



File Code: 2810, 1950

Date: March 1, 2012

Dear Forest User:

The U.S. Forest Service, Custer National Forest is seeking your comment on a mineral exploration proposal in the Benbow area, two miles southwest of Dean, Montana (Figure 1). You are being contacted since you may be potentially interested in or affected by implementation of this proposal.

In August 2011, Stillwater Mining Company (SMC) submitted a plan of operations for exploratory drilling at two locations in this area, which initiated a 30 day public comment period. The August 2011 plan of operations was not approved due to inability to complete heritage resource surveys and accomplish exploration work prior to fall 2011 snows. In February 2012, SMC submitted an updated plan that included exploration work at four additional drilling locations. The February 2012 plan of operations replaces the August 2011 plan of operations.

Purpose and Need

The purpose for action is SMC's February 2012 submission of the Blitz Ridge - 2012 Surface Exploration Drilling Plan of Operations for Mineral Exploration (referred to hereafter as Plan of Operations). The need for action is the Forest Service's responsibility to approve or require modifications to the Plan of Operations in accordance with Federal mining and environmental law. SMC has proposed to use National Forest System lands in connection with operations authorized by the United States Mining laws (30 USC 21-54) which confer a statutory right to enter public lands to search for minerals. In accordance with the Code of Federal Regulations (CFR) at Title 36, Part 228a, the Forest Service is required to analyze the Plan of Operations in determining the reasonableness of requirements for surface resource protection.

Project Description

A copy of the Plan of Operations is available upon request. Following is a summary of the Plan of Operations:

Drill site locations, access, and operations: SMC has submitted a Plan of Operations proposing exploratory core drilling at six drill sites (Figures 1, 2, 3, and 4) with up to five separate drill holes at each location. Each drill site would require use of a water drafting site in adjacent drainages (Figures 2, 3, and 4). Up to two drill locations would be operated concurrently. Operations would occur 24 hours per day, 7 days a week, requiring up to 10 persons working in the area through October 2012. SMC proposes to begin work in spring 2012, pending approval of this Plan of Operations.

Depending on site characteristics, minor clearing and tree removal may be necessary to accommodate proper orientation of the drill rig and provide for safe operation of the helicopter. The Forest Service Representative would review sites prior to site preparation and pre-approve all large trees to be removed. Any excavated topsoil and organic matter would be stockpiled separately from the mineral soil and utilized for site reclamation.



All disturbed areas would be reclaimed upon completion of exploration work. No mining, milling, or permanent facilities are proposed.

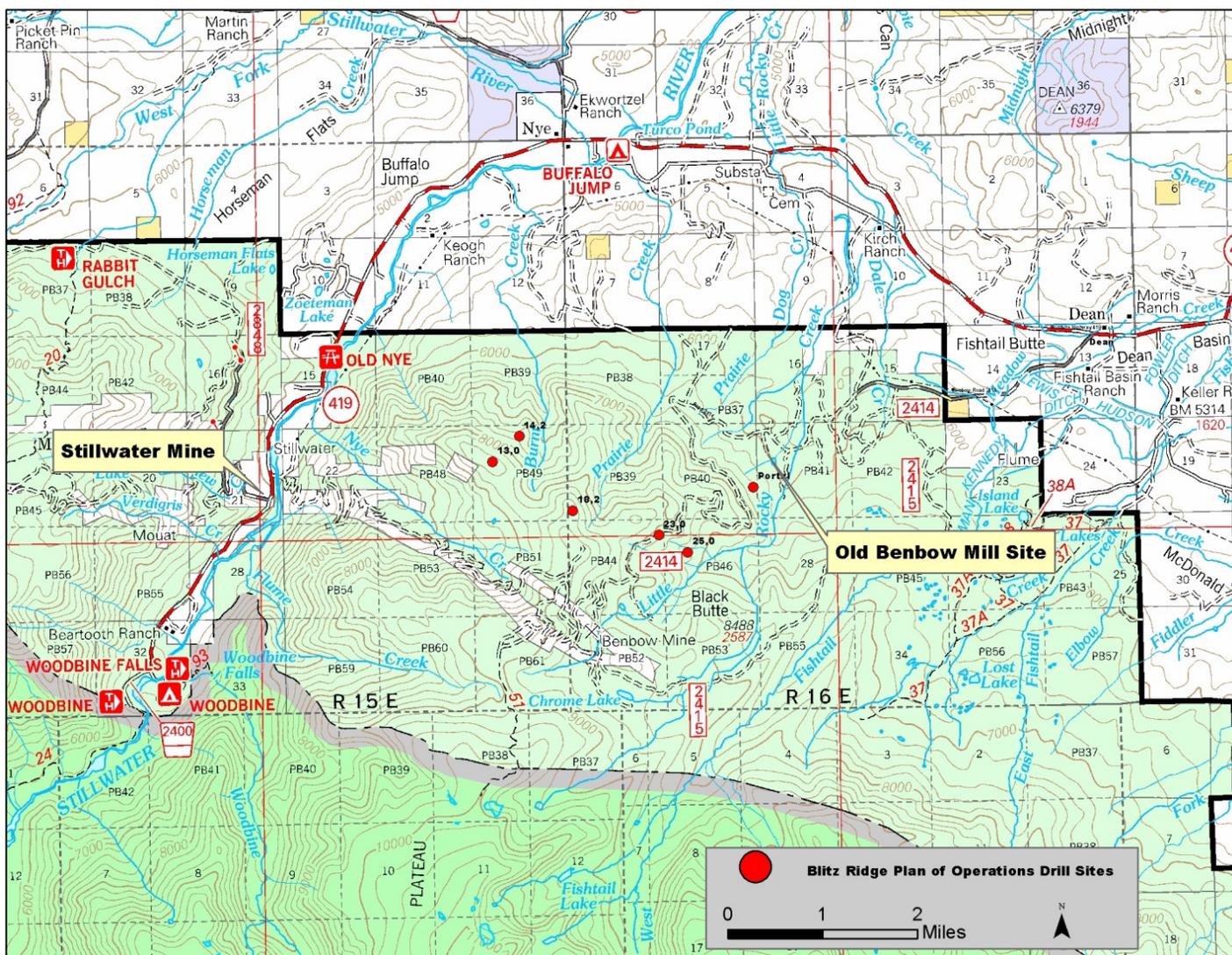


Figure 1: Proposed Drill Locations and Access

Drill sites 13.0, 14.2, 18.2, and 25.0 would be no larger than 40 by 40 feet, for a disturbance area of approximately 0.04 acres each. These proposed drill sites (Figures 1 and 2) would be accessed and supported by helicopter. Large equipment would be staged and transported by helicopter from the Old Benbow Mill Site area (Figure 1). Daily transport of supplies and personnel would be staged at either the existing helipad at the Stillwater Mine at Nye (Figure 1) or from a separate helipad at another location on private land. Personnel, supplies, and materials would then be flown to centralized helipads near each drill location. In addition, ground transportation (truck, SUV, or ATV) on Forest Service Road #2414 would occasionally be used to gain proximity to the proposed drill locations. From the existing public roads and trails, access would then be completed on foot. Only existing public roads and trails shall be used following USFS guidelines and regulations. No new roads or trails are proposed with this Plan of Operations.

Drill site 23.0 (Figure 3) is immediately adjacent to Forest Service Road #2414 (Benbow Road), which would be used to access the site. Depending on weather and snow conditions, some snow plowing of FS 2414 is proposed. To facilitate continued public usage, drilling operations would be set-up within a 40 by 80 foot excavation (0.07 acres) into the road cut slope. Erosion control measures would be applied to the excavated area during drilling operations and it would be reclaimed upon drilling completion.

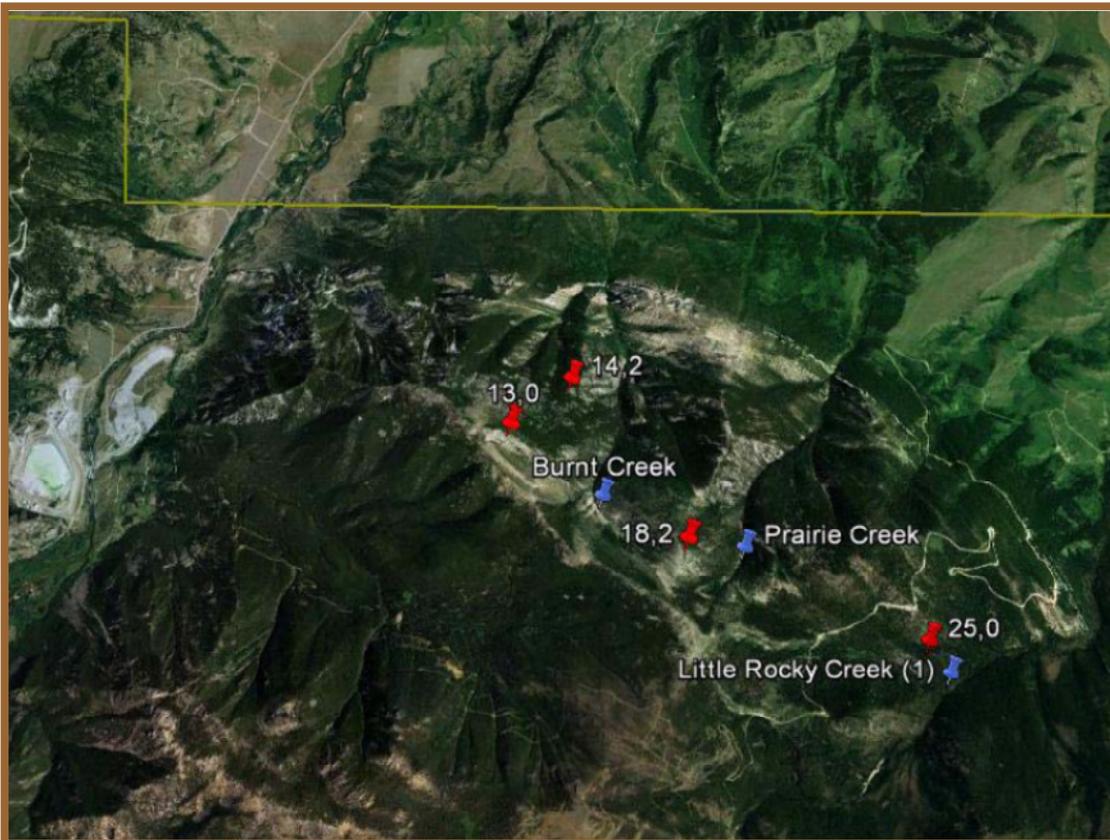


Figure 2. 13.0, 14.2, 18.2, and 25.0 drill site locations (red) and water drafting sites (blue).



Figure 3. 23.0 drill site location (red) and water drafting site (blue).



Figure 4. Portal drill site location (red pin) and drill rig access route (red line).

The Portal drill site (Figure 4) may be as large as 80 by 80 feet (0.14 acres) due to the shallow drilling angle. Access to the proposed Portal drill site would be via an existing route that is not designated for public motorized use (Figure 4). Some limited helicopter support would also be utilized. Use of this existing route may require some minor tree removal, trimming of trees (branch removal), removal of dead-fall, and grading/leveling within the confines of the existing trail as needed to provide safe track-mounted drill rig access to the site. Because this route is closed to public motorized use, signs indicating authorization of motorized use only for mineral exploration purposes would be placed at the beginning of the route near the Benbow Millsite. The route would be reclaimed upon completion of operations and remain closed to public motorized use.

At each drill site, drilling fluids and water would be contained in portable plastic tanks. Water for drilling purposes would be supplied and pumped from adjacent surface water sources in Burnt Creek and Little Rocky Creek. Water use would occur in compliance with applicable State of Montana water law. Drillings supplies, additives, fuels, etc. would all be maintained in secondary containment facilities to prevent spills or releases. During reclamation, all materials, supplies, and associated items transported to the drill sites for use would be removed and appropriately managed.

A cascading system of multiple cuttings sumps, the largest being approximately 8' wide by 10' long by 5' deep, would be constructed down-gradient of each drill pad elevation for water recycling/clarification and for the containment and eventual disposal of drill cuttings and sludge. Excess clarified water not recycled back into the drilling process or infiltrated directly would overflow and percolate into the forest floor and/or into the subsurface under controlled circumstances that do not result in soil erosion or direct discharge into streams,

wetlands, or other surface waters. In the event cuttings sump(s) cannot be constructed due to shallow bedrock or large cuttings volumes, Stillwater would use portable tanks for fluid recirculation and to contain drill cuttings. If portable tanks are used, Stillwater would transport drill cuttings back to the Stillwater Mine for disposal in existing tailings impoundments.

Reclamation: The proposal includes interim and final reclamation of disturbed lands. All areas disturbed by operations (drill sites, water drafting sites, equipment storage areas, helispots, roads, etc.) would be reclaimed to prevent or control environmental damage and return the areas to a stable configuration similar to the original condition.

During reclamation, any pre-constructed helicopter landing pad would be removed from the site and remaining woody debris and timber scattered about the site. As required by the State of Montana, drill hole collar pipe or casing would be removed or cut off below ground level and drill holes would be plugged. Excavated sumps would be buried and reclaimed per USFS and State of Montana Department of Environmental Quality (MDEQ) requirements. Other specific reclamation measures would depend on site conditions, but could include loosening compacted areas, re-contouring, installing waterbars, installing biodegradable erosion matting, distribution of woody debris and organic matter, revegetation, monitoring, and noxious weed treatment.

Reclamation at disturbed sites would commence as soon as exploration activities cease at each site. In the event that weather or snowfall precludes complete reclamation, SMC would fill in surface voids and conduct necessary interim reclamation on these sites to address any potential spring runoff/erosion issues. Final reclamation would then be completed the following summer. Reclaimed areas would be annually monitored by SMC in conjunction with the USFS and MDEQ for successful re-establishment of native vegetation and erosion control effectiveness.

To financially ensure that reclamation and monitoring occur, SMC would be required to post a reclamation bond calculated by the USFS and MDEQ that is specific to all reclamation items required for this project. This would include bond specific to noxious weed treatment and monitoring. This bond would be held in trust by MDEQ and the USFS until SMC completes all required reclamation and monitoring items.

Preliminary Issue Identification and Resolution

Several preliminary issues have been identified based on the results of scoping the August 2011 plan of operations. Based on prior analysis, experience and monitoring of similar operations, several potential mitigations and design features are included in SMC's Plan of Operations to address these potential issues (Table 1).

Table 1. Preliminary Issues and Potential Issue Resolutions.

Potential Issues	Potential Issue Resolution
Effects to water quality.	<ul style="list-style-type: none"> • No drilling in streams or wetlands. • No discharge to surface water. • Fuel and equipment storage standards. • Spill containment and reporting plan. • Site reclamation and monitoring. • No helicopter fueling and maintenance on National Forest lands.
Effects to wildlife and sensitive plants.	<ul style="list-style-type: none"> • Route helicopter flights to avoid wildlife habitat of concern. • Comply with Grizzly Bear Food Storage Order during all operations. • Avoid ground-disturbing activities in the vicinity of a known northern

Potential Issues	Potential Issue Resolution
	<p>goshawk nest from April 15 to August 15.</p> <ul style="list-style-type: none"> • Areas with potential rare and sensitive plant habitat will be surveyed and inventoried prior to ground disturbance occurring. Impacts to such plant species will be avoided whenever possible. • Avoid cutting healthy cone-bearing whitebark pine whenever possible. • Clean/disinfect all water pumping equipment that will contact surface water bodies to prevent spread of Aquatic Nuisance Species.
Effects to archaeological resources.	<ul style="list-style-type: none"> • Areas will be surveyed and inventoried prior to ground disturbance occurring. • Avoid known archeological resources during operations.
Noxious weed spread.	<ul style="list-style-type: none"> • Wash and inspect all equipment for noxious weed seed prior to entry onto Forest Service lands. • Minimize site disturbance. • Onsite vegetation and duff would be salvaged and spread over each drill site as part of reclamation. Reclaimed areas would be seeded with a weed-free seed mix of appropriate native species if necessary. • Site reclamation and post-reclamation monitoring, with appropriate follow-up treatment of any noxious weeds.
Effects to recreational users and wilderness values.	<ul style="list-style-type: none"> • No activities are proposed in the Absaroka-Beartooth Wilderness or Inventoried Roadless Areas. • Route helicopter flights to minimize additional noise, inconvenience, and visual impacts near highways and residential areas. • No changes to existing travel management designations are proposed. • Facilitate continued public use of Road #2414 during drill site 23.0 operations.

Regulatory Framework

Federal Mining Laws: Laws governing activities on National Forest System lands provide SMC a statutory right to conduct locatable mineral operations, provided activities are reasonably incident to mining and comply with other Federal laws and regulations (1872 Mining Law, 1897 Organic Act, 1955 Mining Law, 30 U.S.C. 21–54, and case law). 36 CFR 228a directs the Forest Service to regulate such activities so they are conducted in a manner that minimizes adverse environmental impacts to National Forest System surface resources.

Custer Forest Plan: Custer National Forest Land and Resource Management Plan (*Custer Forest Plan*) Forest-wide management standards specify that "Exploration and development of minerals will be facilitated subject to the General Mining Law of 1872 and subsequent regulations in 36 CFR 228 developed by the Secretary of Agriculture" (pg. 30, Chapter III, *Custer Forest Plan*). SMC's exploratory drilling is proposed in *Custer Forest Plan* Management Areas E. The Goal for Management Area E is to facilitate and encourage the exploration, development, and production of energy and mineral resources from National Forest System lands (pg 58, Chapter III, *Custer Forest Plan*). Management Area E Wildlife and Fish Management Standards include: "Key wildlife habitats will be considered in the environmental analyses for mineral development activities.....To the extent that mineral development is not unreasonably encumbered, specific mitigating measures will be made to reduce impacts on wildlife habitats from surface-disturbing activities."

National Environmental Policy Act: The National Environmental Policy Act (NEPA) and Forest Service NEPA regulations (36 CFR 220.6) specify that routine proposed actions within specific categories, including short-term mineral investigations, may be addressed through an environmental analysis referred to as a categorical exclusion. If it is determined that the degree of potential effects of approving this Plan of Operations would result in the existence of extraordinary circumstances, further environmental analysis and documentation may be warranted.

Opportunities for Public Input

This letter formally initiates the scoping and comment period for the environmental analysis process (i.e. NEPA analysis) for Stillwater Mining Company's Blitz Ridge - 2012 Surface Exploration Drilling Plan of Operations for Mineral Exploration. This request for comment and input is an attempt to collaboratively involve the public and other agencies in identifying concerns and issues associated with approving this Plan of Operations. Responses to this letter and the August 2011 letter will be used to identify issues and concerns associated with approval of SMC's plan of operations and to determine the appropriate type of NEPA analysis.

Comments should be specific to this proposed action. It is important to note that the proposed exploration work will likely be used by SMC to develop final project design and operating parameters for potential future SMC proposals. Any future proposals will be considered and approved through a separate NEPA process that includes additional opportunity for public input and involvement.

Please contact the Forest Service if you would like a copy of the Plan of Operations and/or if you would like to continue to receive information about this and other minerals projects on the Beartooth Ranger District. For further information, to remain on the project mailing list, or to provide comment, please contact:

Dan Seifert
Custer National Forest
6811 Highway 212
Red Lodge, MT, 59068
Phone: (406) 446-2103

Comments and information requests can also be e-mailed to: comments-northern-custer-beartooth@fs.fed.us or faxed to (406) 446-3918.

Comments received in response to this letter, including the names, addresses, e-mail addresses, and phone numbers of those who comment, will be considered part of the public record and be available for public inspection. Please provide comment and/or input addressing this proposed Plan of Operations by March 31, 2011.

Sincerely,



TRAUTE PARRIE
District Ranger