



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: 05/09/2014

Deadline for Appeal: 05/19/2014

Lone Tree Mine

WPC Permit No. NEV0090058

Newmont USA Limited dba Newmont Mining Corporation

The Administrator of the State of Nevada Division of Environmental Protection (the Division) has decided to renew Water Pollution Control Permit NEV0090058 (Permit) to Newmont USA Limited dba Newmont Mining Corporation (the Permittee). 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 permit will become effective 24 May 2014 and incorporates new pit lake monitoring requirements adopted by the Division following the closure of 30-day comment period. This new language requires the Permittee to perform semi-annual monitoring of the Lone Tree Mine Pit Lake water for the presence of Profile III constituents. A table containing the Profile III constituents monitored is provided in Part I.D.22, Footnote (19) of the Permit.

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, 19 May 2014, 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 website at www.ndep.nv.gov/bmrr/bmrr01.htm.

One comment letter was received during the public comment period. The letter, dated 28 February 2014 was received electronically from Mr. John Hadder, Director, Great Basin Resource Watch (GBRW). Division responses to Mr. Hadder's comments are attached to this Notice of Decision. 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.

The Division acknowledges the assistance provided by the Permittee in addressing GBRW's concerns.

GBRW Comment #1: “[S]ince the last renewal of this [P]ermit there has been groundwater degradation in two areas...”“From the fourth quarter of 2009 through 2012 wells S23MW3 and S23MW4 and most significantly with S23MW3 highly elevated levels of Total Dissolved Solids (TDS)....and sulfate...were observed.”...“[E]levated levels of iron, manganese and magnesium also existed.”...“The other area of degradation involves well WW27, which was used for dewatering and...water supply primarily for the line [sic] slaking operation.”...“Elevated levels of TDS, sulfate, arsenic, aluminum, iron and fluoride...have been observed since 2011.”

“[GBRW] strongly recommends follow up work included in the schedule of compliance regarding the general process of underground pyrite oxidation due to dewatering. The work should address the question of whether the situation surrounding well S23MW3 is an isolated occurrence, or is the process more widespread.”

Division Response #1: *The elevated arsenic concentrations observed in S23MW3 and S23MW4 occurred over a seven-month period and corresponded with the onset of accelerated pit dewatering resulting in groundwater drawdown in the area of the two monitor wells located southwest of the Tailings Storage Facility.*

Sulfate, TDS, iron, manganese, and magnesium concentrations increased sharply beginning in January 2011 (for S23MW3) and in November 2009 (for S23MW4). Both monitor wells showed a decrease in these constituent concentrations beginning in the third quarter of 2011. Recent water quality data suggests that these constituents are trending towards concentrations similar to those measured prior to the period in which the spikes occurred.

Sulfate has been increasing in S23MW1 and S23MW2A since these wells began to recover, although the concentration is not as high as was observed in S23MW1 (217 mg/L in S23MW1 and 506 mg/L in S23MW2A). The data for S23MW2A suggest that the concentration may be beginning to decline. It appears that as water levels recover in the area of these monitor wells, the small zone of oxidized sulfides becomes submerged, creating a pulse of groundwater with sulfate concentrations above background but not above the standard.

Monitor wells S23MW1 through S23MW4 are within a fault-bounded block of bedrock that has significantly limited hydraulic continuity with the bedrock down-gradient. The Permittee and the Division will continue to monitor S23MW1 through S23MW4.

GBRW Comment #2: “In [GBRW’s] view NDEP should not have allowed Newmont to use WW27 and degrade groundwater. The permit should clearly state that Newmont must not again pump on WW27 or any other wells, which could result in groundwater contamination.”

Division Response #2: *The Division’s letter dated 26 February 2014, directs the Permittee to cease the operation of water supply well WW-27 as a back-up water source.*

GBRW Comment #3: “...GBRW further recommends that NDEP require in the schedule of compliance additional groundwater monitoring directly west of the pit lake. Although not optimal at the very least some of the other existing dewatering wells such as WW23 could be used for this purpose.”...“...it is likely that additional wells need to be created. At the very least GBRW urges NDEP to include in the schedule of compliance an analysis of the monitoring system needed to unequivocally capture any degraded waster [sic] infiltrating into the groundwater monitoring system.”

Division Response #3: *The Division has reviewed the GBRW recommendation and agrees that additional groundwater monitoring west of the Lone Tree Mine (LTM) Pit Lake is justified.*

While dewatering well WW-23 could potentially serve as a monitoring well, current water quality may not be representative due to casing competency issues and may provide data of limited value.

Groundwater monitoring well OW-6E is located 1,300 feet northwest of WW-27 between the reclaimed S11 Waste Rock Disposal Facility (WRDF) and Sec 14 Ready Line and is a suitable replacement for WW-27 since it was also installed in alluvium. OW-6E is fully functional and will be utilized for groundwater monitoring. This monitoring well has been incorporated into the 2014 Permit Renewal.

Groundwater monitoring well M/O 11-2 is located 4,800 feet northwest of WW-27 and the reclaimed S11 Waste Rock Disposal Facility and west of the LTM Pit Lake. M/O 11-2 was installed in alluvium and is fully functional.