

The LOGBOOK of CSP²

The CENTER for SCIENCE in PUBLIC PARTICIPATION

"Technical Support for Grassroots Public Interest Groups"

CSP²/CSP²/CSP²/CSP²/CSP²/CSP²/CSP²/ WINTER 1998 /CSP²/CSP²/CSP²/CSP²/CSP²/CSP²

MONTANA

Zortman and Landusky Mines

CSP² has been providing technical advice on water quality and reclamation issues to the Fort Belknap Tribes and other concerned organizations. We last reported on the bankruptcy of Pegasus Gold, the parent company of Zortman Mining Inc., and their subsequent decision not to proceed with the expansion project for the *Zortman and Landusky Mines*, located near the Fort Belknap Reservation in north central Montana.

In May the Montana Department of Environmental Quality (MDEQ) announced their decision to implement a reclamation-only alternative from the Environmental Impact Statement on the mine expansion, which called for certain reclamation measures in addition to those originally proposed by the company. CSP² analyzed the reclamation merits and shortcomings of this alternative for the Indian Law Resource Center, Montana Environmental Information Center, National Wildlife Federation, and Western Environmental Law Center.

In June MDEQ issued a Record of Decision for their reclamation alternative. As CSP² predicted in its analysis, the State determined that despite its relatively large bond of about \$62 million, its reclamation cost is now estimated to be closer to \$70 million. The State has submitted a claim for an additional \$8 million to the bankruptcy court determining the disposition of Pegasus remaining assets.

At the same time, CSP² was preparing a reclamation proposal for the Indian Law Resource Center, on behalf of the Fort Belknap Tribes and others, that was a more protective and permanent alternative than the State's plan. This plan, completed in September, proposes a more aggressive reclamation that includes backfilling of the large open mine pits. It also provides support for the contention by the Tribes and others that the proposed reclamation plan fails to uphold the federal government's trust responsibility to the tribes, and the State's responsibility to its citizens under the Montana constitution and Metals Mine Reclamation Act.

In addition the Center continues to provide technical advice to the Fort Belknap Tribes and others

plans to continue its involvement and ensure that the Fort Belknap Tribes and others are technically represented in their attempts to restore the damaging water quality and surface impacts caused by this ill-fated mine.



The Golden Sunlight Mine, a vat-leach, open-pit gold mine near Whitehall, Montana.

Golden Sunlight Mine

The Center has also been working on behalf of the National Wildlife Federation, Montana Environmental Information Center, Mineral Policy Center and others on the *Golden Sunlight Mine*, located in southwestern Montana.

The Golden Sunlight Mine is a large open-pit cyanide process mine located approximately one mile from the Jefferson River 20 miles from its confluence with the Missouri River. Operation of the mine since 1983 has resulted in extensive contamination of the groundwater aquifer with cyanide from a tailings pond, and the mine is predicted to be a major source of acid mine drainage in the future. Upon its completion, interception, pumping and water treatment of the underground aquifer is to be performed in perpetuity to prevent the formation of a toxic pit lake and extensive contamination of the groundwater aquifer.

During the mine's life several modifications and expansions have been proposed. Those proposals have been contested by organizations that believe

(Continued on page 2)

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(Continued from page 1)

continued mining has only worsened the already significant water quality and surface reclamation issues.

CSP² has been supporting the above organizations in their litigation of a recent decision by the State of Montana to allow continued expansion of the mine without a reclamation plan that would prevent acid mine drainage. The Center is providing technical advice on the efficacy of the proposed reclamation measures, as well as assisting in the preparation of legal documentation.

Jim Kuipers

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ARIZONA

The Center has been working for the Guardians of the Rural Environment (GORE) on behalf of the local citizens of Yarnell, a town in central Arizona. The Yarnell Mining Company, a subsidiary of Bema Gold Canada, is proposing to conduct an open-pit heap-leach mining operation approximately one-mile from the town, and only a few hundred yards from the homes of numerous retirees who call Yarnell and the local area their home.

CSP² submitted technical comments on the Arizona Aquifer Protection Permit issued by the state, and the Draft Environmental Impact Statement issued for the proposed project by the BLM. In addition, Jim Kuipers recently served as an expert witness, testifying on technical matters with respect to water quality issues

on behalf of GORE at their recent administrative appeal of the Arizona Aquifer Protection Permit.

Jim Kuipers

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LATEST CSP² STAFF ADDITION

Tom Myers, a hydrologist located in Reno, NV, is the newest addition to the Center's list of staff-consultants. Tom has a Ph.D. and M.S. in Hydrology/Hydrogeology from the University of Nevada, Reno. He also has 15 years of experience that includes water resources engineering and academic research for the Bureau of Reclamation.



Dr. Tom Myers

Nevada is the most important hardrock mining state in the US, and operational decisions made at Nevada mines can set precedent that carry not only to other states, but also across international boundaries. Because of this, setting good 'technical precedent' in Nevada is important.

Tom's first project for the Center includes an assessment of overlapping of dewatering cones of depression in the Carlin Trend of northern Nevada. Mining companies are lowering the water table up to 2200 feet and pumping over 100,000 gpm to keep their open pits and underground mines dry. There is considerable controversy over which mine is responsible for certain portions of the regional drawdown. The Center has chosen to work to find solutions to the dewatering problem that will not leave long lasting impacts in the Humboldt River basin when mining ceases.

Another recent project for the Center involved the development of an independent groundwater model, completed in support of an appeal by the Northern Nevada Building Trades Council, of the production well aquifer for the Olinghouse Mine near Reno, NV. The modeling completed the unfinished analysis of an agency's environmental assessment.

Tom has worked on mining hydrology since 1994. He prepared a report for the Sierra Club concerning cumulative impacts of dewatering on the water resources of the Humboldt River basin in northern Nevada. He will be working on mining hydrology for the Center as well expanding the Center's capabilities into other areas of water resources policy analysis.

He brings abilities in several types of hydrologic modeling to the Center. Tom does groundwater, rainfall/runoff, water surface profile and operations

modeling. During his spare time, Tom works as Conservation Director for *Friends of Nevada Wilderness*. He is doing the Geographic Information Systems mapping of a wilderness proposal for Nevada.

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ALASKA

The Center received grant support for 1998 from the True North Foundation, The Alaska Conservation Foundation, and the Leighty Foundation specifically to provide technical support to Alaska environmental groups on mining issues.

This year we have continued our involvement on the Kensington Mine near Juneau. The mine received all of the necessary development permits, but announced that it would need to re-engineer the mine to make production economically viable under present gold prices.

Only two local groups opted to sign the settlement agreement negotiated with the mine's operator, and the operator has not decided whether it will sign the agreement. The settlement agreement prohibits groups that sign from bringing legal challenges to the mine's permits in exchange for money from the operator to monitor the mine, and public access to the mine property and all environmental monitoring data.

The company has said it will decide whether to sign the agreement when it has finished with its re-design.

I have also been working on several mining issues in northern Alaska. The 'gold boom' in Alaska centers on the Fairbanks area, where the Fort Knox Mine went into production last year.

In addition to Fort Knox, we have been looking at the Pogo Project, a potential rich underground mine near Delta, 100 miles east of Fairbanks, and the Illinois Creek Mine, near Galena. This heap-leach mine is owned by Dakota Mining, a company that recently declared bankruptcy, and has threatened to abandon a mine in South Dakota that requires water treatment to protect nearby streams. The Illinois Creek mine is now in a caretaker status, but we are concerned that Dakota may not have the resources to maintain or close the mine.

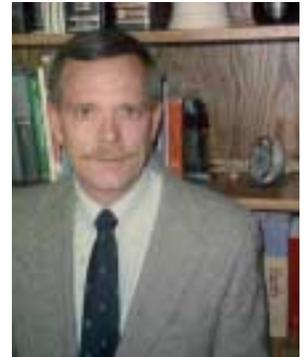
Finally, I am looking at the Red Dog mine, where there is continuing concern over the discharge from the water treatment plant, and at the port facility where the mine plans to build a long dock to extend into the bay. Cominco, the operator, has been very cooperative and open in discussing these issues.

Dave Chambers

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From the Executive Director

The Center has had the opportunity to add another talented specialist to our expert-inventory. Dr. Tom Myers (*see the article on page 2*) gives us essential expertise in groundwater hydrology, and an active presence in the state of Nevada. It is important for the Center to be active in Nevada, because the technical and regulatory precedent that is set in Nevada is often used by other states as the benchmark for their mining policies. If a poor precedent is set in Nevada, that precedent carries through to many other jurisdictions.



Dave Chambers is the Executive Director of CSP²

The Center has also added another new Board member - Alan Young, who is the Executive Director of the Environmental Mining Council of British Columbia. Alan has been working on the environmental impacts of mining in British Columbia for over ten years, and brings the Center excellent ties to Canadian, and international, mining issues.

I have been working a bit internationally myself in the last six months, in addition to continuing with major projects in Alaska (*see the article on this page*), Idaho (*Thompson Creek molybdenum mine*), and Montana (*Zortman-Landusky gold mine*).

I have made 3 trips to Labrador to work with the Innu Nation in commenting on the environmental impact statement on the Voisey's Bay nickel project. This will be a large nickel mine in northern Labrador. And while INCO, the developer, has been open to negotiating environmental improvements to the project, the Innu have not made much progress in that direction with INCO because there is a lot of economic pressure on the company due to falling commodity prices, the global recession, and INCO concerns that the ore body might not be as rich as was originally predicted.

I also made a trip in July at the request of the Mineral Policy Center to view a gold mine in Kyrgyzstan run by a Canadian company, where a cyanide transport spill contributed to the deaths of two residents of a nearby village. My role was to assess the environmental practices at the mine itself. Unfortunately, although promised otherwise, we were not allowed to visit the minesite. We may make another try next year, since there is still much local concern for this operation.

Sincerely;

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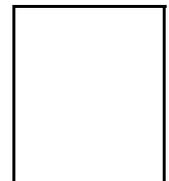
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- Become a Donor to the **CENTER for SCIENCE in PUBLIC PARTICIPATION.**
- You can help us in our work to provide local public interest organizations with technical analysis and policy support. CSP² is the only organization focusing on providing technical support to local groups on local issues. Our focus is on natural resource issues, water quality and mining in particular.
- We realize that there are a lot of good causes, and that everyone is asking for your support.
- A donation of \$25, or more, would help our efforts in furthering rational debate on natural resource issues.

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