Copper Basin Area. P.D.'s Patented Claims are outlined; Subject Claims are indicated in red.

Scale 1:24,000

Attachment 2 H.A.W.

Trap Corral
Sandra

4191/7111X

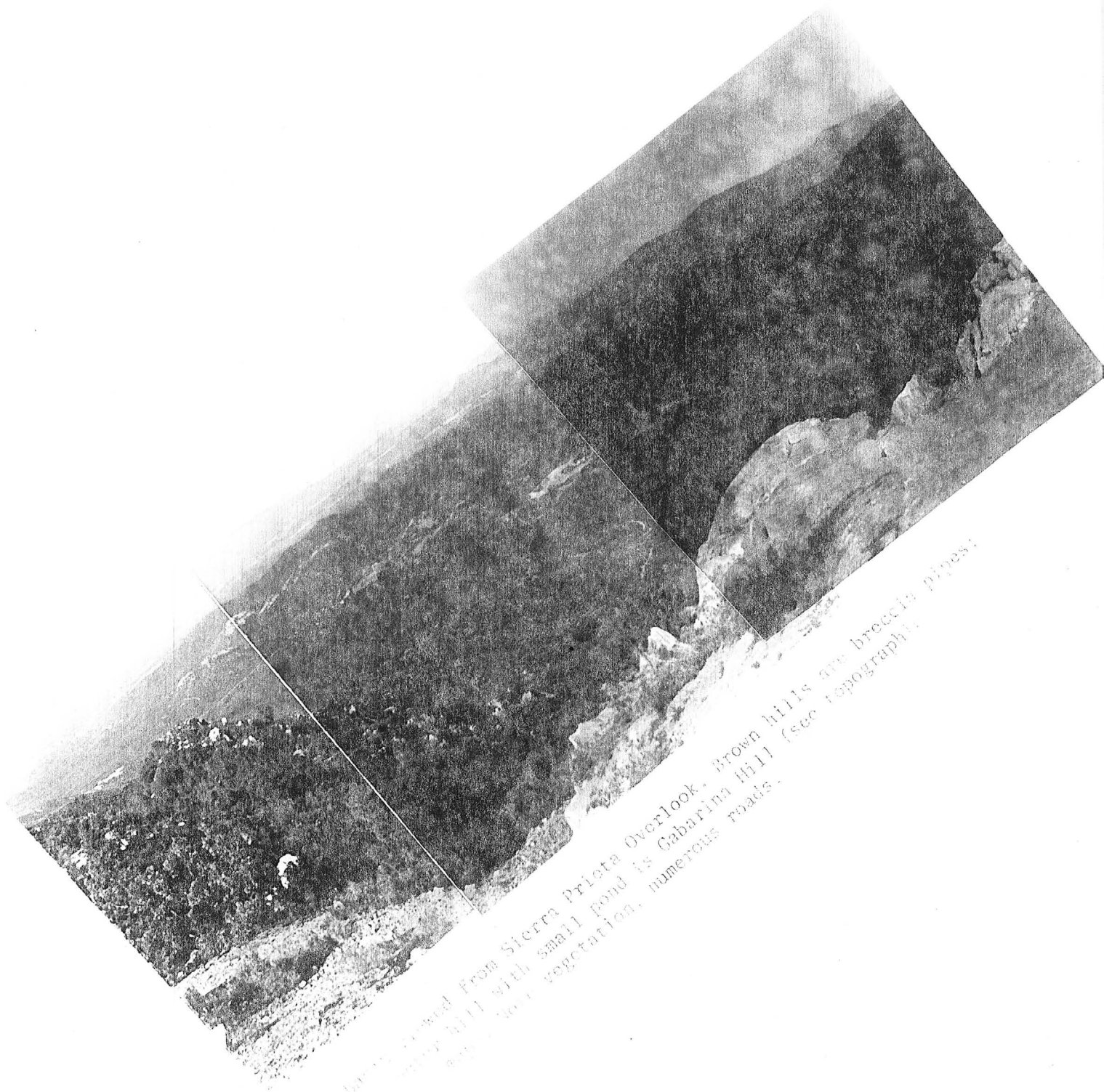


Figure 1. View from Sierra Prieta Overlook. Brown hills are breccia pipes; grey hill with small pond is Gabarina Hill (see topography).
Note: low vegetation, numerous roads.



United States Department of the Interior

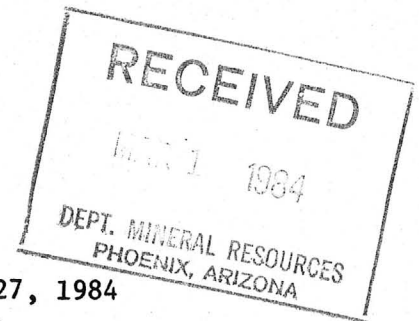
BUREAU OF LAND MANAGEMENT

ARIZONA STATE OFFICE
2400 VALLEY BANK CENTER
PHOENIX, ARIZONA 85073

(602) 261-4774

IN REPLY REFER TO

A 18080 MPA
3860-B (943-bgw)



February 27, 1984

Phelps Dodge Corporation
c/o Evans, Kitchel & Jenckes P.C.
2600 North Central Ave.
Phoenix, AZ 85004-3099

Gentlemen:

Patent Number 02-84-0031 was issued February 27, 1984 for a mill site known as the SKV Mill Site No. 3 in the Copper Basin Mining District, Yavapai County, Arizona to Phelps Dodge Corporation.

The patent application Serial Number is A 18080. The lands included in the patent are described as Mineral Survey No. 4761, embracing portions of Section 26, T. 13 N., R. 4 W., GSR Mer., Arizona, comprising 5.00 acres.

It is the responsibility of the patentee to record the patent in the County Recorder's Office, Yavapai County, located in Prescott, Arizona. Taxes assessed against this property will be payable to that County Treasurer.

Sincerely,

Mario L. Lopez
Chief, Branch of Lands and
Minerals Operations

Enclosures to Patentee:

Patent, Number 02-84-0031
Mineral Survey
Field Notes

cc: Dept. of Revenue
County Recorder
County Assessor
Janel Smith
Dept. of Mineral Resources ✓

UNITED STATES DEPARTMENT OF AGRICULTURE

FOREST SERVICE

Prescott National Forest

P.O. Box 2549

Prescott, Arizona 86301

8410

March 30, 1976



The Draft Environmental Statement for the proposed Copper Basin Land Exchange is attached for your review and comment. This Statement has been prepared to evaluate the probable environmental and economic effects of the exchange alternatives set forth in the statement.

Comments or requests for additional information should be addressed to Forest Supervisor, Donald H. Bolander, Prescott National Forest, P.O. Box 2549, Prescott, Arizona 86301. Written comments received prior to May 29, 1976, will be considered in the preparation of the Final Environmental Statement.

Your interest in this proposal is appreciated.

Sincerely,

Donald H. Bolander

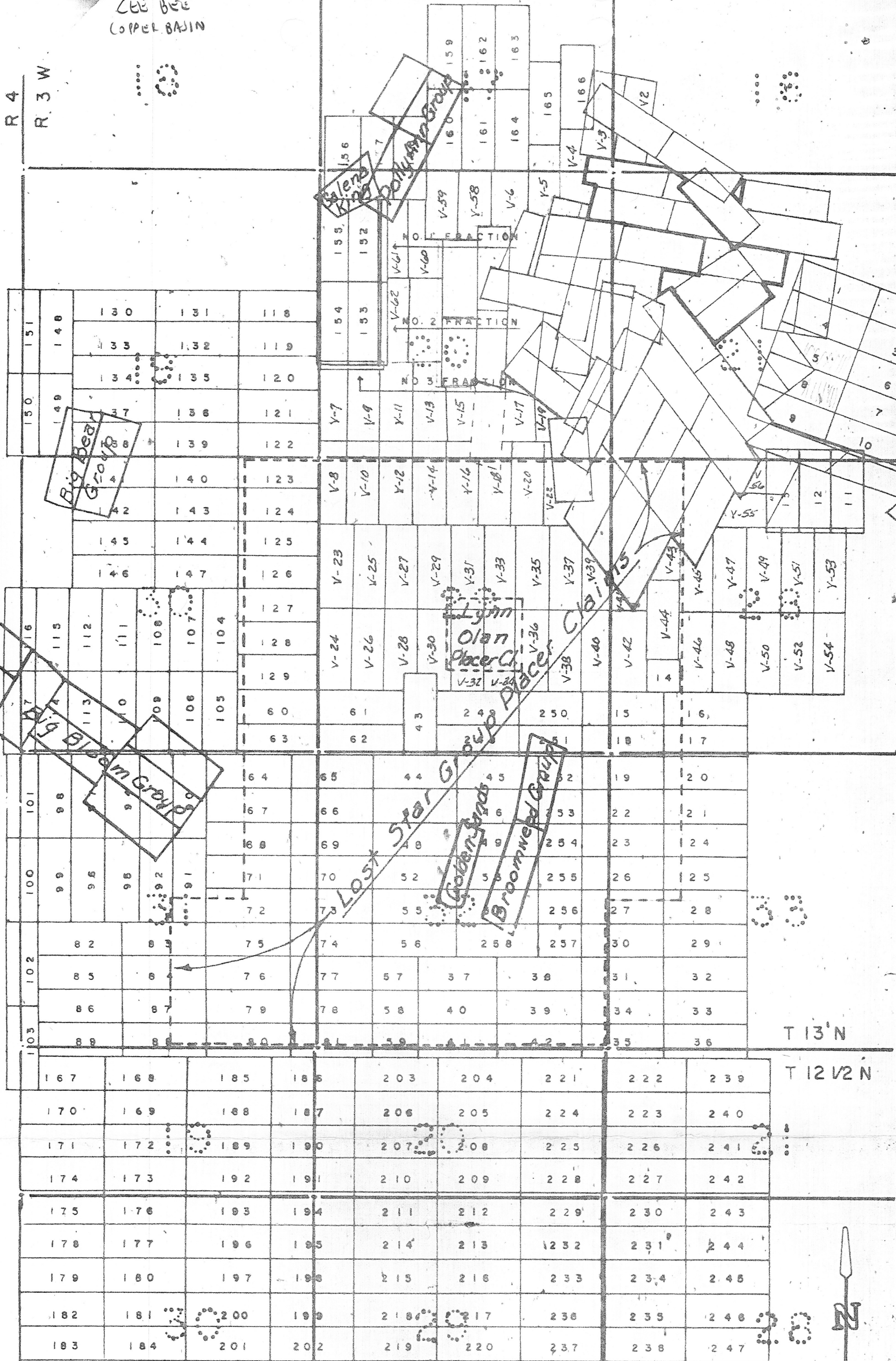
DONALD H. BOLANDER
Forest Supervisor

Enclosure

Re
JUL

CEE BEE
COPPER BASIN

R 4
R 3 W



DESIGNATION
VIH CLAIMS—NUMBER W/V-PREFIX
CEE BEE CLAIMS—NUMBER ONLY

PHELPS DODGE CORP.
UNPATENTED MINING CLAIMS
COPPER BASIN MINING DISTRICT

SCALE 1"=2000'

DATE 5/3/71