

NOTICE OF DECISION - Bureau of Mining Regulation and Reclamation

Web Posting: 03/31/2016

Deadline for Appeal: 04/10/2016

WPC Permit No. NEV0087061 (Renewal 2016)
Fortitude/Reona/Phoenix Project
Newmont USA Limited

The Nevada Division of Environmental Protection has decided to issue the Renewal of Water Pollution Control Permit NEV0087061 to Newmont USA Limited (Newmont). This permit authorizes the construction, operation, and closure of approved mining facilities Fortitude/Reona/Phoenix Project in Lander 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 15 April 2016. 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, 10 April 2016, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Rob Kuczynski, P.E. at (775) 687-9441 or visit the Division's Bureau of Mining Regulation and Reclamation website at <http://nv.gov/bmrr/index.htm>.

Written comments were received during the public comment period from Mr. John Hadder, Great Basin Resource Watch (GBRW), Reno, Nevada (e-mail received 19 February 2016). The text of all comments, in some cases excerpted, and the Division responses (in *italics*) are included below as part of this Notice of Decision.

GBRW Comment #1:

"The complexity and time constrains [sic] on the public comment period made review of this site very difficult."

Division Response:

The 30-day public comment period is specifically established pursuant to NAC 445A.402 and is consistent with Nevada Revised Statutes (NRS) 445A.425, 445A.465, and 445A.590.

GBRW Comment #2:

“Based on the groundwater monitoring data from the 2014 annual report there is significant groundwater degradation. The renewal application does not delineate between historical or inherited contamination...”...“GBRW assumes that the operator, Newmont Mining Corp. [Newmont], would argue that all of the degradation is from historical operations”...“Newmont needs to make this case publically before this permit is allowed to renew, which is not in the renewal application.”

Division Response:

The chloride contamination at the Phoenix Mine is associated with tailings deposition from historic copper and gold processing in an un-lined tailing storage facility. The tailings deposition predates Newmont ownership of the Project site and subsequent construction of the fully lined Phoenix Tailings Storage Facility (TSF). The elevated levels of chloride and other constituents, is due to seepage from the historic, un-lined portion of the TSF.

Currently, pumpback wells convey impacted groundwater to either the Phoenix Mill or the lined Reona Heap Leach Pad.

GBRW Comment #3:

“Newmont is also proposing a water treatment plan for over 500 years of the drainage from current operations. Such a proposal seems absurd on the surface, and in our [GBRW] view if the plan of operations requires perpetuity treatment then the plan is not valid. Newmont needs to further demonstrate that the current plan of operations is improving conditions on the ground at the site, and will not create additional treatment complications, such a perpetuity scenario.”

Division Response:

The proposed water treatment plan is a closure scenario being considered by Newmont in conjunction with their proposed “Greater Phoenix Project”. Newmont has not submitted a formal Water Pollution Control Permit application to the Division for the proposed “Greater Phoenix Project” and it is not the subject of this Permit renewal.

GBRW Comment #3:

“Given the complexity of the Phoenix site and level of contamination Newmont has a responsibility to the public for clarification of historical contamination and how its plan of operations is not increasing or will increase the level of contamination or the uncertainty of closure conditions. Therefore at this time GBRW cannot support this permit renewal. We would entertain a meeting with Newmont staff and NDEP staff to clarify these basic issues.”

Division Response:

A meeting to discuss GBRW’s concerns with representatives from Newmont, GBRW, and the Division was held on Monday, 8 March 2016 at the Division offices in Carson City.

The following GBRW concerns were clarified:

- The proposed Greater Phoenix Project (GPP) is not part of the 2016 Permit renewal. A major modification for the GPP will be submitted to the Division at a later date.
- The groundwater contamination identified by the PHX-series groundwater monitoring wells is emanating from historic, pre-regulation waste rock dumps that were constructed by the previous operator, not Newmont. The impacted groundwater is collected and conveyed to either the Phoenix Mill or the lined Reona Heap Leach Pad as make-up water.
- The CM-series groundwater monitoring wells monitor historic chloride contamination associated with historic tailings deposition that predates Newmont ownership of the site. Pumpback wells convey impacted groundwater to either the Phoenix Mill or the lined Reona Heap Leach Pad.

Additional historic data will be provided by Newmont to GBRW to demonstrate baseline conditions.