

CHECKLIST ENVIRONMENTAL ASSESSMENT

COMPANY NAME: Elkhorn Goldfields, Inc. Project: Golden Dream

PERMIT OR LICENSE 00617

LOCATION: section 10: T6N R3W County: Jefferson

PROPERTY OWNERSHIP: Federal State Private

TYPE AND PURPOSE OF ACTION: Elkhorn Goldfields has proposed a 3,225 foot decline for the purpose of extracting a 10,000 T bulk sample of ore for testing of metallurgical recovery, utilizing an offsite mill. The decline would be started 50' above the local water table to prevent adit drainage after closure. A portal patio would be constructed from waste rock. The rock would be amended with lime as it is placed to prevent the formation of acid rock drainage after closure. The amount of lime placed would depend on the acid regenerating potential of the rock as determining by laboratory testing. The mine would be dewatered in advance of the drift by pumping from the local aquifer. This would prevent contamination of the water with blasting residue, petroleum products, or sulfide ores. This water would be sent to a water treatment plant to treat for arsenic, which occurs in the groundwater, before being piped to one of ten percolation ponds located at high elevation in Sourdough, Grayback, or Elkhorn gulches, where it would be percolated into the bedrock. Some infrastructure would be required for this project, including an office/dry trailer and a shop, approximately 50' X 100' on a concrete pad. Approximately 7,000' of an existing road system would be upgraded to MSHA standards by creating a safety berm on the outslope of the road. Approximately 6 acres would be disturbed by these activities.

Reclamation Plan: If the exploration phase does not proceed to full mine development, the adit would be backfilled at closure with at least 25' of waste rock fill. The portal patio would be sloped and graded to shed water, covered with salvaged soil and revegetated. The perc ponds would be filled and revegetated, all pipe would be removed. Infrastructure would be removed and the roads returned to pre-project condition.

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 soils present which are fragile, erosive, susceptible to compaction, or unstable? Are there unusual or unstable geologic features? Are there special reclamation considerations?	[Y] A quantity of ore would be removed from the mine and milled off site. Waste rock would be placed outside the portal.
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] Groundwater in the area is naturally higher in arsenic than the surrounding streams. Dewatering in advance of the mine work would capture this water. Treatment would remove the arsenic to below DEQ standards and below the levels found in the surrounding streams, at which time, the water would be returned to the ground water system through percolation ponds. If it becomes necessary to dispose of mine water, an additional bio remediation process would be used to remove any accumulated nitrates from the water, and a pre processing system would be used to remove any petroleum contaminants. A storm water control system of ditches and sediment traps would be built at the portal patio, along project roads, and at the facilities area.
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 significantly impacted? Are any rare plants or	[N] All disturbed areas would be revegetated at closure. Weed control is an ongoing project activity.

IMPACTS ON THE PHYSICAL ENVIRONMENT

cover types present?	
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	[N]
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] There are many old mines in the area. None of these would be impacted by this project.
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] These activities would not be visible from a distance.
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 activities nearby that will affect the project?	[N] Elkhorn Goldfields has been conducting an exploration drilling program for several years. This is likely to continue in conjunction with the decline.

IMPACTS ON THE HUMAN POPULATION

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]
13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	[N] This project would create several new jobs.
14. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[N] There would be an incremental increase in taxable revenue.
15. DEMAND FOR GOVERNMENT SERVICES: Will substantial 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	[N] The Elkhorns are an important recreational area. This project is located in a

IMPACTS ON THE HUMAN POPULATION	
RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?	historic mining district that has been mined and explored for minerals sporadically for over a hundred years. The immediate area is private land is not available for general recreation.
18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[N]
19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N]
20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N]
21. PRIVATE PROPERTY IMPACTS: Are we regulating the use of private property under a regulatory statute adopted pursuant to the police power of the state? (Property management, grants of financial assistance, and the exercise of the power of eminent domain are not within this category.) If not, no further analysis is required.	[N]
22. PRIVATE PROPERTY IMPACTS: Does the proposed regulatory action restrict the use of the regulated person's private property? If not, no further analysis is required.	[N]
23. PRIVATE PROPERTY IMPACTS: Does the agency have legal discretion to impose or not impose the proposed restriction or discretion as to how the restriction will be imposed? If not, no further analysis is required. If so, the agency must determine if there are alternatives that would reduce, minimize or eliminate the restriction on the use of private property, and analyze such alternatives.	[N/A]
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	[N]

25. Alternatives Considered:

No Action:

Approval:

Approval with modification: No unresolved issues were identified which would require modification of the proposal.

26. Public Involvement:

27. Other Governmental Agencies with Jurisdiction:

28. Magnitude and Significance of Potential Impacts: There would be no significant impacts associated with this proposal.

29. Cumulative Effects:

Recommendation for Further Environmental Analysis:

EIS More Detailed EA No Further Analysis

EA Checklist Prepared By: Pete Strazdas
Program Supervisor

Signature

Date