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United States Department of the Interior
Bureau of Land Management
1535 Hot Springs Road
Carson City, Nevada 89706-0638

RECORD OF DECISION AND PLAN OF OPERATIONS APPROVAL

TALAPOOSA MINE PROJECT

N36-94-002P
November, 1996

INTRODUCTION

In September 1994, Talapoosa Mining Inc. (TMI) submitted to the Carson City District Office of the Bureau of Land Management a Plan of Operations as required by Title 43 CFR Subpart 3809, for the proposed Talapoosa Mine Project. The proposed project would allow TMI to develop an open pit gold and silver mine near Silver Springs in Lyon County Nevada. The project would include three open pits, waste rock disposal areas, a cyanide heap leach pad, a water pipeline, and ancillary facilities.

To respond to TMI's Plan of Operations, the Bureau of Land Management prepared an Environmental Impact Statement to fulfill the requirements of the National Environmental Protection Act. This process included a public scoping period, the preparation of a Draft Environmental Impact Statement, an additional public involvement period, and the issuance of a Final Environmental Impact Statement. As a result of public comment, a Risk Assessment for Wildlife and a Waste Rock Management Plan was also prepared. This Record of Decision and Plan of Operations Approval completes the Environmental Impact Statement process.

DECISION

The decision of the Carson City District Manager of the Bureau of Land Management is to select the proposed action. The proposed action is identified as the preferred alternative in the Final Environmental Impact Statement. Based upon the Final Environmental Impact Statement, I have determined that the implementation of the Plan of Operations together with the monitoring and mitigation measures described below will not cause unnecessary or undue degradation of the subject public lands.

Alternatives Consider in Detail

No Action Alternative This alternative would involve the reclamation of approximately 85.7 acres of existing surface disturbance that has resulted from past mineral exploration activities.

An additional 39.4 acres of exploration-related disturbance that is presently permitted within the project area would probably not be completed.

Alternatives Eliminated from Detailed Consideration

Alternative Leach Pad Site A previous operator proposed the development of a tram system to move ore from the pit over a ridge to a flat area north of the mine where the ore could be processed. TMI continued to keep the north leach pad as an option in the Plan of Operations submitted to the Bureau of Land Management in September 1994. Recent drilling indicated that there are no significant ore reserves under the valley fill site and that the north leach site would not be as economical. Therefore, the alternative does not meet the Purpose and Need Statement objectives for the project, and is not considered a viable alternative for detailed consideration.

Total Backfilling of Mined Pits with Waste Rock This alternative was eliminated for two reasons. First, it has been determined that future additional mining of the pits could occur under higher metal prices and with new technology, and backfilling would preclude that option. Secondly, the expense of hauling waste rock uphill to backfill the pit would be cost-prohibitive for this particular project.

Partial Pit Backfilling with Waste Rock TMI continues to develop the optimal schedule for mining of the three proposed open pits. Therefore, it is not possible to determine if any pit backfilling will be completed. Should partial backfilling prove to be economically advantageous, TMI will coordinate the program with the Bureau of Land Management and the Nevada Division of Environmental Protection.

Pit Drainage Off-site Draining pit water off-site by means of a tunnel, which would empty to a site at a lower elevation, was eliminated from detailed consideration for three reasons. First, the cost of creating the underground tunnel would be prohibitive. Second, the tunnel excavation would create additional waste rock, some of which could cause acid rock drainage problems. Third, the discharged ground waters would, in their natural state, exceed relevant Nevada State Drinking Water Standards.

Environmentally Preferable Alternative

The National Environmental Policy Act of 1969, as interpreted through the regulations promulgated by the Council of Environmental Quality, requires that the Record of Decision for the federal action identify the "environmentally preferable" alternative(s). Because mining is, by nature disruptive to the resources in the immediate area being mined, only the no action alternative results in no new disturbance. Therefore, the no action alternative, is the environmentally preferable alternative.

MANAGEMENT CONSIDERATIONS

The above decision was made in accordance with Title 43 Code of Federal Regulations, Subpart

3809; the Federal Land Policy and Management Act of 1976; and the Mining Law of 1872, as amended. The Plan of Operations has been properly analyzed under the Council on Environmental Quality implementing regulations for the National Environmental Policy Act of 1969. Selection of the proposed action together with the stated monitoring and mitigation measures will allow the Talapoosa Mine Project to make legitimate use of the public lands without causing undue or unnecessary degradation.

The Talapoosa Mine is located in an area within the Carson City District where mining has been an historic use of the land. Mining has also been identified as an appropriate land use that is in conformance with the Lahontan Resource Management Plan.

The mine area is not included in any areas of designated national, regional, or local significance. Mining, by law, is a valid use of the public lands that is inherently site-specific and cannot be relocated.

Long-term reclamation would result in conditions which support postmining land uses on public lands. The purpose of reclamation is to stabilize the soils and establish a seed bed for future revegetation.

The Bureau of Land Management and Talapoosa Mining Incorporated have collaborated to limit and/or mitigate environmental impacts that may result from the project. The Plan of Operations and the mitigation measures outlined below will minimize the adverse environmental impacts identified in the Final Environmental Impact Statement. The monitoring requirements of the Plan of Operations and Final Environmental Impact Statement will assist the Talapoosa Mining company, the Bureau of Land Management, and others in identifying, mitigating, or avoiding any unforeseen environmental impacts that may occur. The monitoring shall provide opportunities for the Bureau of Land Management to refine and modify the mitigation measures.

The Bureau of Land Management has determined a reclamation bond amount of \$1,811,718 is required for the surface reclamation of the proposed project. This bond will cover the removal of buildings and other salvageable materials, recontouring of slopes, placement of growth media, and revegetation. This bond increases the total bond for the Talapoosa Project to \$2,067,158.

All required federal, State of Nevada, and local government permits must be in place before construction and operations commence.

MONITORING AND MITIGATION

All practicable means to avoid or minimize environmental harm from the proposed action have been adopted. There were no measures identified to reduce or avoid environmental harm which were not selected to be part of this decision. All mitigation will be implemented and enforced.

The operation will be monitored under the inspection and enforcement procedures according to Title 43 Code of Federal Regulation, Subpart 3809. This will require periodic compliance exams

by the Bureau of Land Management during construction and quarterly mine compliance exams during the operation of the project.

This Record of Decision expressly incorporates each of the following monitoring requirements and mitigation measures. In addition to stipulations, monitoring, and mitigation included in the Plan of Operations, the following monitoring and mitigation will apply:

Water Resources

TMI shall provide a Water Resource Monitoring Plan that is acceptable to the NDEP and the BLM within 60 days from the date of this decision.

TMI shall continue to collect hydrologic information on a periodic basis as part of its ongoing monitoring program. Water levels are to be monitored quarterly in selected private supply wells in Section 15, production/dewatering wells, and existing monitoring wells. For private wells that are adversely affected by dewatering activities at the Talapoosa Mine, a deeper replacement well or other water source of equivalent yield and quality shall be provided by TMI. Results of monitoring data are to be submitted to the State Engineer, as required, the NDEP, per Water Pollution Control Permit requirements and to the BLM, semi-annually.

TMI shall monitor the flow of Rock Blind Spring on a semiannual basis. If the Spring is adversely affected by the Talapoosa Mine dewatering, it will be mitigated by one or more of the following methods: (1) by pipeline from another reliable source; (2) by completing a vertical well into a deeper aquifer unaffected by dewatering, and pumping the well using electric, solar, or windpower; (3) by improving existing spring sites to enhance water yield collection; and/or (4) developing or improving other nearby spring(s) to offset the loss of flow of the impacted spring. Water rights for replaced water would remain with TMI during the period of mitigation and water replacement methods will be coordinated between the Nevada State Engineer and the BLM.

Quality of water in the post-mining pit lake and groundwater quality surrounding the mine pit will be monitored per requirements of the NDEP Water Pollution Control Permit #NEV95109. Monitoring data will be forwarded to the NDEP and the BLM authorized officer. In the event water quality problems are identified in surface, groundwater, or pit lake water, TMI shall identify the source and implement mitigating measures acceptable to the NDEP and the BLM.

Acid Rock Drainage

TMI shall provide a Waste Rock Management Plan that is acceptable to the NDEP and the BLM prior to the removal of waste rock that has acid generating potential.

Reclamation

TMI shall maintain all berms, erosion control structures, and signs until reclamation and revegetation is complete.

Revegetation success standards are to be determined by attachment B of the " Nevada Interim

Standards for Successful Revegetation".

TMI shall use variable seed mixes, including shrubs that take advantage of slope and aspect, growth medium depth and landscaped features of post-mining reclamation. These mixes should be determined on the basis of test plots and site-specific goals. TMI shall initiate a revegetation test plot program as outlined in the EIS during the first year of operation. Records on all test plots shall be provided to the BLM.

TMI will develop fertilized and non-fertilized test plots to evaluate need for fertilizers for revegetation success.

Disturbed and reclaimed areas shall be monitored to determine if undesirable species are becoming established. The monitoring time frames will be coincident with those in the approved NDEP Reclamation Plan. If weeds become a problem, a control plan shall be developed and approved by the BLM.

TMI shall be responsible for controlling all noxious weeds and other undesirable invading plant species in disturbed areas until revegetation activities have been determined successful and signed off by the BLM authorized officer. The operator shall obtain approval from the authorized officer prior to any and all application of herbicide. All seed shall be tested for noxious, poisonous, or prohibited plant species and the test results submitted to and approved by the BLM, unless certified weed free seed is procured.

Noise and Lights

TMI shall develop a monitoring program for noise and vibrations with the closest residents and will work with them to minimize impacts.

All equipment shall be maintained in good operating condition with appropriate mufflers tightly and correctly installed.

TMI will use an automatic reverse-activated strobe lights on vehicles in lieu of audible reverse or backup alarms at night if a conflict with adjacent private land owners develops.

TMI shall plan blasting activities during the day. When practicable, blasting activities shall be conducted during the afternoon when winds are present and from the west.

Soils

Soil analysis will be conducted on all potential growth medium and areas that fail to meet vegetation release criteria. Such analysis will include salts mmhos/cm, sodium, CEC, percent calcium carbonate, nitrate, phosphorus, calcium, magnesium, arsenic, sulfur, zinc, iron, manganese, boron, and soil texture.

TMI shall stabilize growth medium stockpiles by establishing vegetation from an approved seed mixture.

Wildlife

TMI shall install five guzzlers outside the project area for birds and other small wildlife. Specific locations will be determined by BLM and NDOW Wildlife Biologists.

TMI shall avoid burrowing owls habitat during construction and operations. If burrowing owl sites are disturbed, TMI shall construct artificial burrows at a 2:1 ratio in accordance with BLM standards.

To mitigate for the loss of Townsend's Big-eared Bat habitats, TMI shall provide bat gates for suitable alternate sites at a ratio of 1:1.

To mitigate for the loss of a prairie falcon eyrie, TMI shall create suitable nest pockets in the pit highwall after mining is complete. If it is determined that the highwall rock material remaining after mining would be unstable, and nest pockets cannot be created, off-site mitigation will be provided by TMI to the satisfaction of NDOW.

Visual Quality

The slope gradients for the southwest disposal area shall be rounded to reduce the angular appearance.

Paleontological Resource

TMI shall monitor for paleontological resources in the Coal Valley unit. If no paleontological resources are noted, further monitoring may be discontinued. If paleontological resources are found during construction, TMI shall immediately stop work and notify the Carson City District Office.

Cultural Resources

If any new cultural sites are found during construction that were not identified during the original cultural surveys, construction will cease immediately and the BLM Archaeologist will be notified.

PUBLIC INVOLVEMENT

A notice of intent to prepare an environmental impact statement was published in the *Federal Register* on March 29, 1995. Two public scoping meetings were held for the Environmental Impact Statement, one on April 19, 1995 in Carson City and one on April 20, 1995 in Silver Springs, Nevada. The public scoping period for the Environmental Impact Statement closed on May 5, 1995. The Bureau of Land Management also prepared a brief description of the proposed project which was distributed to individuals on an environmental issues mailing list in April 1995.

The scoping comments identified the following issues:

- Potential impacts from water supply pumping on local wells and springs.

- Potential effects on existing public access to the area.
- Visual, light, and noise impacts to near-by residents.
- Cost increases to the Lyon County government.
- Potential contamination of local aquifers by cyanide.
- Positive impacts of the proposed operation on the local economy.

In February 1996 the Bureau of Land Management filed the Draft Environmental Impact Statement with the U.S. Environmental Protection Agency. The U.S. Environmental Protection Agency published notice of the filing of the Draft in the *Federal Register* February 2, 1996, and the Draft Environmental Impact Statement was distributed for review and comment to individuals, organizations and agencies on the Bureau of Land Management's mailing list. The comment period for the Draft Environmental Impact Statement ended on April 22, 1996. During this public comment period, the Bureau of Land Management conducted a public open house in Silver Springs, Nevada, on February 13, 1996 to discuss and accept comments on the Draft Environmental Impact Statement.

The Bureau of Land Management received 18 letters addressing the Draft Environmental Impact Statement during the comment period. All letters were reviewed, and responses were provided in the Final Environmental Impact Statement to clarify the content of the Draft Environmental Impact Statement, modify or correct the Draft Environmental Impact Statement, or provide additional information in the Final Environmental Impact Statement. All letters were reviewed and considered by the Bureau of Land Management in determining the agency preferred alternative for the proposed project.

In October 1996, the Bureau of Land Management filed the Final Environmental Impact Statement with the U.S. Environmental Protection Agency. The U.S. Environmental Protection Agency published notice of the filing in the *Federal Register* on October 18, 1996, and the Final Environmental Impact Statement was distributed for a 30-day availability period to individuals, organizations, and agencies on the Bureau of Land Management's mailing list. The 30-day availability period for the Final Environmental Impact Statement ended on November 18, 1996.

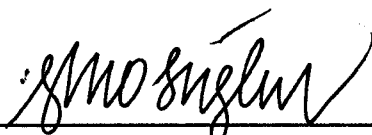
APPEALS

The proponent may appeal this decision to the Nevada State Director in accordance with the regulations in Title 43 Code of Federal Regulations Subpart 3809. The appeal must be received in the Carson City District Office within 30 days after the date of receipt of this decision.

If someone other than the proponent is adversely affected by the approval of this plan of operations, the decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in Title 43 Code of Federal Regulations, Part 4 and Form 1842-1. If an appeal is taken, a notice of appeal must be filed at the Bureau of Land Management, Carson City District Office, 1535 Hot Springs Road, Carson City, Nevada 89706 within 30 days after the date that this decision has been issued. The appellant has the burden of showing that the decision is in error.

If the appellant wishes to file a petition (request) (pursuant to regulation Title 43 Code of Federal Regulations 4.21) for a stay (suspension) of the effectiveness of this decision during the time that the appeal is being reviewed by the Board, the petition for a stay must accompany the notice of appeal. A petition for a stay is required to show sufficient justification based on the standards for obtaining a stay. Copies of the notice of appeal and petition for a stay must also be submitted to the appropriate Office of the Solicitor (see Title 43 Code of Federal Regulations 4.413) at the same time the original documents are filed with this office. If the appellant requests a stay, the appellant has the burden of proof to demonstrate that a stay should be granted.

APPROVAL



John O. Singlaub
District Manager, Carson City

12-4-96
Date

Plan of Operations Approval

Talapoosa Mine Project

N36-94-002P

DECISION

Talapoosa Mining Inc.
5655 Riggins Court, No. 10
Reno, Nevada 89502

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Title 43 CFR 3809
Surface Management

The Bureau of Land Management has reviewed the Plan of Operations for the Talapoosa Project (N36-94-002P) from Talapoosa Mining Inc. to construct a gold and silver heap leach mine and facilities near Silver Springs, Nevada. All Bureau of Land Management requirements relating to the Plan have been met. Based on the Plan of Operations and the mitigation and monitoring identified in the Record of Decision for the Talapoosa Mine Project Environmental Impact Statement, approval of the Plan of Operations is granted. Approval is with the understanding that Talapoosa Mining Inc. will implement all mitigation and monitoring measures as an integral part of the operating plan, increase the existing reclamation bond to \$2,067,158, and acquire all Federal, State, and local government permits before construction and operations commence.

During the EIS review process, questions about the Plan of Operations/Reclamation Plan have been answered, addenda submitted, and revisions to the original document, text, tables, and figures have been made. This decision, approval of the Talapoosa Mine Project, is contingent upon TMI incorporating all of these changes into one document. A revised Plan of Operations/Reclamation Plan with the requisite changes, including those that may be forthcoming as a result of the Waste Rock Management Plan and Water Resource Monitoring Plan, must be submitted to the BLM/NDEP within 180 days of receipt of this decision.

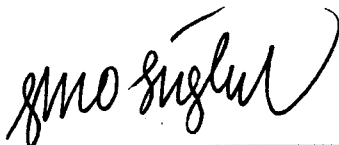
You have the right of appeal to the Nevada State Director, Bureau of Land Management, in accordance with Title 43 CFR Subpart 3809.4. If you exercise this right, your appeal, accompanied by a statement of reasons and any arguments you wish to present to justify reversal or modification of this decision, must be filed in writing at this office: Carson City District Office, 1535 Hot Springs, Carson City, Nevada 89706, within 30 days after the date of receiving this decision. The appellant has the burden of showing that the decision appealed from is in error. This decision will remain in effect during appeal unless written request for a stay is granted.

If you wish to file a petition pursuant to regulation Title 43 CFR 4.21 or 43 CFR 3809.4 for a stay of this decision during the time that your appeal is being reviewed by the Nevada State Director, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards cited below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellants success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.



John O. Singlaub
Carson City District Manager

12-4-96

Date