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Item 51

Public Scoping Document for the Proposed Mother Lode Project

Prepared by

**Bureau of Land Management
Battle Mountain District
Tonopah Resource Area
Tonopah, Nevada**

January 1989

ENSR™

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INTRODUCTION

U.S. Nevada Gold Search Joint Venture (USNGS) is proposing to develop the Mother Lode Project, an open-pit gold mine and heap leach operation near Beatty, Nevada (Figure 1). USNGS is a joint venture of GEXA Gold Corporation, U.S. Precious Metals, and N.A. Degerstrom.

The proposed Mother Lode Project is located on public lands managed by the Tonopah Resource Area office of the Battle Mountain District of the Bureau of Land Management (BLM). In December 1988, USNGS submitted a Plan of Operations describing the proposed project to the BLM.

In accordance with BLM regulations for Surface Mining of Public Lands Under the General Mining Laws (43 CFR 3809) and the implementing regulations (40 CFR 1505) for the National Environmental Policy Act (NEPA), BLM is preparing an environmental assessment (EA) to determine the potential environmental impacts of the proposed project on public lands and to determine if an environmental impact statement (EIS) is required.

BLM and USNGS have signed a Memorandum of Understanding allowing the EA to be prepared by a third-party contractor. The BLM has selected ENSR Consulting and Engineering to conduct environmental studies and prepare the EA under the direction and supervision of the BLM.

BLM encourages interested persons, organizations, and agencies to assist in the EA process by providing written or verbal comments on the issues and concerns to be addressed in the EA. This scoping document was prepared to provide an overview of the proposed Mother Lode Project and the alternatives under consideration. It also provides a preliminary determination of the resources likely to be affected by the proposed project and the issues to be addressed in the EA. Comments on this scoping document, the scope of the EA, or other aspects of the proposed Plan of Operations may be submitted to the BLM at the following address:

Mr. Theodore Angle
Area Manager
Tonopah Resource Area
Bureau of Land Management
P.O. Box 911, Building 102 Old Military Circle
Tonopah, NV 89049
(702) 482-6214

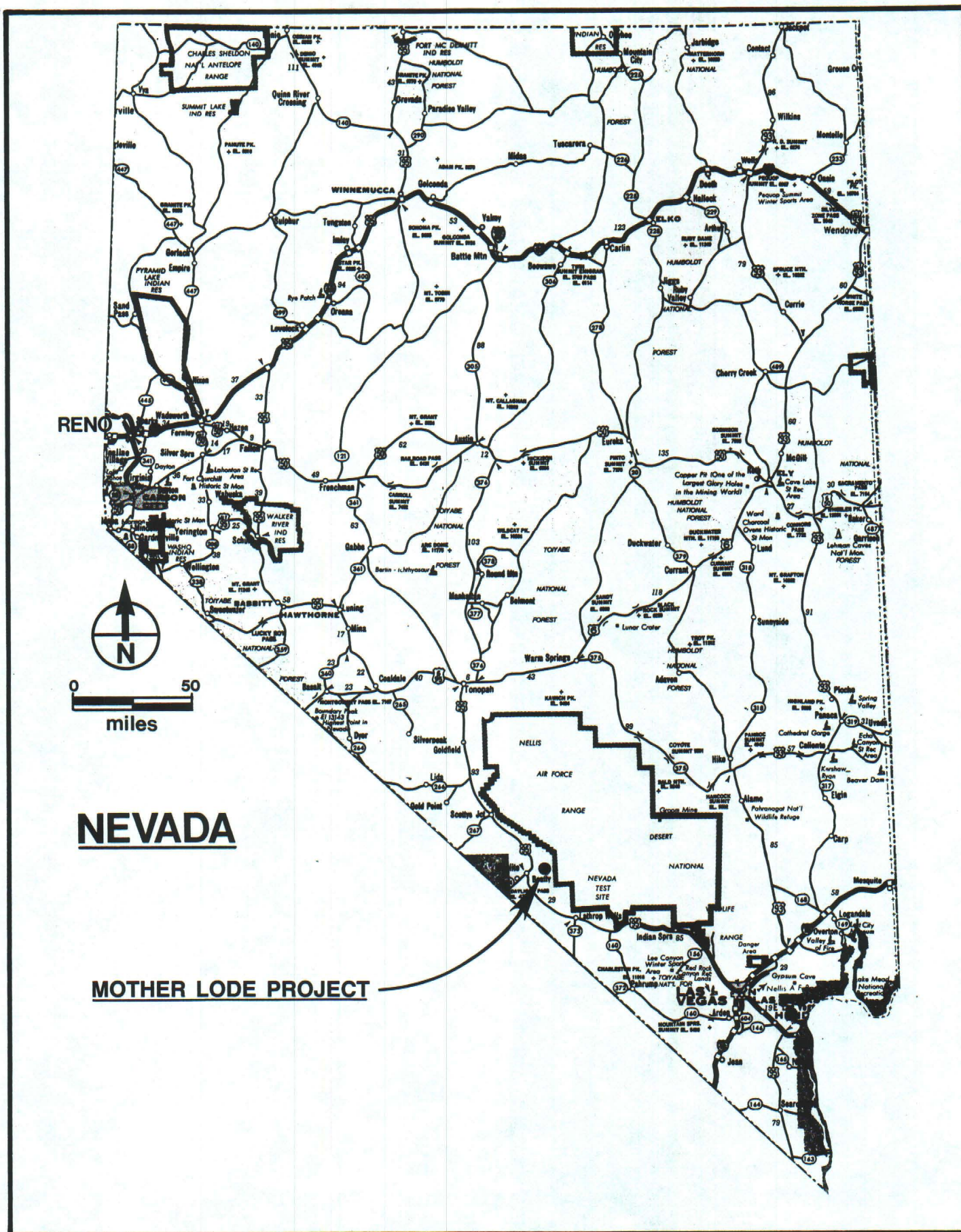


FIGURE 1 PROJECT LOCATION

Additionally, a public meeting will be held to provide further information regarding the proposed project and the EA process. Persons wishing to comment verbally may do so at the public scoping meeting scheduled for 7:00 p.m. on Wednesday, February 1, 1989 at the Beatty Community Center.

All written and verbal comments on the scope of the environmental analysis must be received by the BLM by February 22, 1989.

PROJECT OVERVIEW

The proposed Mother Lode Project would involve the construction, operation, and abandonment of an open-pit mine, heap leach facilities, and support facilities for the precious metals operation. The project is located in southern Nye County, Nevada, approximately 7 miles east of the town of Beatty (Figure 1).

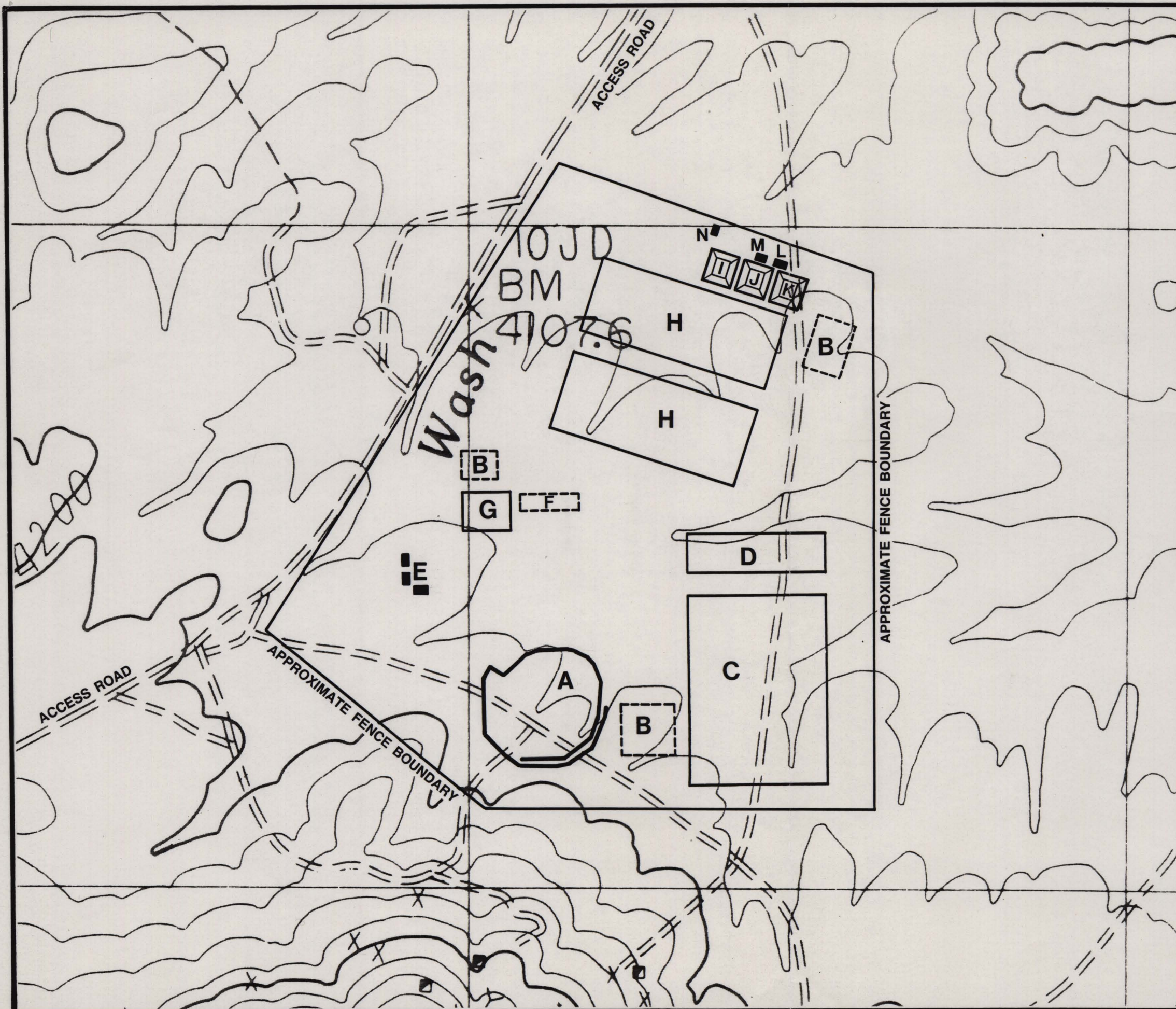
The Mother Lode Project would directly impact approximately 250 acres within the applicant's 6,850-acre claim block. At the end of project operation, the mine and surface facility sites would be reclaimed to meet the standards of BLM's surface management regulations.

USNGS proposes to mine 1.2 million tons of oxide ore in order to extract an estimated 50,000 recoverable ounces of gold during the proposed 3-year project life, which includes construction, operation, and reclamation. Exploration will continue in the area during project operation with the hope that additional ore can be found to subsequently increase the life of the project. There is a known sulfide ore reserve, under the present oxide reserve, that is not amenable to heap leaching. Should the sulfide reserve prove to be economical, the life of the mine may be extended for approximately 4 years; this expansion would be subject to additional environmental review.

The project facilities would consist of an open pit, waste rock disposal area, sulfide ore stockpile, crusher, heap leach facilities, fresh water and process water ponds, and support facilities (maintenance shop, office, recovery plant, and supply storage). Additional ancillary facilities would include diesel generators, water supply system, access and haul roads, sanitary and solid waste disposal facilities, and fuel storage. The proposed facility locations are indicated in Figure 2.

The Mother Lode oxide deposit would produce a total of approximately 1.2 million tons of ore and 1.8 million tons of waste rock. Waste rock would be placed in a waste disposal area, and ore would be trucked to a crushing area; following crushing, the ore would be stacked in 20-foot lifts on the heap leach pad. Dilute cyanide solution would be applied to the heap with drip irrigation to leach the gold. Carbon adsorption would be used to recover the gold from the cyanide solution. The barren solution would be pumped back to the heap leach pads for reuse.

The Mother Lode Project would employ an average construction workforce of 50 with a peak construction workforce of 75 in summer 1989. The operations workforce would average approximately 45.



LEGEND

- A - MINE
- B - TOPSOIL STOCKPILE
- C - WASTE ROCK
- D - SULFIDE ORE STOCKPILE
- E - MAINTENANCE SHOP AND TRAILERS
- F - CRUSHER
- G - CRUSHER STOCKPILE
- H - LEACH PAD
- I - WATER POND
- J - BARREN POND
- K - PREGNANT POND
- L - RECOVERY BUILDING
- M - LAB
- N - OFFICE

Scale: 1" = 500'



MOTHER LODE PROJECT

FIGURE 2 SITE PLAN

PROJECT ALTERNATIVES

One purpose of the scoping process is to identify alternatives that should be evaluated in the EA. Alternatives may be considered based on their potential to reduce or mitigate environmental impacts; on their ability to improve resource recovery efficiency; and on the need to provide BLM, other regulatory agencies, and the project applicant with flexibility in developing a final Plan of Operations. A final determination of the alternatives to be considered in detail in the EA will be made following the close of the scoping process.

Based on preliminary technical, economic, and environmental reviews, two types of alternatives have been discussed for consideration in the EA: (1) the No Action Alternative, and (2) project facility location alternatives.

Under the No Action Alternative, no mining would be allowed. The No Action Alternative is required by NEPA; however, it would pose a conflict with regulations (43 CFR 3809) governing BLM management of surface land under the General Mining Laws. According to these regulations, USNGS has the legal right to extract and process the mineral resources it has claimed. BLM's responsibility is to ensure compliance with appropriate state and federal laws, such as the Endangered Species Act or the National Historic Preservation Act; the mining plan would not result in undue or unnecessary degradation of federal lands; and the Plan of Operations provides for reasonable reclamation. Thus, BLM can disallow the mining activities only if the proposed operations would violate one or more of the applicable laws or regulations and must specify changes in the proposed Plan of Operations needed to meet the requirements of the mining regulations. Despite this apparent legal conflict, the No Action Alternative will be analyzed in the EA to provide a baseline, against which other alternatives can be evaluated, and to identify opportunities that would be foregone if the proposed Plan of Operations were not implemented.

Alternative project facility locations are being considered for analysis in the EA. These alternatives will be selected based on the exploration program and on potential opportunities to mitigate impacts to specific resources. Possible alternatives involve different configurations of the process facilities within the project area.

PRELIMINARY IDENTIFICATION OF ISSUES

Prior to the formal solicitation of public comments during the scoping process, the BLM has identified the following issues and concerns associated with the proposed Mother Lode Project.

- Water Resources. The key water resource issues involve the availability of water to supply the demands of the mining operation and the cumulative impact of this project together with other mining operations in the Beatty area.
- Socioeconomics. Principal socioeconomic concerns include the availability of housing, community services, and transportation systems in the project area.
- Air Quality. Air quality issues relate to emissions of fugitive dust and other air pollutants from the mine and processing facilities.
- Wildlife. Wildlife studies will focus on potential adverse effects to birds and mammals from cyanide-laden waters or other toxic materials and impacts to threatened or endangered species.
- Cultural Resources. Cultural resources investigations are required by BLM regulations in order to ensure that the proposed operations will comply with the National Historic Preservation Act and other laws and regulations requiring inventory and protection of significant cultural resources.

This page is provided for your use in submitting written comments regarding this scoping document, the scope of the EA, or other aspects of the Plan of Operations. Comments may also be provided by letter. Comments should be received at the address on the reverse side no later than February 22, 1989.

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no vertical margin lines or other markings on the paper.

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Mr. Theodore Angle
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