

PHELPS DODGE CORP
 Form 4
 February 28, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Mailhot Nancy F

(Last) (First) (Middle)

C/O PHELPS DODGE CORPORATION, ONE NORTH CENTRAL AVENUE

(Street)

PHOENIX, AZ 85004

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 PHELPS DODGE CORP [PD]

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/26/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Sr VP-Human Resources

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---------------------|---|--|--|
| | | | | Code | V Amount (D) Price | | | |
| Common Shares ⁽¹⁾ | 02/26/2007 | | M | | 1,466 A \$ 78.995 | 28,191 | D | |
| Common Shares ⁽¹⁾ | 02/26/2007 | | S | | 1,466 D \$ 127.4515 | 26,725 | D | |
| Common Shares ⁽¹⁾ | 02/26/2007 | | M | | 1,333 A \$ 48.095 | 28,058 | D | |
| Common Shares ⁽¹⁾ | 02/26/2007 | | S | | 1,333 D \$ 127.4515 | 26,725 | D | |
| Common Shares ⁽¹⁾ | 02/26/2007 | | M | | 1,334 A \$ 37.305 | 28,059 | D | |

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|------------------------------|------------|---|-------|---|-------------|-----------------------|---|
| Common Shares ⁽¹⁾ | 02/26/2007 | S | 1,334 | D | \$ 127,4515 | 26,725 | D |
| Common Shares | 02/27/2007 | S | 1,205 | D | \$ 124,9439 | 25,520 ⁽²⁾ | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (right to buy) | \$ 78.995 | 02/26/2007 | | M | 1,466 | ⁽³⁾ 02/01/2016 | Common Shares | 1,466 |
| Employee Stock Option (right to buy) | \$ 48.095 | 02/26/2007 | | M | 1,333 | ⁽⁴⁾ 02/02/2015 | Common Shares | 1,333 |
| Employee Stock Option (right to buy) | \$ 37.305 | 02/26/2007 | | M | 1,334 | ⁽⁵⁾ 02/04/2014 | Common Shares | 1,334 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Mailhot Nancy F
C/O PHELPS DODGE CORPORATION
ONE NORTH CENTRAL AVENUE
PHOENIX, AZ 85004

Sr VP-Human Resources

Signatures

/s/ S. David Colton Attorney-in-Fact for Nancy F.
Mailhot

02/28/2007

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Exercise of stock options and same-day sale of underlying Common Shares pursuant to the Phelps Dodge 2003 Stock Option and Restricted Stock Plan.

Includes shares of common stock acquired within the Phelps Dodge Employee Savings Plan (401(k) Plan). The Plan provides for the purchase of fractional shares. The number reported is the nearest whole number. Also includes shares inadvertently omitted due to an arithmetic error.
- (2) The option vests in three substantially equal annual installments on January 31, 2007, 2008 and 2009.
- (4) The option vests in three substantially equal annual installments on February 1, 2006, 2007 and 2008.
- (5) The option vests in three substantially equal annual installments on February 3, 2005, 2006 and 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.