



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 FINAL DECISION - Bureau of Mining Regulation and Reclamation

Web Posting: 11/04/2014

Deadline for Appeal: 11/14/2014

**Reclamation Permit 0126
Florida Canyon Mine Project
Florida Canyon Mining Inc.**

The Nevada Division of Environmental Protection (Division) has decided to issue a major modification of Reclamation Permit 0126 for a mining project to Florida Canyon Mining, Inc. (Permittee). This permit authorizes the Permittee to reclaim the Florida Canyon mine located in Pershing County, Nevada. The Division has been provided with an application, in accordance with Nevada Revised Statute and Nevada Administrative Code (NAC) 519A to assure the Division that the Permittee will leave the project site safe, stable, and capable of providing for a productive post-mining land use.

This permit will become effective on November 19, 2014. The final determination of the Administrator may be appealed to the State Environmental Commission (Commission) pursuant to NAC 519A.415. All requests for appeals must be filed by 5:00 PM, November 14, 2014, on Form 3 with the Commission at 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249, and in accordance with administrative rules of the Commission.

This permit authorizes 2,834 acres of surface disturbance on private lands and public lands administered by the Bureau of Land Management (BLM)-Humboldt River Field Office as described in the permit application dated April, 2013, entitled *Amendment to the Plan of Operations #20 (APO-20), Revision 5*. APO-20 proposes an increase of approximately 870 acres of surface disturbance within the project area. The additional disturbances include expansion of existing pits and waste rock dump, a new crusher pad, a new heap leach pad, carbon columns, solution ponds, storm water control facilities, associated access and haul roads, material borrow areas and stockpile areas.

One comment letter was received during the public comment period from William T. Gorton III, with Stites and Harbison PLLC, on behalf of Safeco Insurance Company. The comments received have been paraphrased, and are presented below. The Division responses follow the comments presented below: For more information, contact Richard Gantt at 775-687-9410 or visit the Division's Bureau of Mining Reclamation (BMRR) website at <http://www/ndep/nv.gov/bmrr/reclhome.htm>.

Comment 1. From Section A, *Safeco's Interest*.

Section A summarized the relationship between the Principal, Obligee and Surety parties.

Response to Comment 1. Comment noted.

Comment 2. From Section B, *BLM and Nevada BMRR Joint Jurisdiction*.

Section B provided an overview of the Memorandum of Understanding (MOU) between the State of Nevada and the BLM which establishes coordination between the State and Federal agencies in administering respective joint responsibilities to the administration and reclamation of lands disturbed by exploration projects and mining operations with the State of Nevada.

Response to Comment 2. Comment noted.

Comment 3. From Section C, *Reclamation Permit Major Modification to Existing Mine*.

Section C commented on the following concerns:

3(a). The major modification to the reclamation permit requires a comprehensive review including mitigation of the existing reclamation obligations.

Response to Comment 3(a). Pursuant with NAC 519A.295, reclamation permit modifications are not required to include a comprehensive review of previously permitted portions of the operation.

3(b). The agency has not evaluated the cumulative impacts, or if significant environmental impacts would result from approving the proposed new facilities.

Response to Comment 3(b). Evaluation of cumulative impacts and determining significance of environmental impacts is beyond the scope of NAC 519A regulatory framework.

3(c). APO-20 does not even provide timely commitments to complete the reclamation in compliance with its current obligations.

Response to Comment 3(c). Although concurrent reclamation is allowed, NAC 519A.285 only requires reclamation initiation within 2 years after completion or abandonment of the operation, and within 3 years after a temporary closure of an operation.

3(d). It is unclear what Reclamation Plan of the Existing Operation and what schedule for reclamation is presently in effect. To date the applicable approved reclamation schedules required by Nevada law have not been met.

Response to Comment 3(d). Both the current approved plan for reclamation and APO-20 include a proposed schedule for reclamation pursuant with NAC 519A.270. The schedule presented in APO-20 supersedes previously approved proposed schedules for reclamation.

3(e). Review of the APO-20 proposed Major Modification must consider the total Plan of Operations related to the entire mine complex including outstanding and significant reclamation and groundwater pollution treatment and abatement obligations on the Existing Operation that are detailed in prior APOs and more recent Bureau of Mining Regulation and Reclamation (BMRR) enforcement orders.

Response to Comment 3(e). Groundwater and surface water monitoring, reporting, and remedial requirements are administered under a Water Pollution Control Permit (WPCP) issued pursuant to NAC 445 and are beyond the scope of NAC 519A regulatory framework.

Comment 4. From Section D, *Groundwater Pollution Abatement*.

Section D commented on the lack of discussion of cumulative impacts analysis within the Plan of Operations amendment; and existing impacted groundwater conditions adjacent to, and downgradient of the existing heap leach pad.

Response to Comment 4. See response to Comments 3(b) and 3(e) above.

Comment 5. From Section E, *Concurrent Reclamation*.

Section E commented on the intent of NAC 519A regulations, the concept of concurrent reclamation, and specifically NAC 519A.285 which addresses the time for initiation of reclamation; extension of time; and completion of reclamation.

Response to Comment 5. See Response to Comment 3(c) above.