

United States Department of the Interior
 Bureau of Land Management
 Northeastern States District
 LLES003410

**Finding of No Significant Impact and Decision Record
 for
 Mondeaux Hardrock Prospecting Permit Applications
 WIES 057195 & WIES 057196**

NEPA #: DOI-BLM-ES-030-2015-0005-Other

Date: March 2015

Type of Action: Hardrock

Serial Number: WIES 057195 & WIES 057196

Location:

WIES 057195:
 4th Principal Meridian, Town of Westboro, Taylor County
 T. 33 N., R. 1 W.,
 sec. 15, SWNE; NWSW; NWSE; SWSE;
 sec. 22, W1/2W1/2;
 sec. 23, E1/2. (640 total acres)

WIES 057196:
 4th Principal Meridian, Town of Westboro, Taylor County
 T. 33 N., R. 1 W.,
 sec. 10, N1/2N1/2, SWNE, SENW, SENE, NESW;
 sec. 11, NE, E1/2NW, SWNW, NWNW, NWSW, SESW, NESW;
 sec. 12, E1/2NE, NWNE, NENW, SWNE, SENW, N1/2SE, SWSE, NWNW,
 SWNW;
 sec. 14, NWNE, SESW, SESE, SWSE. (1,360 total acres)

Project Acreage: 2,000 acres

Proponent Address: Aquila Alliance, Inc.
 908 2nd Street
 Menominee, Michigan 49858

Bureau of Land Management
 Northeastern States District
 626 E. Wisconsin Ave., Suite 200
 Milwaukee, WI 53202
 414-297-4400 (phone)
 414-297-4409 (fax)

Northeastern States District



MISSION STATEMENT

It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

**FINDING OF NO SIGNIFICANT IMPACT
and
DECISION RECORD
for
Mondeaux Hardrock Prospecting Permit Applications
WIES 057195 & WIES 057196
DOI-BLM-ES-030-2015-0005-Other**

FINDING OF NO SIGNIFICANT IMPACT

Introduction

The authority to manage the exploration (prospecting) and development (mining) of federal hardrock resources within National Forest System (NFS) lands is jointly shared between the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM). The BLM is the agency responsible for management of the federal mineral estate and is the agency with the legal authority to issue prospecting permits to explore for federally owned minerals (43 Code of Federal Regulations (CFR) 3500). When another Federal government agency manages the land surface (such as the USFS), that agency must consent to the activity and provide BLM with any special stipulations that would eliminate, reduce, or minimize potential environmental impacts to resources of concern before the action can be approved (Forest Service Manual 2822.04(c)).

Aquila Alliance, Inc., a wholly owned subsidiary of Aquila Resources, Inc., incorporated in the State of Michigan, submitted two hardrock prospecting permit applications to the BLM for associated exploratory drilling (Proposed Action/Alternative 3) on U.S. Forest Service (USFS) land within the Chequamegon-Nicolet National Forests (CNNF). The permit application areas are within portions of Sections 10, 11, 12, 14, 15, 22, and 23 of Township 33 North, Range 1 West, Fourth Principal Meridian, Taylor County, Wisconsin. The project area is located north and west of the Mondeaux Dam area of the Medford-Park Falls Ranger District, approximately 10 miles northwest of the city of Medford.

Proposed Action

The purpose of this action is for the USFS and the BLM to respond to two applications for hardrock prospecting permits submitted by Aquila Alliance, Inc., to carry out mineral prospecting within the Chequamegon-Nicolet National Forests. To eliminate unnecessary duplication and paperwork and process the prospecting permit applications, the BLM and the USFS were cooperating agencies in preparation of an EA, with the USFS serving as the lead agency. Three alternatives were analyzed in the EA: Alternative 1, the No Action Alternative; Alternative 2, the Alternative Based on Scoping Comments; and Alternative 3, the Proposed Action.

Both agencies have based their respective determinations and decisions on the information, issues, and effects analysis presented in the modified, inter-agency EA dated May 2013. As the surface management agency, the USFS has consented to the BLM issuing two prospecting permits within 2,000 acres of acquired National Forest System lands for exploration of hardrock minerals including zinc, copper, silver, gold, and associated minerals, with terms, conditions, and stipulations for the use and protection of forest resources. That agency's determinations and decision, as well as specified conditions, have been documented in that agency's Finding of No Significant Impact (FONSI) and Decision Notice (DN) dated June 12, 2013.

The BLM must deny the permits, issue the permits as proposed in the applications and exploration plan, or issue the permits with additional stipulations. A federal hardrock mineral prospecting permit gives the permittee the exclusive right to prospect on and explore for minerals within the permit area, but specifically limits removal of any discovered minerals.

Rationale

Based on the context and intensity of the impacts analyzed in the EA, I have determined that Alternative 3, the Proposed Action, is not a major Federal action that would significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. I considered the following criteria, suggested by the Council on Environmental Quality (CEQ) (40 CFR 1508.27(b)), in evaluating the intensity or severity of the impact of the Proposed Mondeaux Hardrock Prospecting Permit Project.

The action with the mitigations and limitations described in Alternative 3 will:

- 1. Not result in significant beneficial or adverse effects.**
The proposed exploration will provide additional information regarding the existence, grade, and extent of sub-surface hardrock minerals within the area of exploration. The environmental effects of the associated disturbance on soils, hydrology, vegetation, species, and species habitats are anticipated to be minimal or undetectable. Effects will be temporary, and all areas of surface disturbance will be rehabilitated.
- 2. Not result in significant impacts on public health or safety.**
Impacts to human health can either be avoided or the effects mitigated through the use of BLM and USFS stipulations specific to the use of approved non-toxic drilling additives and the burial of rock cuttings in sump pits.
- 3. Have no significant, adverse effects on unique characteristics of the geographic area.**
The USFS consent decision to BLM for issuance of the prospecting permits extends to unique areas identified as either a Research Natural Area (RNA) or Special Management Area (SMA) in proximity to the area of exploration. In the Forest Plan these areas are called Management Areas 8E (RNA) and 8F (SMA). The USFS consent decision includes a frozen ground occupancy stipulation for MA 8E and MA 8F to ensure that there are no prospecting activities that can occur in these areas unless the ground is frozen. The frozen occupancy stipulation and the limited potential disturbance area expected from prospecting activities (0.1 to 1 acre) ensure that direct and measurable impacts to the features and communities within the MA 8E and MA 8F areas are not anticipated.

169 acres of no surface occupancy surrounding small portions of several recreation sites and features in the project area, including a portion of the Ice Age National Scenic Trail, will eliminate direct impacts to these important areas. No prospecting activities could occur on or immediately adjacent to these recreation sites and features. Additionally, the frozen occupancy stipulation will also buffer these recreation areas and features. While certain winter users of the recreation areas may see and hear prospecting activities like drilling, there are also other motorized uses of these areas, such as by snowmobilers. A snowmobile trail and open public roads to the Mondeaux Dam recreation area are between the Ice Age National Scenic Trail and any frozen occupancy for prospecting activities.

4. **Not have highly controversial environmental effects.**

"Highly controversial" in the context of 40 CFR 1508.27(b)(4) refers to substantial disagreement within the scientific community about the environmental effects of the proposed action. It does not refer to expressions of opposition or support or to differences of opinion concerning how public lands should be managed. This type of activity has occurred in the past within this area and effects would not be unique or involve unknown risk. Internal and public scoping did not identify substantial disagreement about the nature and extent of potential impacts.

5. **Not have highly uncertain and potentially significant environmental effects or unique or unknown environmental risks.**

The survey and analytical methodologies utilized by the agencies to describe the affected environment and environmental effects follow established practices. The EA did not identify any environmental effects or environmental risks that could not be described using available tools and methodologies. This type of activity has occurred in the past within this forest and in this area and effects would not be unique or involve unknown risk.

6. **Not establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.**

Extraction of the drill core geologic samples for analysis and study will provide information needed to make sound decisions regarding possible future exploration and/or the economic value and viability of the mineral resources within the project area. This information could be utilized to support future applications for mineral leasing in the project area. Any future development would be subject to environmental analysis and public comment under the National Environmental Policy Act (NEPA). No leasing applications are pending within the project area at this time.

7. **Not result in significant cumulative environmental effects.**

There have been past prospecting activities on the CNNF, but any impacts have recovered and are not located in an area that would be cumulatively affected by the prospecting activities that would be approved. While there are other foreseeable prospecting activities, none of these are in the project area. No cumulative impacts are expected.

8. **Have no significant effects on scientific, cultural, or historical resources, including those listed in or eligible for listing in the National Register of Historic Places.**

Based upon prior experience with prospecting activity in the area, there has not been any identified direct or indirect impact to cultural resources. Cultural resource surveys would be required prior to any ground disturbing activities and any known cultural sites would be avoided or best mitigated.

9. **Have no significant adverse effects on species listed or proposed to be listed as Federally Endangered or Threatened Species, or their designated critical habitat.**

The proposed action will not adversely affect any threatened or endangered species or critical habitats of such species under the Endangered Species Act of 1973. USFS staff prepared a Biological Evaluation to analyze and disclose the effects of the proposed action on Federally listed Threatened and Endangered Species as well as Regional Forester Sensitive Species. Three Federally listed species were considered and a finding of "No Effect" was determined for each.

10. **Not Violate a Federal, State, Local, or Tribal law, regulation, or policy imposed for the protection of the environment.**

The action is in conformance with management objectives and decisions of the Chequamegon-Nicolet National Forests 2004 Land and Resource Management Plan (Forest Plan), specifically:

- The EA tiered to the 2004 Forest Plan and its Final EIS and Record of Decision. The BLM was a cooperating agency in the development of the Forest Plan.
- None of the prospecting activity would occur in areas that have been withdrawn by an act of Congress, by the Secretary of Agriculture, or by the Chief of the Forest Service.
- There are no wilderness areas, roadless areas, or designated or candidate wild and scenic rivers with the project area.
- The Forest Plan standards and guidelines applicable to mineral prospecting activities were incorporated into the Forest Service stipulations contained in Appendix B of the EA.

The action also conforms to the following relevant laws, regulations, and policies:

- *Endangered Species Act of 1973, as amended*
 - There are no federally listed species or critical habitat present in the project area based on a biological evaluation performed by the USFS.
- *Regional Forester Sensitive Species (RFSS)*
 - The proposed action would either not impact RFSS or would include stipulations to mitigate impacts to these species (Chapter 3 of the EA).
- *National Historic Preservation Act (NHPA)*
 - Based on cultural resource surveys conducted by the USFS, no sites determined National Register of Historic Places (NRHP) eligible or sites not yet formally evaluated would be impacted by prospecting activities.
- *Clean Water Act, as amended, 1977*
 - Prospecting activities would be subject to Wisconsin Pollutant Discharge Elimination System (WPDES) permitting requirement which would be implemented with submission of an operating plan to the State of Wisconsin.
 - When onsite geologic examination by core drilling is planned, the explorer must obtain an exploration license from the State of Wisconsin. Applications for an exploration license include measures used to protect surface and ground water from contamination.
 - Under Section 404 of the Act, the U.S. Army Corps of Engineers is charged with regulating the discharge of dredged and fill material into waters of the United States, including wetlands (33 CFR 323.3). While it is not anticipated that any prospecting activity would include the discharge of dredge or fill material into waters of the U.S., potential impacts to water quality are addressed in Chapter 3 and in Appendix A of the EA.
- *Clean Air Act*
 - Federal land managers are responsible for ensuring that major new sources of air pollution will not adversely affect air quality related

values of Class 1 attainment areas (Forest Plan FEIS, page 3-40). There are no Class 1 air quality areas on the Medford-Park Falls Ranger District (Forest Plan FEIS, page 3-40 and 3-41).

- *Wild and Scenic Rivers Act*
 - There are no rivers designated, eligible for designation as wild, scenic, or recreational rivers within, or adjacent to the project area (Forest Plan page 3-49 and Forest Plan FEIS, Appendix E).
- *Wilderness Act*
 - There are no wilderness areas or wilderness study areas within or adjacent to the project area (Forest Plan FEIS Appendix C, and Forest Plan ROD, page 16).
- *Environmental Justice*
 - The USFS determined that none of the alternatives would disproportionately affect minority or low-income individuals, Native American Indians, women or civil rights. Additional environmental justice review is not necessary.

Finding of No Significant Impact

I have determined that issuance of the Mondeaux Hardrock Prospecting Permits does not constitute a major Federal action having a significant effect on the human environment; an environmental impact statement is not necessary and will not be prepared. This conclusion is based on my consideration of the CEQ's criteria for significance (40 CFR § 1508.27(b)) when applied to impacts described for Alternative 3 in the EA, my understanding of the project, review of project analysis, and review of public comments. The analysis of effects documented in the EA has been completed within the context of the CNNF Plan, as amended, and the specific plans and program guidance listed above.



Dean Gettinger
Northeastern States District Manager

4/6/2015
Date

DECISION RECORD
for
Mondeaux Hardrock Prospecting Permit Applications
WIES 057195 & WIES 057196
DOI-BLM-ES-030-2015-0005-Other

DECISION RECORD

Introduction

Aquila Alliance, Inc., a wholly owned subsidiary of Aquila Resources, Inc., incorporated in the State of Michigan, submitted two hardrock prospecting permit applications to the BLM for associated exploratory drilling on U.S. Forest Service (USFS) land within the Chequamegon-Nicolet National Forests (CNNF). The permit application areas are within portions of Sections 10, 11, 12, 14, 15, 22, and 23 of Township 33 North, Range 1 West, Fourth Principal Meridian, Taylor County, Wisconsin. The project area is located north and west of the Mondeaux Dam area of the Medford-Park Falls Ranger District, approximately 10 miles northwest of the city of Medford.

In order to process the prospecting permit applications, the BLM and the USFS were cooperating agencies in preparation of an Environmental Assessment (Mondeaux Hardrock Prospecting Permits EA) with the USFS serving as the lead agency. Three alternatives were analyzed in detail in the EA: Alternative 1, the No Action Alternative; Alternative 2, the Alternative Based on Scoping Comments; and Alternative 3, the Proposed Action. Two other alternatives were considered, but eliminated from further detailed review.

In a letter dated March 14, 2014 to BLM Eastern States Director John Ruhs, the USFS consented to 2,000 acres of the 2,999 acres applied for in prospecting permits WIES 057195 and WIES 057196. Approximately 1,000 acres are not available because the mineral estate is not under Federal ownership.

Background

This decision, the Bureau of Land Management (BLM) Finding of No Significant Impact (FONSI), and the supporting EA address the permit applications submitted by Aquila Alliance, Inc. (WIES 057195 and WIES 057196). These applications request authorization for exploratory drilling within the CNNF.

Prospecting activities typically include the following:

- Initial ground geophysical surveys to evaluate the subsurface using various geophysical measurements at regular intervals along grid lines;
- If warranted, geochemical soil surveys using augers capable of collecting half pound soil samples at each survey point along selected grid lines;
- If geophysical prospecting determines a potential mineral target, one or more drilling sites may be further evaluated;
- Drilling sites are chosen where geophysical measurements indicate the mineral target can be cored;
- For most drill sites, temporary access roads need to be constructed;
- Installation of drilling pads to set up and use drilling rigs;
- Core drilling rigs used to recover rock core samples for off-site analysis;

- Depending on depth of drill hole into bedrock target, drill rig onsite for one to two weeks;
- Water, in most permit areas from a river, is either pumped directly to the drill site or pumped into a truck and delivered to the drill site and is used to lubricate the drill bit and remove drill cuttings;
- Construction of temporary sump pit on the drill pad site used to store and re-circulate the water and collect and store rock cuttings;
- Possibly down hole geophysics after coring once more information is known about core samples; and
- Drill hole temporarily or permanently sealed to State of Wisconsin standards.

Public Involvement

The EA was issued for public review on November 3, 2012, and a 30-day comment period was provided. Fifteen responses were submitted for agency consideration. Based on public comments, the EA was revised by the addition of an action alternative that was developed in detail and it is the modified EA that is referenced by this Decision Record. The complete text of the modified EA and other project documents are available at:

http://data.ecosystem-management.org/nepaweb/nepa_project_exp.php?project=38285

Authorities

The authority to manage the exploration (prospecting) and development (mining) of Federal hardrock mineral resources within National Forest System lands is jointly shared between the USFS and the BLM. The authority to grant prospecting permits lies with the BLM (lead Federal agency). In this instance, because National Forest System lands are involved, the BLM and USFS have worked cooperatively to evaluate the environmental impacts of the proposed prospecting consistent with the National Environmental Policy Act (NEP A) and the implementing regulations.

Both agencies have based their respective determinations and decisions on the information, issues, and effects analysis presented in the modified, inter-agency EA dated May 2013. Under 43 C.F.R. § 3503.20 (c), as the surface management agency, the USFS has consented to the BLM issuing two prospecting permits within 2,000 acres of acquired National Forest System (NFS) lands for exploration of valuable hardrock minerals including zinc, copper, silver, gold, and associated minerals, with terms, conditions, and stipulations for the use and protection of forest resources. That agency's determinations and decision, as well as specified conditions, have been documented in that agency's Finding of No Significant Impact (FONSI) and Decision Notice (DN) dated June 12, 2013.

Neither the USFS nor the BLM has the authority to consent to or issue prospecting permits for privately owned minerals. In areas where there are privately owned mineral estates beneath NFS land, the USFS would use the results of this analysis and existing laws to negotiate access and occupancy of Federal surface for any private mineral prospecting activities.

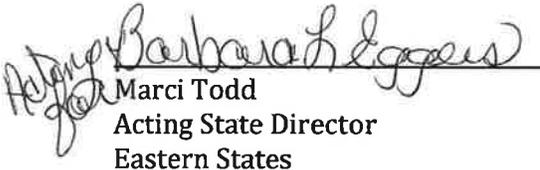
When onsite geologic examination by core drilling is planned, regardless of mineral ownership, the explorer must obtain an exploration license from the state of Wisconsin (Wisconsin Chapter N. R. 130).

Decision

Under the Mining and Minerals Policy Act of 1970, the Federal Government's overall policy is to foster and encourage private enterprise in the development of economically sound and stable industries and in the orderly and economic development of domestic resources to help assure satisfaction of industrial security and environmental needs. Alternative 1, the No Action Alternative, does not satisfy Federal mineral law and policies concerning mineral development to help meet the nation's energy needs because approval of the permits would not occur. Alternative 2, the Alternative Based on Scoping Comments, would approve the permits but would prevent the permittee from exploring on approximately 29% of the project area. This could potentially prevent the permittee from identifying a valuable mineral deposit and thus, not meet the nation's present and future energy needs.

As the Responsible Official, it is my decision to grant prospecting permits (WIES 57195 and WIES 57196) to Aquila Alliance, Inc., a wholly owned subsidiary of Aquila Resources, Inc., for mineral exploration activities (exploratory drilling) within 2,000 acres of the CNNF with the changes, limitations, mitigation measures, and stipulations as described in Alternative 3, Proposed Action, and in Appendix B of the Mondeaux Hardrock Prospecting Permits Project. This alternative best meets the purpose and need of the project while protecting forest resources.

In making my decision, I have worked closely with the USFS, Chequamegon-Nicolet National Forests (CNNF). I relied on that agency's determination of plan conformance and its determination that prospecting activities will not interfere with the primary purposes for which the lands were acquired as provided in the CNNF Decision Notice (DN) and Finding of No Significant Impact (FONSI) dated June 12, 2013.


Marci Todd
Acting State Director
Eastern States

7-23-15
Date

Enclosures

Administrative Remedies

Administrative review (appeal) of prospecting permit decisions requiring NEPA assessment will be available under 43 CFR Part 4 to those who have a "legally cognizable interest" to which there is a substantial likelihood that the action authorized would cause injury and who have established themselves as a "party to the case" (43 CFR § 4.410 (a)-(c)). Other than the applicant/proponent for the action, in order to be considered, a "party to the case" (the person claiming to be adversely affected by the decision) must show that he/she has notified the BLM that he/she has a "legally cognizable interest" and that the decision on appeal has caused or is substantially likely to cause injury to that interest (43 CFR § 4.410(d)).

Effective Date of Decision

This is a lands decision in accordance with BLM regulations at 43 CFR Subpart 3505. The BLM decisions under 43 CFR 3505 typically become effective on the day after the expiration of the appeal period (30 days after the date of service) where no petition for a stay is filed or 45 days after the expiration of the appeal period where a timely petition for a stay is filed, unless the Director of the Office of Hearings and Appeals or an Appeals Board has determined otherwise in accordance with specified standards enumerated in 43 CFR 4.21(b). However, in this instance, the BLM decision includes reliance on the determinations and consent of the CNNF. For this reason, the administrative appeal processes for both the BLM and USFS must elapse before the decision becomes effective. The USFS decision is in effect, as the administrative appeal period has already expired.

Right of Appeal

This decision may be appealed to the U.S. Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals (Board) by those who have a "legally cognizable interest" to which there is a substantial likelihood that the action authorized in this decision would cause injury and who have established themselves as a "party to the case" (43 CFR § 4.410). If an appeal is taken, a written notice of appeal must be filed with the BLM officer who made the decision in this office by close of business (4:30p.m.) not more than 30 days after the date of service. Only signed hard copies of a notice of appeal that are delivered to the following address will be accepted:

Bureau of Land Management
20 M Street, Suite 950
Washington, DC 20003

Faxed or e-mailed appeals will not be considered. The person signing the notice of appeal has the responsibility of proving eligibility to represent the appellant before the Board under its regulations at 43 CFR § 1.3. The appellant also has the burden of showing that the decision appealed is in error. The appeal must clearly and concisely state which portion or element of the decision is being appealed and the reasons why the decision is believed to be in error. If the notice of appeal does not include a statement of reasons, such statement must be filed with this office and with the Board within 30 days after the notice of appeal was filed.

According to 43 CFR Part 4, those with a legally cognizable interest have the right to petition the Board to stay the implementation of the decision. Should those with a legally cognizable interest choose to file one, the stay request should accompany the notice of appeal. Appellants must show

standing and present reasons for requesting a stay of the decision. A petition for stay of a decision pending appeal shall show sufficient justification based on the following standards:

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

A notice of appeal with a petition for a stay must be served upon the Board and the Regional Solicitor at the same time such documents are served on the deciding official at this office. Service must be accomplished within 15 days after filing in order to be in compliance with appeal regulations (43 CFR § 4.413(a)). At the end of the notice of appeal appellants must sign a certification that service has been or will be made in accordance with the applicable rules (i.e., 43 CFR §§ 4.410(c) and 4.413) and specify the date and manner of such service.

The IBLA will review any petition for a stay and may grant or deny the stay. If the IBLA takes no action on the stay request within 45 days of the expiration of the time for filing a notice of appeal, appellants may deem the request for stay as denied, and the BLM decision will remain in full force and effect until IBLA makes a final ruling on the case.