

DEPARTMENT OF STATE LANDS

FIELD OPERATIONS DIVISION

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STAN STEPHENS, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

DEC 29 1992

Central Land Office: Helena, MT (406) 444-3633
Eastern Land Office: Miles City, MT (406) 232-2034
Northeastern Land Office: Lewistown, MT (406) 538-5989

Northwestern Land Office: Kalispell, MT (406) 752-7994
Southern Land Office: Billings, MT (406) 259-3264
Southwestern Land Office: Missoula, MT (406) 542-4200

ENVIRONMENTAL
QUALITY CONTROL

TO: Barbara Hamburg, Minerals Management Bureau

FROM: Mark Ahney ^{M.A.}, Area Manager, CLO

DATE: Nov. 12, 1992

SUBJECT: Metalliferous Lease #M-1848-92 and M-1849-92,
Pegasus Gold Corp., Lewis & Clark Co.

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STATE LANDS

Barbara,

Bob Vlahovich has completed the necessary EA's as well as the mineral lease reviews. I concur with his recommendation that these applications for gold prospecting be approved. However it is important that specific stipulations be included to preclude environmental problems.

The following are recommended for M-1848-92:

- 1) No prospecting activity is allowed within 200' of the spring located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 34, T13N-R6W.
- 2) The applicant must coordinate their activities with the surface lessee, Grady Ranch Co., to minimize conflicts with general recreationists during the hunting season.
- 3) Surface disturbance must be reclaimed and reseeded in accordance with the Hardrock Bureau's reclamation requirements.
- 4) That a \$1,000 (minimum) performance bond be required for each acre disturbed to insure that reclamation and potential weed control activities are completed.

The following are recommended for M-1849-92:

- 1) No prospecting activity is allowed within 200' of the stream (Cottonwood Creek) or its tributaries that flow through Sec. 36, T13N-R6W.
- 2) The applicant must coordinate their activities with the surface lessee, Grady Ranch Co., to minimize conflicts with general recreationists during the hunting season.
- 3) No prospecting activity is allowed from Dec. 1 through March 31 to prevent disturbance to wintering elk that utilize this section.

- 4) That a \$1000 (minimum) performance bond be required for each acre disturbed to insure that reclamation and potential weed control activities are completed.
- 5) Surface disturbance must be reclaimed and reseeded in accordance with the Hardrock Bureau's reclamation requirements.

If you have any further questions, don't hesitate to contact either myself or Bob Vlahovich. Thanks.

dh

cc: Bob Vlahovich, Helena Unit Manager

MINERAL LEASE REVIEW

Type of Lease: Metalliferous Gold Lease No. M-1848-92

Surface Lessee: _____ Description of Land: _____

SWSW Grady Livestock Co. c/o Pat Grady Box 452 Canyon Creek, MT 59633	NENW Grady Ranch Co. c/o E.J. Grady, Jr. Canyon Creek, MT 59633	<u>Township 13 North, Range 6 West</u> <u>Section 34: NE$\frac{1}{4}$NW$\frac{1}{4}$, SW$\frac{1}{4}$SW$\frac{1}{4}$</u> <u>Lewis & Clark County</u>
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Name of Applicant: Pegasus Gold Corporation

Address: Box 4048, Butte, MT 59702

Phone: _____

Description of operation proposed: lode

Date which decision must be made: November 16, 1992

Date when reports should be returned: October 16, 1992

Field Operations Division: Action will not significantly interfere with other development possibilities or values:

Action would probably significantly interfere with other development possibilities:

Method of evaluation: file review

Comment: Recommend stipulations as follows: restrict activities near spring in SW SW

2. Coordinate activities w/ leasee to avoid conflicts during hunting season.

Signature: Robert V. Schmidt Date: 10/20/92

9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?	<input type="checkbox"/>
10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other studies, plans or projects on this tract?	<input checked="" type="checkbox"/> Grazing

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name Metalliferous Lease Proposed Implementation Date: 11/16/92Proponent Pegasus GoldType and Purpose of Action Exploration for Gold Mining, M-1849-92Pegasus proposes trenching & drilling activities to explore for a lode mining potential on State land.Location NENW, SWSW S34 T13N R6W County Lewis & Clark

N = Not present or No Impact will occur

Y = Impacts may occur (explain under Potential Impacts)

IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?	[N]
2. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?	[Y] Spring in SW SW can be protected by limiting activity near spring.
3. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?	[N]
4. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?	[N] Stips will require reseeding disturbed areas
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there significant use of the area by important wildlife, birds or fish?	[Y] Elk use. Should be minimal impact
6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?	[N]
7. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N]
8. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?	[N] May be visible from road, but impact would be minimal & short term unless future actions indicate full blown mining operations would be warranted
9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?	[N]
10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other studies, plans or projects on this tract?	[Y] Grazing

IMPACTS ON THE HUMAN POPULATION

RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
11. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N]
12. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[N] Grazing lease
13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so estimated number	[N]
14. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[M]
15. DEMAND FOR GOVERNMENT SERVICES: Will significant traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?	[N]
16. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N]
17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?	[N] Some recreational use for hunting
18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[M]
19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[M]
20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[M]
21. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	[N]

22. Alternatives Considered No action (not issuing permit) - Essentially all current uses + actions would continue as is. Potential for mineral development would not be evaluated, and income to the trust would not be realized.

23. Public Involvement, Agencies, Groups or Individuals contacted Leasees contacted
by letter. Conservation District notified.

24. Other Governmental Agencies with Jurisdiction, List of Permits Needed.

Weed District

25. Magnitude and Significance of Potential Impacts. Impacts should be relatively
insignificant for exploration in this area. If in the future
mining activities are escalated, further environmental review
may be warranted.

Recommendation for Further Environmental Analysis:

EIS More Detailed EA No Further Analysis

EA Checklist Prepared By: Robert V. Lohrlich Title HV mgr.

Approved By: MARK HANER AREA MANAGER, CHO
name title

Mark D. O'Hara
signature