



STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

NOTICE OF DECISION – Bureau of Mining Regulation and Reclamation

Web Posting: 02/22/2012

Deadline for Appeal 03/02/2012

**Mary Ann Canyon Project
Permit #NEV2011107 (New 2012)**

Kapacke Mining LLC

The Nevada Division of Environmental Protection has decided to issue Water Pollution Control Permit NEV2011107 to Kapacke Mining LLC. 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 08 March 2012. 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, 02 March 2012, 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

One comment was received during the public comment period from David R. Davis, Geologist, Schell Field Office, Ely District, Bureau of Land Management, U.S. Department of the Interior (BLM). The Division response to the BLM comment is attached to this Notice of Decision.

BLM Comment: A field inspection indicates that Kapacke Mining LLC has been using an existing well on public land located in Section 22, Township 14 North, Range 67 East, Mount Diablo Baseline and Meridian as a source of water for the mining operation rather than water from an upgradient mining operation. The water well in use was last permitted (Permit #23556) to Rex Frandsen. The BLM has issued an order of noncompliance to Kapacke Mining LLC.

Division Response: *Kapacke Mining LLC must construct, operate, and close the Facility in accordance with the approved application and design documents, the issued water pollution control permit, applicable State statutes and regulation, and all other local, State, and federal*

requirements. Changes to the permitted Facility may require prior permit modification and failure to obtain appropriate authorization may result in the Division taking enforcement action.