

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
BURNS DISTRICT OFFICE

CATEGORICAL EXCLUSION ENVIRONMENTAL REVIEW AND APPROVAL

CX Number: DOI-BLM-OR-B050-2011-0044-CX

Date: 7/13/2011

File Code (Project/Serial Number): 013-020-03-16P

Preparer: Bill Dragt

Applicant: EP Minerals

Title of Proposed Action: Authorize retesting of existing sample core holes in Hidden Valley and North Kelly Field

Description of Proposed Action and Project Design Elements (if applicable): In 2002 Eagle Picher Minerals Inc. (EP Minerals predecessor) filed an exploration plan to drill test holes to sample ore in Hidden Valley and North Kelly Field. They conducted the sampling during the summer of 2002. The samples were tested to characterize the diatomite. These were destructive tests, so the sample material cannot be reused. Since then EP Minerals' (EP) markets for diatomite have changed and additional data on ore characteristics are required.

On May 15, 2011 EP submitted a request to Burns BLM to conduct sample drilling at 27 points in Hidden Valley and 17 points in North Kelly Field in the same areas that were sampled in 2002. If fewer samples yield adequate information or a test point is not accessible, fewer test holes will be drilled. 27 and 17 are the maximum number of test holes for each area. There may be fewer. EP would use a rotary drill mounted on a truck that can traverse rough terrain. They will also use a support pickup truck. This is all the motorized equipment that would be used. The test sites are accessible from existing roads and other mine developments. No new roads or drill pads would be created. When sampling is complete each drill site would be rehabilitated by grading with hand tools and reseeding with species already approved for use at the mine. All work including rehabilitation of the drill sites would be completed during the 2011 field season.

Legal Description (attach Location Map):

B. Conformance with Land Use Plan (LUP) (name):

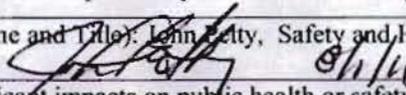
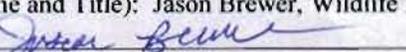
Date Approved/Amended:

The proposed action is in conformance with the applicable LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decision. "EM 3: Provide maximum opportunity on Federal mineral estate in areas identified as open to operation of mining laws for the exploration and location of locatable minerals." EM 3.1: The Celatom Mining area is in the 1,666,181 acres "open to location in the planning area." Map M-3 identified the area of the Celatom Mine as having high potential for diatomite.

BLM Categorical Exclusion Reference (516 DM, Chapter 11): F.7. "Approval of minor modifications to or minor variances from activities described in an approved exploration plan for leasable, salable, and locatable minerals."

DOI Categorical Exclusion Reference (516 DM 2, Appendix 1): N/A

Screening for Exceptions: The following extraordinary circumstances (516 DM 2, Appendix 2) may apply to individual actions within the categorical exceptions. The indicated specialist recommends the proposed action does *not*:

CATEGORICAL EXCLUSION EXTRAORDINARY CIRCUMSTANCES DOCUMENTATION	
2.1	Have significant impacts on public health or safety.
Specialist (Print Name and Title):	John Petty, Safety and Health Occupational Manager
Signature and Date:	 8/1/11
Rationale:	No significant impacts on public health or safety.
2.2	Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation or refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (Executive Order 11990); flood plains (Executive Order 11988); national monuments; migratory birds; and other ecologically significant or critical areas.
<u>Migratory Birds</u>	
Specialist (Print Name and Title):	Jason Brewer, Wildlife Biologist
Signature and Date:	 8/1/2011
Rationale:	Test drilling would result in the short term loss of a negligible amount of migratory bird habitat relative to what is available in the surrounding area. The primary impact to migratory birds would be temporary displacement from the area during drilling. Small species that forage on the ground or in shrubs have the most potential to be impacted due to the nature of the activity. Nesting season is past; therefore no nests would be affected unless the drilling extends into next season. If this occurs,

there may be potential loss (direct through trampling or indirect through abandonment) of a few nests depending on the timing of the testing. Disturbance from the test drilling operation would be limited to a short distance away from the test drilling and would be influenced by topography and vegetation. All work would occur in the vicinity of active mine pits, which likely has decreased the density of migratory birds present (especially nesting birds) in the area that could be influenced by test drilling. Due to the temporary nature of the activity, timing of the activity (outside nesting season), and negligible amount of habitat affected, there would be no effects to populations of migratory birds.

Historic and Cultural Resources

Specialist (Print Name and Title): Scott Thomas, Archaeologist

Signature and Date: *Scott Thomas* 8/1/11

Rationale: No historic or cultural resources would be affected by the proposed project.

Areas of Critical Environmental Concern/Research Natural Areas

Specialist (Print Name and Title): Bill Dragt, Supv NRS

Signature and Date: *Bill Dragt* 8/1/11

Rationale: The proposed action is not within the 3-Rivers RMP designated ACECs and RNA. It would have no impact on these uses and values.

Water Resources/Flood Plains

Specialist (Print Name and Title): Lindsay Davies, Fisheries Biologist

Signature and Date: *Lindsay Davies* 8/1/2011

Rationale: Flood plains or water resources will not be impacted from this localized disturbance.

Soils, Biological Soil Crust, Prime Farmlands

Specialist (Print Name and Title): Caryn Meinicke - NRS, Botany

Signature and Date: *Caryn Meinicke* 8-1-11

Rationale: The test drilling sites are within areas of past drilling where soil and BSC disturbance has already occurred. There will be a negligible impact to soils and soil crusts. There are no prime farmlands within the proposed test drilling area.

Recreation/ Visual Resources

Specialist (Print Name and Title): John Bethea, Outdoor Recreation Planner

Signature and Date: *John P. Bethea* 8-1-11

Rationale: The proposed project is allowed under VRM Class IV. There would be no significant impacts to recreation under this proposed project.

Wilderness/Wild and Scenic River Resources

Specialist (Print Name and Title): Eric Haakenson,

Signature and Date: *Eric Haakenson* 8-1-11

Rationale: There is no wilderness, WSA or WSR within the project area. The proposed project is within Lands with Wilderness Character (LWC). The proposed test drilling in Hidden Valley is with the Rocky Basin LWC unit which has wilderness characteristics.

The Bureau of Land Management's (BLM) 1980 wilderness inventory decision found wilderness character not present on BLM administered lands within the project area. In September of 2007 BLM received information for a citizen proposed Wilderness Study Area (WSA), Cottonwood PWSA, indicating that they found wilderness character present.

In 2010, a BLM ID team used current field data along with the citizens' PWSA data and determined there are wilderness characteristics within the Rocky Basin LWC unit. Since, no new facilities or motorized access are being proposed there would be no expected changes to the wilderness characteristics as a result of authorizing the proposed test drilling project.

2.3 Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources [NEPA Section 102(2) (E)].

Specialist (Print Name and Title): Rhonda Karges, District Planning and Environmental Coordinator

Signature and Date: *Rhonda Karges* 8/1/2011

Rationale: There are no known highly controversial environmental effects or unresolved conflicts concerning alternative uses of available resources. The action is to redrill test holes drilled in 2002 to obtain additional DE samples. No structures would be constructed.

2.4 Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.

Specialist (Print Name and Title): Rhonda Karges, District Planning and Environmental Coordinator

Signature and Date: *Rhonda Karges* 8/1/2011

Rationale: There are no known highly uncertain or potentially significant environmental effects or unique or unknown environmental risks. The action is to redrill test holes drilled in 2002 to obtain additional DE samples. No structures would be constructed.

2.5 Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.

Specialist (Print Name and Title): Bill Dragt, Supr. NRS Signature and Date: <i>Bill Dragt</i> 8/1/11 Rationale: The decision would authorize repetition of previously completed testing. It would not establish a precedent.
2.6 Have a direct relationship to other actions with individually insignificant but cumulatively significant environmental effects. Specialist (Print Name and Title): Rhonda Karges, District Planning and Environmental Coordinator Signature and Date: <i>Rhonda Karges</i> 8/1/2011 Rationale: Implementation would not have any known direct relationship to other actions with individually insignificant but cumulatively significant environmental effects. The action is to redrill test holes drilled in 2002 to obtain additional DE samples. No structures would be constructed and the site would be returned to its natural condition.
2.7 Have significant impacts on properties listed, or eligible for listing, on the National Register of Historic Places as determined by either the bureau or office. Specialist (Print Name and Title): Scott Thomas, Archaeologist Signature and Date: <i>Scott Thomas</i> 8/1/11 Rationale: No National Register eligible or listed properties would be affected by the proposed project.
2.8 Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have significant impacts on designated Critical Habitat for these species. <u>Endangered or Threatened Species-Fauna</u> Specialist (Print Name and Title): Jason Brewer, Wildlife Biologist Signature and Date: <i>Jason Brewer</i> 8/1/2011 Rationale: There are no listed species or designated Critical Habitat in the project area or surrounding area. The potential disturbance from test drilling would not extend much beyond the boundary of the project area or affect listed species or designated Critical Habitat outside the project area.
<u>Endangered or Threatened Species-Aquatic</u> Specialist (Print Name and Title): Lindsay Davies, Fisheries Biologist Signature and Date: <i>Lindsay Davies</i> 8/1/2011 Rationale: T&E Species Aquatic species are not present in the proposed areas for drilling. Water draining from the proposed area does not flow into Critical Habitat.
<u>Endangered or Threatened Species-Flora</u> Specialist (Print Name and Title): Caryn Meinicke - NRS, Botany Signature and Date: <i>Caryn Meinicke</i> 8-1-11 Rationale: There are no T & E or Special Status flora species or critical habitat within the proposed test drilling area.
2.9 Violate a Federal law, or a State, local, or tribal law or requirement imposed for the protection of the environment. Specialist (Print Name and Title): Rhonda Karges, District Planning and Environmental Coordinator Signature and Date: <i>Rhonda Karges</i> 8/1/2011 Rationale: No known law or requirement imposed for the protection of the environment would be violated. The action is to redrill test holes drilled in 2002 to obtain additional DE samples.
2.10 Have a disproportionately high and adverse effect on low income or minority populations (Executive Order 12898). Specialist (Print Name and Title): Rhonda Karges, District Planning and Environmental Coordinator Signature and Date: <i>Rhonda Karges</i> 8/1/2011 Rationale: Implementation of the proposal would not result in a disproportionately adverse effect on minority or economically disadvantaged populations as such populations do not occur in or near the Project Area.
2.11 Limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (Executive Order 13007). Specialist (Print Name and Title): Scott Thomas, Archaeologist Signature and Date: <i>Scott Thomas</i> 8/1/11 Rationale: Access to or integrity of sacred sites would not be affected by this project.
2.12 Contribute to the introduction, continued existence, or spread of noxious weeds or nonnative invasive species known to occur in the area or actions that may promote the introduction, growth, or expansion of the range of such species (Federal Noxious Weed Control Act and Executive Order 13112). Specialist (Print Name and Title): Lesley Richman, District Weed Coordinator Signature and Date: <i>Lesley Richman</i> 8/1/2011 Rationale: Noxious weeds are known to be present in or in close proximity to this area. Treatments are on-going. The weeds are not present in sufficient quantity to be considered a significant impact at this time.

Additional review (As determined by the Authorized Officer):

RMP conformance and CX review confirmation:

Specialist (Print Name and Title): Rhonda Karges, District Planning and Environmental Coordinator

Signature:

for Richard Ray

Date:

8/1/11

Management Determination: Based upon review of this proposal, I have determined the Proposed Action is in conformance with the LUP, qualifies as a categorical exclusion and does not require further NEPA analysis.

Authorized Officer (Print Name and Title):

FIELD MANAGER

Signature:

Richard Ray

Date:

8/1/11

Decision: It is my decision to implement the Proposed Action with Project Design Elements as described above on the August 3, 2011 (43 CFR 3809.803).

This decision may be appealed to the Interior Board of Land Appeals (IBLA), Office of the Secretary, in accordance with regulations contained in 43 Code of Federal Regulations (CFR), Part 4 and Form 1842-1. If an appeal is filed, your notice of appeal should be mailed to the Burns District Office, 28910 Highway 20 West, Hines, Oregon 97738, within 30 days of receipt of the decision. The appellant has the burden of showing the decision appealed is in error.

This decision will remain in effect while any appeals are pending unless stayed by IBLA. If you wish to file a petition for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board pursuant to Part 4, Subpart B, 4.21 of Title 43, Code of Federal Regulations, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must be submitted to each party named in this decision and to the Interior Board of Land Appeals, Office of Hearings and Appeals, 801 North Quincy Street, Arlington, Virginia 22203, and to the Office of the Solicitor, Regional Solicitor, Pacific Northwest Region, U.S. Department of the Interior, 805 SW Broadway, Suite 600, Portland, Oregon 97205 (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

A copy of the appeal, statement of reasons, and all other supporting documents should also be sent to the Regional Solicitor, Pacific Northwest Region, U.S. Department of the Interior, 805 SW Broadway, Suite 600, Portland, Oregon 97205. If the notice of appeal did not include a statement of reasons for the appeal, it must be sent to the Interior Board of Land Appeals, Office of Hearings and Appeals, 801 North Quincy Street, Arlington, Virginia 22203. It is suggested appeals be sent certified mail, return receipt requested.

Request for Stay

Should you wish to file a motion for stay pending the outcome of an appeal of this decision, you must show sufficient justification based on the following standards under 43 CFR 4.21:

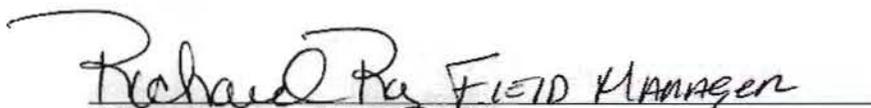
- The relative harm to the parties if the stay is granted or denied.
- The likelihood of the appellant's success on the merits.
- The likelihood of immediate and irreparable harm if the stay is not granted.
- Whether or not the public interest favors granting the stay.

As noted above, the motion for stay must be filed in the office of the authorized officer.

Pursuant to 43 CFR 3809.800 (a) and §3809.804, you may, within 30 days of your receipt of this letter, ask the Oregon State Director to review this decision. If you request State Director review of this decision, your written request must be a single package that includes a brief written statement explaining why BLM should change its decision and any documents that support your written statement (see 43 CFR 3809.805 (a)). This decision will remain in effect during the period of State Director review unless a stay is granted by the State Director (see 43 CFR 3809.808 (a)). Requests for State Director Review must be sent to the Bureau of Land Management, State Director Review, C/O Burns District Office, 28910 Hwy 20 West, Hines, Oregon 97738. When you submit your request for State Director review, you may also request a meeting with the State Director (see 43 CFR 3809.805 (b)).

If you have requested a State Director review, you may terminate this review by filing an appeal with the Interior Board of Land Appeals (IBLA) during the 30 days immediately following the date of the original decision. If you have requested a State Director review and the State Director decides not to review the decision in your case, you may appeal to IBLA. An appeal to IBLA must be taken during the 30-day period following the date the State Director decides not to review the decision. If the State Director does not make a decision within 21 days of your request, you should consider your request for State Director review declined and you have 30

days following that 21-day period in which you may appeal the original decision to IBLA (see 43 CFR 3809.806). You may also appeal an unfavorable decision resulting from the State Director review. If appealing an unfavorable decision from a State Director's review, you have 30 days from the date of that decision to appeal to IBLA.


Richard R. Field MANAGER
Title and Signature of Authorized Officer

5/1/11
Date

2011 Drilling Program Celatom Mine

Due to market demand and slope failures that have occurred at the Celatom mine EP Minerals would like to commence in drilling additional developmental drill holes outside our currently permitted operating areas. The purpose of these drill holes is to reassess the quality of materials in future expansion areas as well as increase our knowledge of the geological structure so we can minimize the possibility of any future slope failure. This drilling, should it occur, will not extend past areas that have been drilled in prior years nor will it identify any new deposits. It will identify geologic contacts and ore quality.

Location

Drill holes located outside our currently permitted working areas will be in Hidden Valley and North Kelly Field. The holes at North Kelly Field will be in the immediate vicinity of the currently active Kelly Field pit. The holes in Hidden Valley will be located within the proposed operating area for Hidden Valley and will also fall within the area of past drilling. All proposed holes are located within all proposed operating boundaries that have been analyzed under the new MPO and EIS. No drilling will occur outside the 2008 MPO line.

Scope of Work

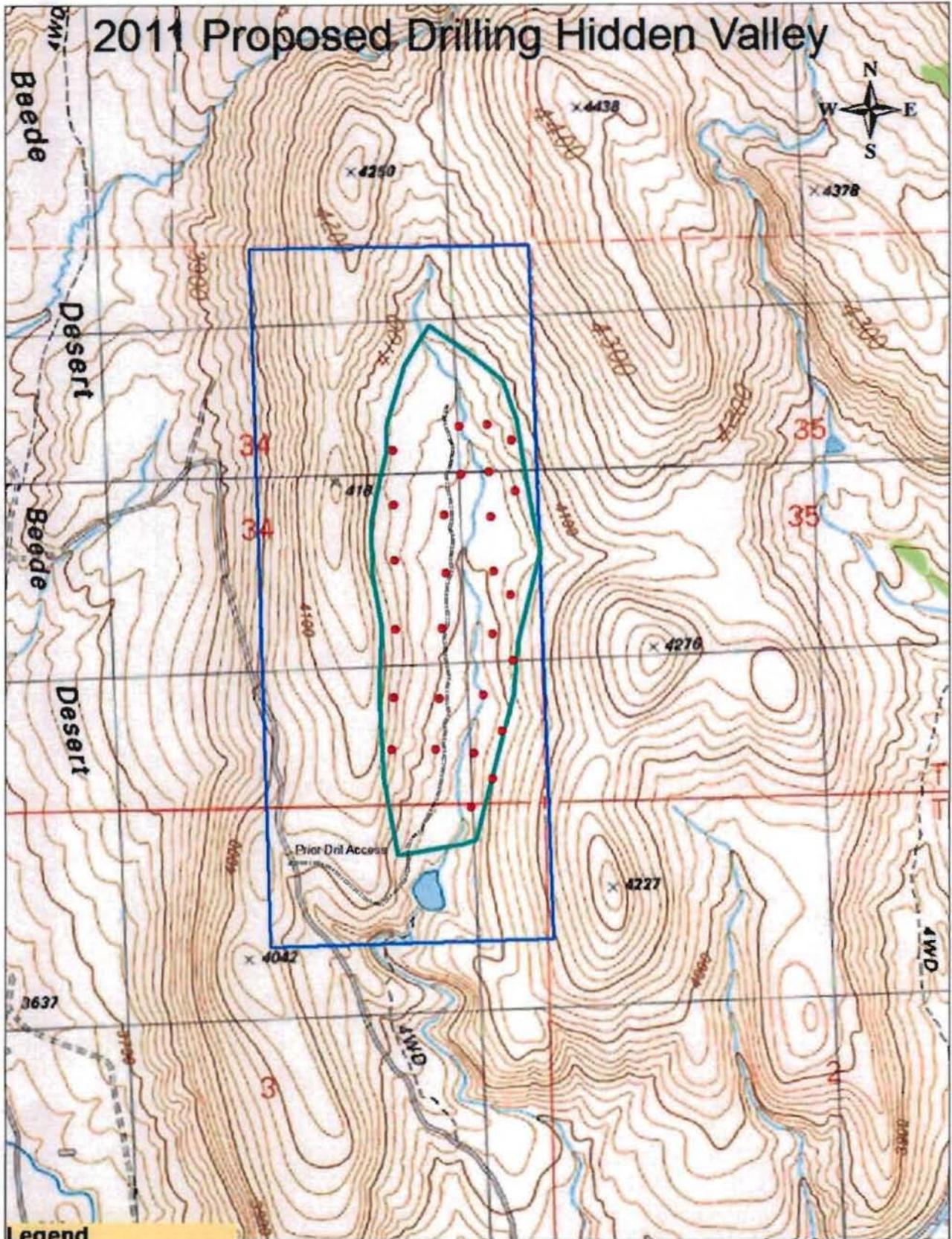
All proposed drilling will be completed with the rotary air drill. This is a truck mounted drill that can traverse rough terrain without the need to create roads or drilling pads. Additionally each drill hole will go no deeper than 100 feet. This will eliminate the need for additional drill steel or air compressors. As a result no drilling roads or drill pads will be needed at any of the proposed drill sites. Each site will be accessed by the drill truck and a pick-up truck. No other machinery will be required. In the event a drill site cannot be reached the hole will simply not be completed. The localized disturbance from the drill hole itself will be graded with hand tools and reseeded in the fall if necessary.

All equipment traveling to the drill sites will carry hand tools, water, and fire extinguishers to prevent the spreading of any equipment fires or to combat and brush fires should one start. Due to the extremely wet weather that has been occurring the threat of a brush fire is relatively low. However due to wet weather some areas may be soft or muddy. Muddy areas will be avoided and drill holes in wet areas will be delayed to mitigate rutting of the ground by the drill rig.

The drill hole will be staked prior to installation to allow the drilling crew to find the location. All drill hole staking will be completed by personal on foot. No machinery will be required for the initial staking. Once completed each drill hole will be surveyed in using GPS survey equipment. Again this will be completed by personal on foot. The drill hole will also be marked with a metal "T" post and an identifying tag placed on the post upon the completion of drilling.

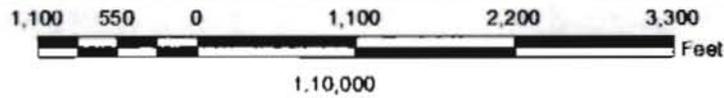
This is the only work that will occur outside the permitted areas.

2011 Proposed Drilling Hidden Valley



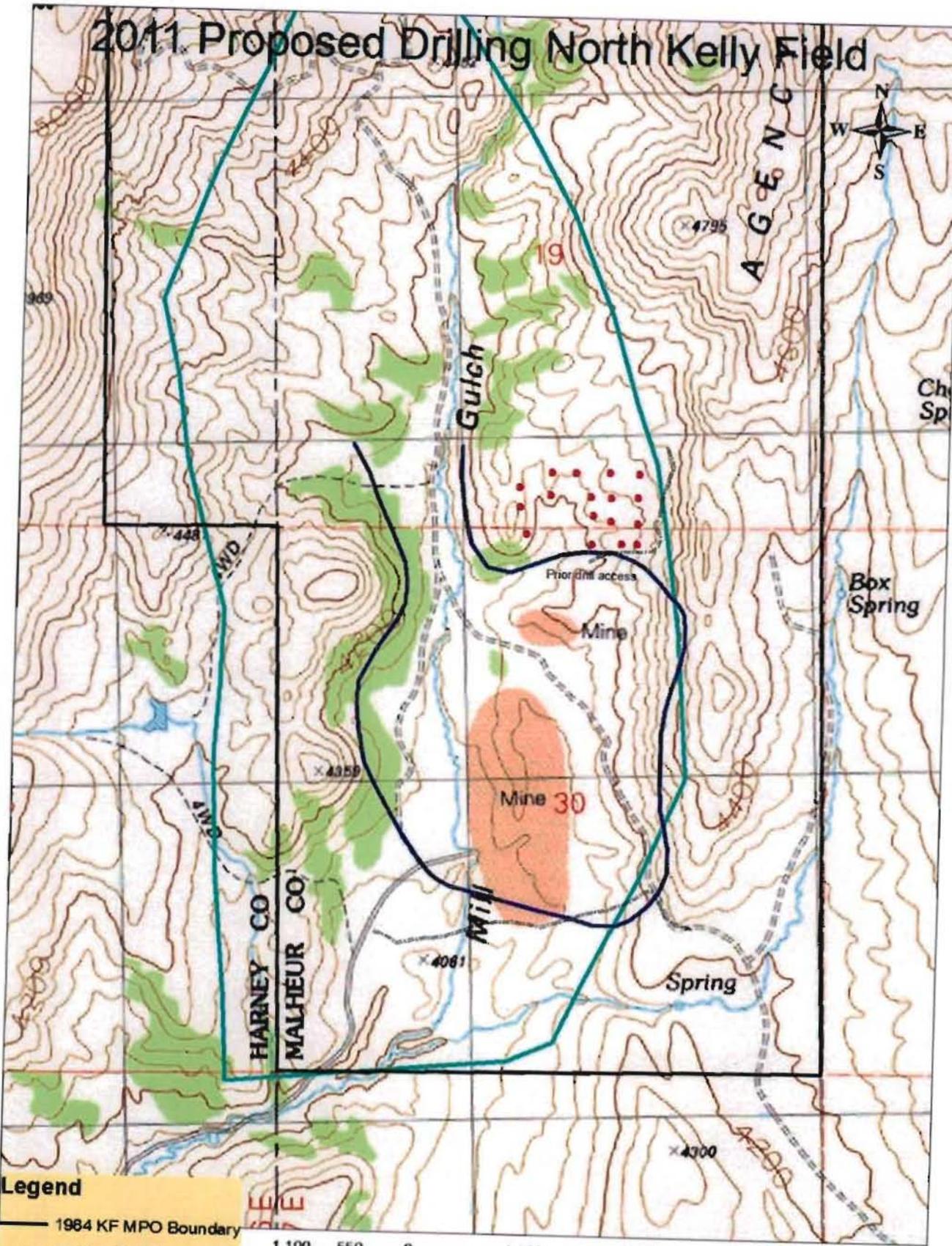
Legend

- 2011 Proposed Drilling
- Existing Roads
- Past Drilling Areas
- Hidden Valley Op Area



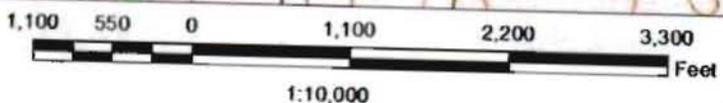
EP Minerals LLC
 Celatom Mine Complex
 2011 Proposed Drilling
 Hidden Valley
 By: Robert Hogan
 01 June 2011

2011 Proposed Drilling North Kelly Field



Legend

- 1984 KF MPO Boundary
- Existing Roads
- 2011 Proposed Drilling
- ▭ Kelly Field Op Area
- ▭ Past Drilling Areas



EP Minerals LLC
Celatom Mine Complex
2011 Proposed Drilling
Kelly Field Mine
By: Robert Hogan
01 June 2011