Notice of Decision – Bureau of Mining Regulation and Reclamation

Web posting 6 / 7 / 2011

Deadline for appeal 6 / 17 / 2011

Permit #NEV0092105 (Renewal 2010)

Robinson Operation

Robinson Nevada Mining Company
PO Box 382
Ruth, NV 89319

The Nevada Division of Environmental Protection (Division) has decided to renew Water Pollution Control Permit NEV0092105 to Robinson Nevada Mining Company. This permit authorizes the construction, operation, and closure of approved mining facilities in White Pine County. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through NAC 445A.447, to assure the Division that the waters of the State will not be degraded by this operation, and that public safety and health will be protected.

The permit will become effective **22 June 2011**. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, **17 June 2011**, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Miles Shaw at (775) 687-9409 or visit the Division's Bureau of Mining Regulation website at www.ndep.nv.gov/bmrr/bmrr01.htm.

Since the date the draft permit was issued for public comment, the permit boilerplate has been updated to include spill reporting requirements more consistent with those of the Bureau of Corrective Actions and to require quarterly reporting of the status of any kinetic testing. The issued renewal permit reflects these boilerplate updates. In addition, a comment letter was received from John Hadder, Director, Great Basin Resource Watch (GBRW), during the public comment period. The Division response follows.

RESPONSE TO COMMENTS

The GBRW comment letter expresses three (3) main concerns. The first relates generally to existing contamination at the site and how it will be managed as the mine moves to closure. The second relates to the validity of a 2005 pit lake 'plan' in light of current mining plans. The third specifically identifies poor water quality in groundwater monitoring well W-19.

The specific comment sections of the GBRW letter are reproduced verbatim below. The Division responses follow in *italics*.

GBRW 1: "GBRW is very concerned about the trajectory of this mine as it moves to closure. The fact sheet that accompanied the draft permit outlines a number of ongoing problems at the site, which are evident in the existing permit reporting documents.

We understand that QuadraFNX Mining Company did not cause the preponderance of the existing contamination issues at the Robinson site; however, in acquiring the property QuadraFNX is now the responsible party. We see a number of schedule of compliance (SOC) items that are clearly needed, and we encourage NDEP to apply as much pressure as possible to QuadraFNX to determine root causes of the contamination issues and develop plans to address them in the long term. GBRW awaits the results of the SOC items, in particular the updated pit lake analysis of all pit lakes or impounded surface waters."

Division 1: The several Schedule of Compliance (SOC) items in the renewal Permit that GBRW refers to are intended to address certain historic issues in the course of the current mine plan and as the Facility moves toward final closure. The SOC items have specific objectives and end dates that must be achieved for the Permittee to maintain compliance. All information submitted will be available for review as a public record.

GBRW 2: "According to the Fact Sheet (pg 41) the Kimberly Pit Lake is suspected of having flow through characteristics (GBRW is skeptical that the other pits do not have the same dynamic), which would be likely to degrade the Waters of the State. The Fact Sheet sites a possible management option based on the expansion of the Ruth Pit. Without having reviewed the sited "2005 Plan" GBRW is uncertain, but it would appear as though it is being suggested that in encompassing the Kimberly Pit with this expansion the flow through aspect of the resulting pit disappears. GBRW finds this questionable and encourages NDEP to require QuadraNFX to develop another management plan not based on this assumption in the "likely" even it is incorrect."

Division 2: A new pit lake study, utilizing new rock characterization data developed for the current and foreseeable future mine plan in addition to historic operational data, is required as an SOC item in the renewal Permit. In addition, separate SOC items require review and updates, as may be necessary, to the pit lake study with each renewal or any modification or operational change that could affect predicted outcomes. All information submitted will be available for review as a public record.

GBRW 3: "We also note the poor water quality found in monitoring well "W-19."1 While it appears to be common for elevated level of Total Dissolved Solid (TDS) and sulfate in the groundwater aquifer 1Robinson Mining Co., "2010 2rd Quarter Monitoring Report NEV0092105" and "2010 Annual Monitoring Report NEV0092105," October 28, 2008. in that region of the site2 the low pH reported, 3.5 to 3.8 over the past year, does not seem to be normal background. Accompanying this low pH are elevated levels of iron, manganese, aluminum, copper, magnesium, and possibly fluoride. Sulfate levels reported for this well also appear to be higher in general than might be expected from the 1994 EIS data. All of this leaves GBRW to believe that this well has been contaminated by the acid mine drainage and that there may be a plume of contaminated water. If so, this plume needs to be characterized, a plan developed to arrest the problem, and determine corrective action for clean-up."

Division 3: Based on information in the Division files, groundwater monitoring well W-19 was completed 3/31/2007 adjacent to stormwater pond SP-15, which is located at the east end of Lane City Dump. The well is located 235 feet (ft) southwest of and upgradient to slightly cross gradient from well R-A. W-19 is screened in deeper alluvium down to the bedrock contact at 55 ft below ground surface, and has had poor water quality, worse than R-A, since its installation, with pH in the range 3.3 – 4.5, elevated Al, Cu, Fe, Mn, SO4, TDS, and total acidity, and occasional exceedances of Be, Cd, F, and Tl.

In 2007, after discovery of degraded groundwater in W-19, the Permittee concluded that the source of the degraded groundwater was a subsurface expression of seepage from the historic Aultman Mill Springs, which are located south-southwest of well R-A, and have moderately poor water quality (pH 4.6-7.5), but not the low pH observed in W-19. This may be a contributor to the groundwater degradation, but doesn't remove Lane City Dump and Jupiter Pond from the list of potential sources.

In 2008, the Permittee removed the historic spoil piles from the Aultman Mill Springs area, placed the material on the Lane City Dump, and regraded and covered it. However, the face on the Lane City Dump above Jupiter Pond remains uncovered. An SOC item in the renewed permit to replace Jupiter Pond with a double-lined and leak-detected pond should conclusively eliminate Jupiter Pond as a potential source for groundwater degradation.

The SOC items in the renewal Permit and on-going efforts at delineation, source mitigation, and continued monitoring will result in improved outcomes for much of the historic contamination at the site. The Division will take further action if warranted.