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Date: July 17, 2006

Hello,

The Helena National Forest has released a draft Engineering Evaluation/Cost Analysis (EE/CA) of reclamation options for the Mike Horse dam and impounded tailings in the Upper Blackfoot Mining Complex. Also included in the EE/CA are reclamation options for mine wastes located in the floodplains of lower Mike Horse and Beartrap Creeks and the Upper Blackfoot River. As part of this process, I'd like to give you the opportunity to review and provide specific comments on the evaluation of the response options presented in the EE/CA. Public meetings and field trip opportunities are described later in this letter.

A summary of the alternative options is enclosed. The complete draft EE/CA and Administrative Record File for the project can be viewed at the Helena Forest Supervisor's Office or Lincoln Ranger District. Copies of the EE/CA will also be available at the Lewis and Clark County libraries in Helena and Lincoln and can be retrieved from the Helena National Forest website at http://www.fs.fed.us/r1/helena/projects/blkfoot_mine.shtml.

Background

The Upper Blackfoot Mining Complex (UBMC) is located approximately 18 miles east of Lincoln, Montana (Figure 2-1 of the enclosed document). Mining activity in the UBMC began with the discovery of silver, lead, and zinc bearing ores in the late 1800s. Individual historic mines at the UBMC include the Mike Horse and others on private land. Development and production occurred at these various mines beginning in 1900 with the most significant production occurring at the Mike Horse Mine in the late 1930s and 1940s. As part of processing ores, mill tailings were disposed of in Beartrap Creek, which eventually led to development of a large tailings pile/impoundment.

Historic mining activities have resulted in significant land disturbance and impairment of surface water quality at the UBMC. A breach of the tailings impoundment in 1975 washed tailings downstream and deposited tailings within the floodplains of Beartrap Creek and the Upper Blackfoot River on National Forest land. An engineered dam was constructed after this 1975 event to repair the breach and reinforce the tailings impoundment.

Moving into Actions on National Forest System Lands

The removal evaluation and selection of options, and cleanup of wastes on public lands administered by the Forest Service is being conducted through a process outlined in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA). The Forest Service is the lead agency on lands it administers and is responsible for oversight of all investigations and cleanup of hazardous substances on National Forest System lands.

In 2002, Asarco Incorporated and the United States Department of Agriculture, Forest Service, Northern Region entered into an Administrative Order on Consent for development of an EE/CA at the Upper



Blackfoot Mining Complex Site. The purpose and scope of the EE/CA is to control threats to human health and contain environmental contaminants on National Forest System lands. Specifically, the EE/CA will evaluate various removal action alternatives for mining related impacts on two major components; 1) the floodplains of Lower Mike Horse Creek, Beartrap Creek and the Upper Blackfoot River, and 2) the Mike Horse Dam and impounded tailings.

An overview of conceptual alternative removal options for the floodplain waste areas was described in the “Alternatives Technical Memorandum for Mine Waste Removal at the Upper Blackfoot Mining Complex”. That document was prepared for Asarco Inc. by Hydrometrics, Inc. and described conceptual alternatives to be carried forward into the EE/CA for the floodplain waste portions of the site. A public review period accompanied the release of a draft version of that document in the fall of 2004. Comments during that period led to the alternatives which appear in the January 2005 Final document. Based on these comments, the revised alternatives were carried forward as options into this EE/CA.

An overview of conceptual alternative removal options for the second component, the dam and impounded tailings, was provided recently in the “Draft Concept Alternatives Technical Memorandum for the Mike Horse Dam and Tailings Impoundment”. That document was prepared by the Helena National Forest and described conceptual alternatives that have been carried forward into the EE/CA for the Mike Horse Dam and tailings impoundment. A public review period accompanied the release of a draft version of that document in the spring of 2006. Again, based on the comments, the revised alternatives were carried forward as options into this EE/CA.

This EE/CA is one of a series of response actions that the Forest Service has conducted, or will be conducting, in response to the releases of hazardous substances at the Site. The cleanup alternatives evaluated in this draft EE/CA may be implemented in more than one future response action and may include a small amount of cleanup work on privately owned property. To the extent that response actions are performed on privately owned property, the Forest Service anticipates partnering in those actions with either EPA or the State of Montana.

Public Involvement and Project Timeline

The comments we receive on the Draft EE/CA will be considered in finalizing the EE/CA, and the Forest Service will prepare written response to significant comments. The table following outlines the schedule for this EE/CA process.

Schedule for EE/CA Process

Activity	Schedule
Public Review of Draft Concept Alternatives Technical Memorandums	November 2004 and March 2006
Draft EE/CA released for 30 day public comment period	July 17, 2006
Evaluation of Public, Company and Agency Comments Final EE/CA Decision (Action Memorandum)	September 2006
Data collection for selected alternative to initiate preparation of the engineering/geotechnical design of selected alternative	September through snowfall 2006
Preparation of engineering/geotechnical design of selected alternative	Winter 2007

The Regional Forester, Gail Kimbell, is the deciding official for this EE/CA decision. The decision will be guided by the criteria within CERCLA law, which states that the overall objective is to reduce or eliminate the current and/or threatened release of potentially hazardous substances to the environment. Assessment criteria include effectiveness, implementability, and cost.

Much of the public's focus has been on the Mike Horse tailings impoundment. The Forest Service has stated its objective of removing the dam from service. Given this objective, CERCLA criteria, and the analysis presented in this draft EE/CA, the Regional Forester has expressed interest in Options 3 or 4 or a combination of the two to address reclamation of the tailings impoundment.

In a number of instances, a decision for one aspect of the remediation will have a bearing on what can be done and how something is done for another aspect of the project. Also, as noted in this draft EE/CA, there is a possibility the decision for any given course of action could represent a blending of two options as presented in the draft EE/CA analysis.

How to Participate

A field trip and two open houses have been scheduled for those interested in visiting the site, sharing technical information, and visiting with individuals involved in the project. On July 27, 2006 an open house is scheduled in Helena at the large conference room of the Lewis & Clark County Library from 5:00 to 7:00 p.m. A hosted field trip to the Mike Horse site is planned on August 8, 2006 from 1 to 4 p.m. Those who wish to attend are asked to meet at the Lincoln Ranger District at 1 p.m. An RSVP by telephone (362-4265) is requested, but is not required. Another open house will follow the field trip and will be located at the Lincoln Ranger Station from 4:30 to 6:30 p.m.

The draft EE/CA is also available for public review at the Lincoln Ranger District (1569 Highway 200, Lincoln), Helena National Forest Supervisor's Office (2880 Skyway Drive, Helena) and Lewis & Clark County library offices in Helena and Lincoln. The Administrative Record File for the project is also available at the Lincoln and Helena offices.

After reviewing the enclosed summary and the draft EE/CA on our website, we hope you will provide comment on the evaluation of the response options presented. We will accept written comments through August 18 at the address or email below:

Amber Kamps
Lincoln Ranger District
1569 Highway 200
Lincoln, MT 59639
(406) 362-4253 fax

Comments can also be sent electronically to comments-northern-helena-lincoln@fs.fed.us. Comments submitted electronically must be in MS Word, Word Perfect, or RTF format. Please include "Mike Horse EE/CA" in the subject line.

Please contact Amber Kamps, District Ranger, or Mandy Alvino, Resource Specialist at the Lincoln Ranger District, (406) 362-4265 or Beth Ihle, Forest Geologist and On-Scene Coordinator, at the Townsend Ranger District, (406) 266-3425 if you have any comments, questions, and/or need additional information. The Draft EE/CA and documents contained in the Administrative Record are also posted as PDF files on the Helena National Forest internet website at http://www.fs.fed.us/r1/helena/projects/blkfoot_mine.shtml.

Sincerely,

KEVIN T. RIORDAN
Helena National Forest Supervisor

Cc: Gail Kimbell, Regional Forester, Northern Region