

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Spokane District Office
1103 N. Fancher Rd.
Spokane Valley, WA 99212-1275**

The following Notice was published in the Tri-City Herald on February 8, 2011 and February 15, 2011. Each Notice ran in the Tri-City Herald for one week, respectively.

**Notification of Mineral Materials Sale
Benton City Community Pit, Benton City, WA**

To be held on Monday March 7, 2011

This is official notice that the BLM Spokane District Office intends to offer, for competitive bidding, the mining rights for developing sand and gravel and quarry rock in the Tri-Cities, WA area.

Details include:

- The material site is located on a 72.5-acre federal parcel designated as the Benton City Community Pit, Township 9 North, Range 27 East, Section 20, S1/2, west of the Tri-Cities and just southwest of the town of Benton City, WA.
- The material types are fluvial (stream) sand and gravel, glacial Lake Missoula outburst flood sediments and basalt quarry rock in the lower portions of the proposed pit.
- It is estimated that complete development of this pit should produce from 16 million to 30 million tons of mineral materials, depending on development configuration and mine highwall interaction with the adjacent operating mine (A&B Asphalt to the south) and other surrounding property.
- Bidding for BLM authorization to mine a portion of this resource will be conducted at the BLM Spokane District Office at 1103 North Fancher, City of Spokane Valley, WA 99212. Bidding procedures will begin at 1:00 PM on Monday, March 7, 2011.
- Based on a current (11/22/2010) mineral appraisal of \$0.52/ton of material product mined, the minimum acceptable bid price will be set at \$0.55/ton of material product from the pit. This price includes a \$0.03/ton administrative charge which will cover BLM's administrative costs for document processing and project monitoring related to operations and reclamation of the property. Mine planning will incorporate reclamation into the mining process so that upon mine completion, most reclamation of the site will be completed.
- Total initial contract material production for this offering is set at 2,000,000 tons of material removed from the site. Maximum contract life for this offering is set at five years or less as a result of increased production. Extensions of this contract beyond the

2,000,000 initial tons will be available if deemed appropriate by BLM. The contract requires acceptable evidence of timely development of the mine site.

- BLM requires a deposit of \$55,000 (5% of the total purchase price based on the minimum bidding price) (2,000,000 tons X \$0.55/ton X 0.05 (five percent) = \$55,000) in advance of the sale in order for agents to participate in the sealed bid sale. **All sealed bids must contain this deposit to be accepted.** The final contract amount and the successful bidders deposit will vary from the minimum stated above depending on the final bid price accepted by BLM as a result of the bidding process. The required deposit for the successful bidder will be 5% of the accepted bid for the 2,000,000 tons of material. Deposits provided by unsuccessful bidders will be returned upon confirmation of an acceptable high bidder. Deposits in the full amount stated above (\$55,000) must accompany sealed bids and be submitted prior to oral bid participation. The deposit may be in the form of cash, a money order, a bank draft, a cashier's check or a certified check made payable to the Bureau of Land Management.
- Site access is currently available via paved municipal and secondary roadways which are utilized by an active, adjacent mining operation. Water and power access are located within about 0.2 miles.
- Initial bidding for this material will be through submission of sealed written bids which identify the dollar amount (per ton of product material mined) that the bidder is offering to pay the U. S. Government as a royalty for authorization to produce mineral materials from this site. Unsalable scalplings or overburden not sold or removed from the site do not require a royalty payment for mining. Subsequent to the written bid, oral bidding will commence (43 CFR 3602.43). Each party who initially submitted a sealed bid, or who is present at the initiation of oral bidding and has provided an acceptable minimum deposit (\$55,000), will be allowed to verbally express the highest bid price per ton that they are willing to pay for this material at the time of this offering. The highest final bid (written or verbal), that is acceptable to BLM (bidder able to meet obligation of the contract, bidder willing to accept the terms of the contract, bidder has no underlying unresolved financial obligations of trespass issues or other conflicts, etc.), generally offering the highest royalty rate or best value to the U.S. Government, will be issued a competitive sales contract by BLM pursuant to 43 CFR 3602.43. The high bidder must confirm their bid in writing by the end of the business day on which the sale was held. This contract has a term of 5 years (43 CFR 3602.46) for the purpose of mining 2,000,000 tons of material. Extensions to this contract to mine additional material will be considered by BLM if renewal procedures are followed as set forth in 43 CFR 3602.47. Reappraisal of the material fair market value and subsequent modification to the payment rate for the mineral materials mined will be completed with each contract extension and/or every two years by BLM or a contractor acceptable to BLM, as required under 43 CFR 3602.13(b). Complete information pertaining to Mineral Material Sales is available in 43 CFR Subpart 3602.
- A generalized mining/reclamation plan was provided by BLM in the Environmental Assessment which was completed on 8/7/2007 (updated on 6/4/2009) to initiate this proposed action and is available online at the BLM Spokane District website. This website is located at:

<http://www.blm.gov/or/districts/spokane/plans/index.php?display=Spokane> . The successful bidder will be required to develop an operator-specific mining/reclamation plan which will include the parameters of the BLM document for their proposed operations on this site. The mining/reclamation plan must be submitted to and accepted by the BLM Spokane District prior to initiating mining at this site. The bidder's plan shall consider and provide BLM acceptable alternatives for all stipulations and requirements that have been previously incorporated into the Benton City Pit EA and Record of Decision (ROD). BLM requires operators to comply with all applicable environmental, Federal, state and local regulations.

- Initially, this operation will require a \$30,000 performance/reclamation bond. This bond is separate from the deposit that must be submitted prior to bidding. The bond amount may be adjusted higher or lower by BLM as the surface operation develops with subsequent offerings and/or as new information about conditions at this mine is acquired.
- An operations and reclamation management fee amounting to \$0.03 /ton of material produced from the pit is included in the minimum material bid price (\$0.52/ton appraised price + \$0.03/ton reclamation charge = \$0.55/ton) to help cover BLM project development costs, review of the company's plan of operations/reclamation, site and production monitoring, reclamation related administrative costs to BLM, etc.
- All documents related to this offering are available for inspection at the BLM Spokane District Office, 1103 North Fancher Road, Spokane Valley, WA 99212.
- The BLM is required to provide the same information to all interested parties to avoid preferential bias to individuals or companies.
- For further information please contact BLM Spokane District – Border Field Area Geologist - Thomas Sweeney at (509) 536-1283 or email thomas_sweeney@blm.gov.

Kurt Pindel
Acting Border Field Manager

Date