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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF ENVIRONMENTAL PROTECTION**

901 South Stewart Street, Suite 4001  
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**September 1, 2005**

**NOTICE OF DECISION**

**WATER POLLUTION CONTROL PERMIT  
NUMBER NEV2005103**

**Atna Resources, Inc.  
Pinson Exploration Project**

The Nevada Division of Environmental Protection has decided to approve issuance of Water Pollution Control Permit NEV2005103, to Atna Resources, Inc. for the Pinson Exploration Project. This permit authorizes the construction, operation, and closure of approved mining facilities in Humboldt 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 groundwater quality will not be degraded by this operation, and that public safety and health will be protected.

The modified permit will become effective September 16, 2005. 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, September 11, 2005, on Form 3, with the State Environmental Commission, 901 S. Stewart Street, Room 4001, Carson City, Nevada 89701-5249. For more information, contact Rob Kuczynski directly at (775) 687-9441, toll free in Nevada at (800) 992-0900, extension 4670, or visit the Division website at: <http://ndep.nv.gov/bmrr/bmrr01.htm>.

One comment letter and one E-mail comment were received during the public comment period. The comment letter, dated August 4, 2005, was received from Ed Naranjo, Tribal Administrator, Confederated Tribes of the Goshute Reservation. The E-mail comment letter, dated August 17, 2005, was received from Tom Myers, a hydrological consultant representing Great Basin Mine Watch. Division responses to the received comments are attached to this Notice of Decision.

**NDEP Response to Confederated Tribes of the Goshute Reservation Comment Letter dated August 4, 2005 and received via surface mail on August 15, 2005.**

Comment: “The Confederated Tribes of the Goshute Indian Reservation do not have objections or comments concerning this project.”

NDEP RESPONSE: *Comment noted.*

**NDEP Response to Great Basin Mine Watch (GBMW) E-mail Comment Letter dated August 17, 2005.**

Comment: “The application claims there is not a substantial hydraulic connection between the CX and Mag pits...Because the pit lake will or would have infilled naturally and it is predicted to be a flow-through system, it is very difficult to envision the scenario that would allow the bedrock and alluvium beneath the pit to be dewatered without affecting the water in the pit”.

NDEP RESPONSE: *GBMW’s discussion of the Mag Pit Lake and potential impacts to the pit lake from the exploration activities incorrectly assumes that the Mag decline is designed to explore beneath the Mag open pit, thus requiring dewatering of the hydrologic block within the Mag pit lake is located. Even though the Mag decline is collared from within the Mag open pit, it is designed to explore to the west of the Mag open pit in the CX hydrological block. The decline will not intercept the water table within the Mag hydrologic block. To provide NDEP assurance that the Mag decline will not penetrate the water table in the Mag block Atna Resources and NDEP have agreed upon a Schedule of Compliance (SOC) item (please refer to WPCP NEV2005103, I.B.1) such that Atna will be required to provide NDEP with cross sections and plan maps depicting the location of the Mag hydrologic block within the decline and groundwater elevation within the Mag block.*

Comment: “The dewatering rate will be as much as 6,900 gpm...the geologic complexity of the region [makes] prediction uncertain. The [Pinson] application provides no details regarding this estimate...NDEP should require the applicant to provide a detailed discussion of the estimation of dewatering rate”.

NDEP RESPONSE: *In a fracture- dominated aquifer such as Pinson, an assessment of the anticipated dewatering rate is a difficult procedure due to number of complicated factors. To address this issue Atna and NDEP have agreed upon the incorporation of a SOC item (please refer to WPCP NEV2005103, I.B.3) so that within three months of the initiation of the dewatering operations, Atna will submit to NDEP a revised assessment of the dewatering needs for the Pinson Exploration Project, incorporating dewatering data generated since the initiation of Atna’s dewatering operations at the Pinson Mine.*

Comment: “There are two potential sources of acid generation in this project: the waste rock and the water flowing to the declines or future (refilled) pit lakes...The inherent assumption that the rock encountered [during decline development]...will be similar to the waste rock encountered in the pit...application does not justify or provide evidence

supporting this assumption...data presented in the application [shows] substantial potential for acid generation in the Mag pit...application uses inappropriate statistical analyses of the data by presenting the average of a ratio...there are substantial sections of the waste rock that is potentially PAG...Both the water removed during dewatering and the inflow to the decline after dewatering ceases could be affected by this acid mine drainage water...NDEP should consider this potential for AMD to seep into the decline, after closure, and degrade downgradient groundwater. Deep groundwater monitoring wells should be installed near the location of the decline to monitor whether the groundwater quality is being affected by the drawdown of the water table around the decline”.

*NDEP RESPONSE: The information presented by Atna in the permit application package is consistent with NDEP requirements for the assessment of ore, overburden, waste rock and tailing materials. During our review of the waste rock data, several typographical errors were discovered, however these were remedied by cross-referencing with the PMC data from the PMC Closure Plan and provided in the Atna application.*

*NDEP has included in the permit specific conditions to ensure that waste materials are characterized on a routine basis and the data reported in the monitoring reports. There is sufficient information and adequate Permit conditions to ensure that the acid generating potential of the 134,000 tons of waste rock removed are properly assessed.*

*Groundwater monitoring wells in the vicinity of the decline are of sufficient depth to determine dewatering impacts. In addition, PMC also monitors groundwater throughout the Pinson Mine site and reports their data to NDEP on a regular basis.*

Comment: “For the Mag Pit Lake, the permit requires sampling at three specific elevations...the permit specifies sampling at depths relative to the pit lake surface elevation for the CX pit lake...It would make more sense to specify the depths for the Mag Pit Lake relative to the surface...Schedule of compliance item B.1 should be expanded to include the Mag Pit.”

*NDEP RESPONSE: With regard to the definition of sample collection points within the pit lake, references to the distances below the surface or above the bottom are more appropriate than elevations because the pit lake level can fluctuate and sloughing can change the elevation of the pit bottom.*

*Elevation measurements were recommended by Atna in their review of the draft permit to 1) coincide with sample point nomenclature used in prior closure sampling of the Pinson Mining Company and 2) to facilitate comparison among samples. NDEP accepted Atna’s proposal to retain the proposed nomenclature and sampling elevations. However, in the event it appears that the Mag Pit Lake surface elevation lowers, NDEP will consider revised nomenclature and sampling elevations.*

Comment: “Surface water monitoring requirements specify *quarterly when flowing* as the frequency for sampling...sampling frequency may provide too much leeway since stream could be best classified as *ephemeral*...the state should be more specific about

the timing of the sample event to provide for reasonable spacing among samples while preventing selective sampling for dry events.”

NDEP RESPONSE: *Comment noted. The reporting frequency is consistent with that required of other operations permitted by NDEP.*

Comment: “Permit limits the Permittee to processing less than 36,500 tons per year and 120,000 tons total for the life of the project...Is there any limit to the amount of waste rock that may be moved under this permit?...May the Permittee renew the permit for an additional small facility permit?”

NDEP RESPONSE: *As long as the Permittee continues to operate a facility pursuant to the conditions and requirements established in the WPCP, Nevada Administrative Code (NAC) 445A.350 through 445A.447, and fee schedule, there are no limits to the amount of waste rock that can be removed during the life of a project or the number of renewals.*

Comment: “Required testing of the waste rock and ore stockpile--should require reporting of the amount of waste rock and ore produced during the quarter and cumulatively. This could replace the requirements of section II.B.2.b which requires an annual reporting of ore moved only.”

NDEP RESPONSE: *Comment noted. See above response.*

Comment: “The [draft] permit includes monitoring of various things, such as pit lakes and monitoring wells that were probably a part of the original Pinson permit. Does this permit replace the Pinson Mine permit? Does Atna Resources assume all of PMC’s responsibilities for the site with this project?”

NDEP RESPONSE: *The Atna/Pinson Exploration Permit does not replace the existing PMC permit. PMC will continue monitoring and recordkeeping pursuant to those conditions established in WPCP NEV89002. Atna is responsible for those portions of the Pinson Mine site they acquired from PMC and those areas impacted by their exploration activity. In many instances, PMC and Atna monitoring efforts are duplicated, providing an added level of QA/QC to the monitoring programs.*