MADHAVPEDDI KALIDAS V

Form 4

March 21, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

Expires:

5. Relationship of Reporting Person(s) to

D

49,182

January 31, 2005

0.5

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

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

2. Issuer Name and Ticker or Trading

1(b).

SHARES (1)

COMMON

SHARES (3)

03/17/2006

(Print or Type Responses)

1. Name and Address of Reporting Person *

MADHAVPEDDI KALIDAS V (Last) (First) (Middle) C/O PHELPS DODGE CORPORATION, ONE NORTH CENTRAL AVENUE			Symbol PHELPS DODGE CORP [PD]				Iss	(Check all applicable) Director 10% OwnerX Officer (give title Other (specify below) Sr VP-Asia				
			3. Date of (Month/Da	3. Date of Earliest Transaction (Month/Day/Year) 03/17/2006								
(Street) PHOENIX, AZ 85004					Filed(Month/Day/Year) Ap _X				Individual or Joint/Group Filing(Check plicable Line) _ Form filed by One Reporting Person _ Form filed by More than One Reporting			
	(City)	(State)	(Zip)	Table	e I - Non-De	erivative S	Securi		son ed, Disposed of, o	or Beneficially	y Owned	
	1.Title of Security (Instr. 3)	of 2. Transaction Date 2A. Deemed ty (Month/Day/Year) Execution Date, i		ion Date, if	Code (Instr. 3, 4 and 5) ear) (Instr. 8)				5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
	COMMON				Code V	Amount	or (D)	Price	(Instr. 3 and 4)			
	SHARES (1)	03/17/2006			M	3,467	A	\$ 37.305	52,649 (2)	D		
	COMMON SHARES (3)	03/17/2006			S	3,467	D	\$ 75.3486	49,182	D		
	COMMON SHARES (1)	03/17/2006			M	3,866	A	\$ 48.095	53,048 (4)	D		

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

S

3,866

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned	l
(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. Transactic Code (Instr. 8)	5. Number on 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 Underlying (Instr. 3 and
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTIONS/RIGHTS TO PURCHASE (1)	\$ 37.305 (5)	03/17/2006		M	3,467 (5)	<u>(6)</u>	02/04/2014	COMMO SHARE
EMPLOYEE STOCK OPTIONS/RIGHTS TO PURCHASE (1)	\$ 48.095 (7)	03/17/2006		M	3,866 (7)	02/01/2006	02/02/2015	COMMO SHARES

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

MADHAVPEDDI KALIDAS V C/O PHELPS DODGE CORPORATION ONE NORTH CENTRAL AVENUE PHOENIX, AZ 85004

Sr VP-Asia

Signatures

/s/ S. David Colton, Attorney-in-fact for Kalidas V.

Madhavpeddi 03/21/2006

**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)

Reporting Owners 2

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EXERCISE OF STOCK OPTIONS AND SAME DAY SALE OF UNDERLYING COMMON SHARES PURSUANT TO THE PHELPS DODGE 2003 STOCK OPTION AND RESTRICTED STOCK PLAN.

- ON MARCH 13, 2006, THE COMMON STOCK OF PHELPS DODGE CORPORATION SPLIT 2-FOR-1, RESULTING IN THE REPORTING PERSON'S OWNERSHIP OF 26,324 ADDITIONAL SHARES OF COMMON STOCK. THIS NUMBER ALSO INCLUDES A RECONCILIATION OF SHARES OF COMMON STOCK HELD WITHIN THE PHELPS DODGE CORPORATION SUPPLEMENTAL SAVINGS PLAN AND TO ADJUST FOR AN ARITHMETIC ERROR.
- (3) THIS TRANSACTION WAS EFFECTED PURSUANT TO A RULE 10b5-1(c) TRADING PLAN ADOPTED BY THE REPORTING PERSON ON FEBRUARY 6, 2006.
- (4) ON MARCH 13, 2006, THE COMMON STOCK OF PHELPS DODGE CORPORATION SPLIT 2-FOR-1, RESULTING IN THE REPORTING PERSON'S OWNERSHIP OF 1,933 ADDITIONAL SHARES OF COMMON STOCK.
- (5) THIS OPTION WAS PREVIOUSLY REPORTED AS COVERING 5,200 SHARES AT AN EXERCISE PRICE OF \$74.61, BUT WAS ADJUSTED TO REFLECT THE STOCK SPLIT THAT OCCURRED ON MARCH 13, 2006.
- (6) THE OPTION VESTS IN THREE SUBSTANTIALLY EQUAL ANNUAL INSTALLMENTS ON FEBRUARY 3, 2005, 2006 AND 2007.
- (7) THIS OPTION WAS PREVIOUSLY REPORTED AS COVERING 5,800 SHARES AT AN EXERCISE PRICE OF \$96.19, BUT WAS ADJUSTED TO REFLECT THE STOCK SPLIT THAT OCCURRED ON MARCH 13, 2006.

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.