

1.0 Introduction

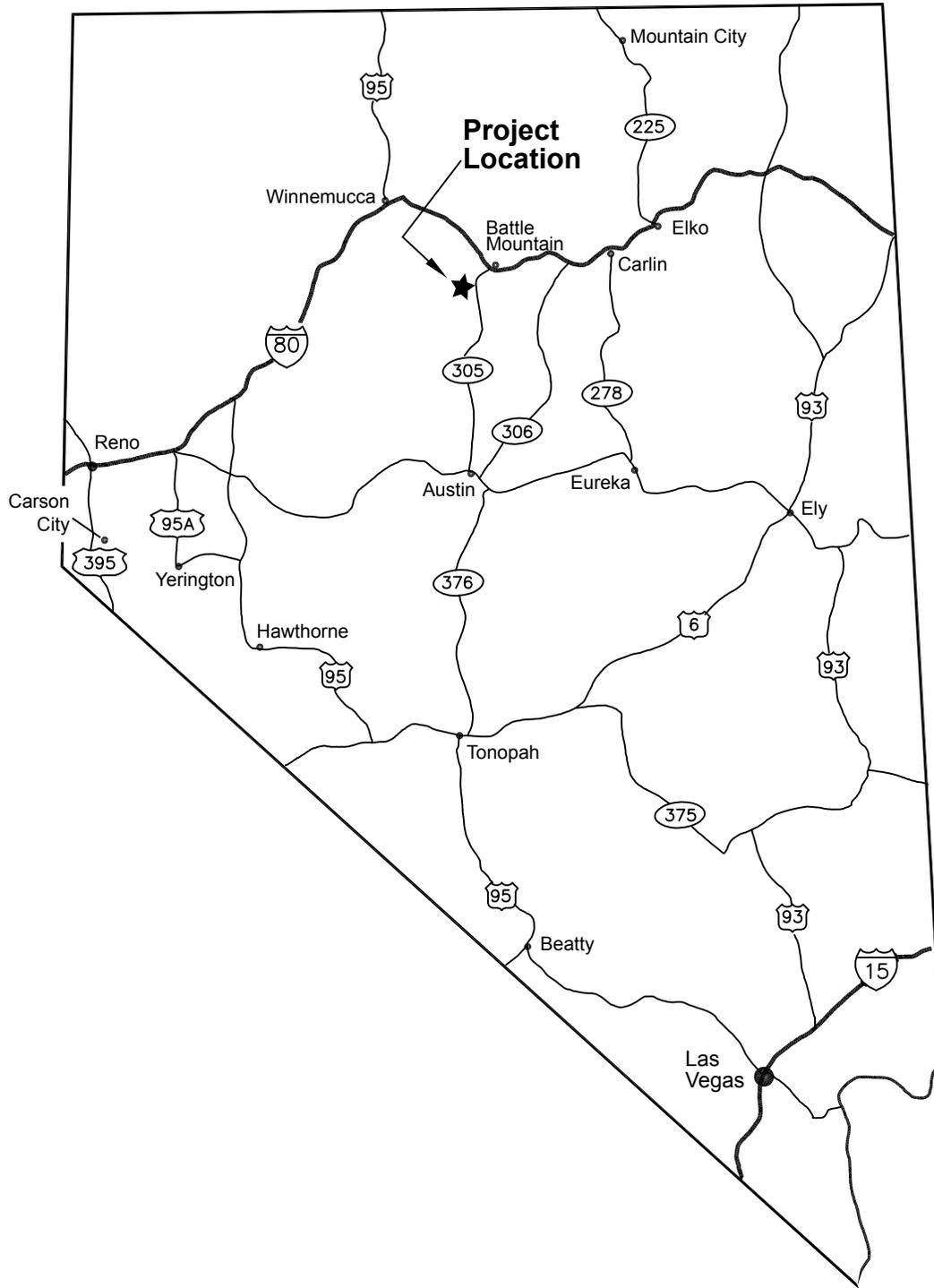
1.1 Introduction and General Location

On May 30, 2007, Newmont Mining Corporation (Newmont) submitted a proposed amendment to the Plan of Operations (POO) (NVN-067930 [07-3A]) and Permit for Reclamation (#0223) for the Phoenix Copper Leach Project to the Bureau of Land Management (BLM) Mount Lewis Field Office of the Battle Mountain District, in compliance with 43 Code of Federal Regulations (CFR) 3809 and 3715 (Newmont 2007a). Revised plans were submitted on January 24, 2008, September 1, 2010, and October 29, 2010 (Newmont 2010a, 2008a). Newmont proposes to expand and operate the existing Phoenix Mine to include copper leaching/ beneficiation of copper oxide rock material that previously has been permitted for disposal on currently permitted waste rock facilities (WRFs). The proposal also includes the expansion of the existing Phoenix Mine POO boundary to encompass approximately 902 additional acres of land. The majority of the proposed facilities would occur in areas that previously have been approved for surface disturbance as analyzed in the Phoenix Project Final Environmental Impact Statement (EIS) (BLM 2002a). The proposed project area is located in Lander County, approximately 12 miles southwest of the Town of Battle Mountain, Nevada, in Townships 30 and 31 North (T30N and T31N), Range 43 East (R43E) Mount Diablo Base Line Meridian (**Figures 1.1-1 and 1.1-2**). Approximately 194 acres of the proposed new disturbance area would be located on public lands administered by the BLM Mount Lewis Field Office, while approximately 708 acres would be on private lands owned by Newmont.

The proposed project would include the construction and operation of a new copper beneficiation facility, modification of existing mine components, and expansion of the proposed project boundary. Proposed project components would include:

- Expansion of the existing POO boundary;
- Development and operation of two copper heap leach facilities (HLFs);
- Construction of six new process ponds;
- Construction and operation of a copper solvent extraction-electrowinning (SX-EW) facility;
- Designation of a new optional use area (OUA) (Section 5 OUA) that could be developed as a copper HLF and borrow area;
- Establishment of an additional clay borrow area;
- Development of new water monitoring wells;
- Construction of a new haul road, pipeline and utility corridor; and
- Development of a new production well

Construction and operation of the proposed project is anticipated to begin in 2012, following receipt of all required permits and approvals. Active mining and processing for the project would last approximately 24 years. Overall closure and reclamation activities are anticipated to extend approximately 13 years beyond the operational phase. The proposed copper processing activities located on public and private lands are subject to review and approval by the BLM pursuant to the Federal Land Policy and Management Act of 1976 (FLPMA) as amended, and the BLM's surface management regulations (43 CFR 3809). The BLM's review and approval of a mine POO under the surface management

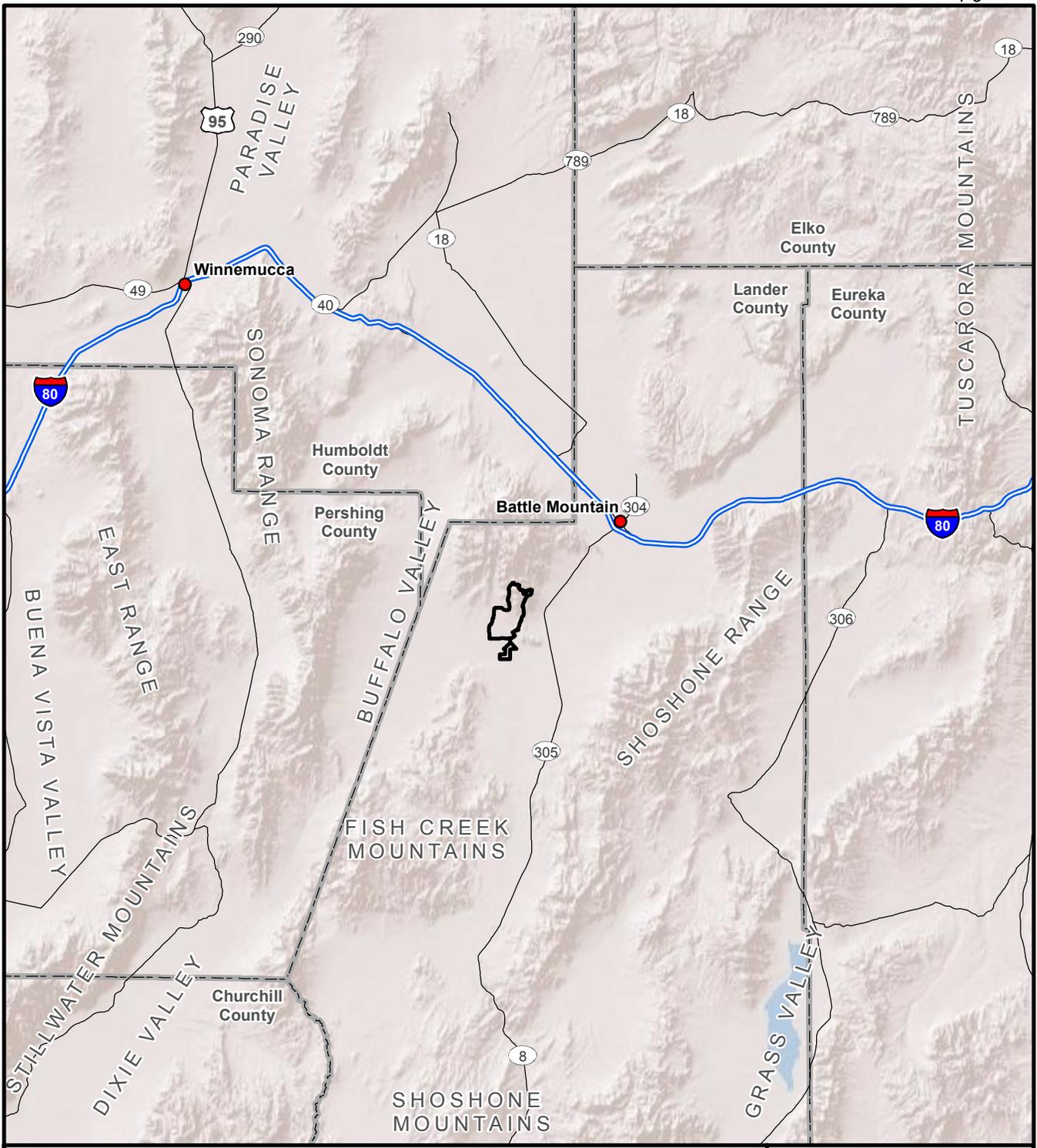


**Phoenix Copper
Leach Project**

Figure 1.1-1
General Location Map



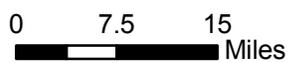
Source: Newmont 2010a.



Legend
 — Proposed POO Boundary

Phoenix Copper Leach Project

Figure 1.1-2
 Project Vicinity



Source: Newmont 2010a.

regulations constitute a federal action that is subject to the National Environmental Policy Act of 1969 (NEPA). The BLM has determined that the project constitutes a major federal action and has determined that an Environmental Impact Statement (EIS) should be prepared to fulfill NEPA requirements.

The BLM is serving as the lead agency for preparing the EIS in compliance with NEPA; the Council on Environmental Quality (CEQ) NEPA implementing regulations (40 CFR 1500-1508); the BLM's NEPA Handbook (H-1790-1); Nevada State Office Instruction Memorandum (IM) NV-90-435, BLM-wide Guidance on Cumulative Effects Analysis (July 2005); Nevada State Office IM NV-2010-014, Nevada BLM Rock Characterization and Water Resources Analysis Guidance for Mining Activities (January 2010); Nevada BLM State Office IM NV-2008-032, Nevada BLM Water Resource Data and Analysis Policy for Mining Activities (April 2008); CEQs 2005 Guidance on the Consideration of Past Actions in Cumulative Effects Analysis; and other applicable guidance (BLM 2010a, 2008a,b, 1994a; United States [U.S.] Environmental Protection Agency [USEPA] CEQ 2005). The Nevada Department of Wildlife (NDOW) is serving as a cooperating agency for preparation and review of the EIS. The EIS considers the quality of the natural environment based on the physical impacts to the public and private lands that may result from implementation of the proposed project.

The EIS describes the proposed copper leaching/beneficiation operations (Proposed Action) and project alternatives (including the No Action Alternative). It also describes the environmental consequences of implementing the Proposed Action or the alternatives.

1.2 Purpose of and Need for the Action

1.2.1 BLM

Purpose

The BLM's Battle Mountain District Mount Lewis Field Office has received an Amended POO from Newmont for a new copper processing plant and appurtenant facilities. The BLM's purpose is to provide Newmont the opportunity to mine and process copper ore on both BLM-managed public lands and private land owned by Newmont.

Need

The need for the action is established by the BLM's responsibility under FLPMA and the BLM's CFR Surface Management Regulations (43 CFR 3809) and its Use and Occupancy Regulations (43 CFR 3715) to respond to Newmont's Amended POO application for mining and processing of copper ore, while preventing undue or unnecessary degradation of public lands.

Decision to be Made

The BLM's Mount Lewis Field Manager will decide whether to permit Newmont's Phoenix Copper Leach POO, as submitted or modified the decision based on the impact analysis and associated mitigation, as identified in this EIS.

1.2.2 Newmont Mining Corporation

Purpose

Newmont's purpose for the proposed project is to profitably recover copper resources from materials currently considered as waste rock under existing precious and base metals mining and processing operations at the Phoenix Mine site. To the extent practical, the proposed operations would utilize existing facilities and infrastructure at Newmont's currently permitted operations for the proposed project.

Need

Newmont's need is to meet the prevailing market demand for copper. The prevailing market demand is adjusted on a daily basis on commodity exchanges throughout the world. This adjustment results from

buyers and sellers agreeing on a specific transaction price, which reflects the current supply and demand for the commodity, among other factors.

1.3 BLM's Responsibilities and Relationship to Planning

1.3.1 BLM Surface Management Authorizations and Plans

The BLM is responsible for authorizing mineral rights access on certain federal lands as authorized by the General Mining Law of 1872, as amended. Under the law, qualified applicants are entitled to reasonable access to mineral deposits on public domain lands that have not been withdrawn from mineral entry.

In order to use public lands managed by the BLM's Mount Lewis Field Office, Newmont must comply with the BLM Surface Management Regulations (43 CFR 3809) and other applicable statutes, including the Mining and Mineral Policy Act of 1970 (MMPA), as amended, and the FLPMA. The BLM must review Newmont's plans for developing the project to ensure that:

- Adequate provisions are included to prevent unnecessary or undue degradation of federal lands and to protect the non-mineral resources of the federal lands;
- Measures are included to provide for reclamation of disturbed areas; and
- Compliance with applicable state and federal laws is achieved.

1.3.2 BLM Reclamation Standards

The MMPA mandates that federal agencies ensure that closure and reclamation of mine operations be completed in an environmentally responsible manner. The MMPA states that the federal government should promote the "development of methods for the disposal, control, and reclamation of mineral waste products, and the reclamation of mined lands, so as to lessen any adverse impact of mineral extraction and processing upon the physical environment that may result from mining mineral activities."

Relevant BLM policy and standards for reclamation are presented in the BLM Solid Minerals Reclamation Handbook (BLM Manual Handbook H-3042-1) (2008a), which provides consistent reclamation guidelines for all solid non-coal mineral activities conducted under the authority of the BLM Minerals Regulations in Title 43 CFR 3809. The BLM's short-term reclamation standards and goals include stabilization of disturbed areas and protection of both disturbed and adjacent undisturbed areas from unnecessary or undue degradation. The BLM's long-term reclamation standards and goals include the establishment of a self-sustaining, safe, and stable condition providing productive post-mining use of the land, which conforms to the approved land use plan for the area. The BLM has reviewed the proposed Reclamation Plan for the proposed project to ensure that the BLM's reclamation standards and goals would be met.

1.3.3 BLM Land Use Plan Conformance

The BLM has the responsibility and authority to manage the surface and subsurface resources on public lands located within the jurisdiction of the Mount Lewis Field Office, and has designated lands within the project area as open for mineral exploration and development. In its Record of Decision (ROD) for the Shoshone-Eureka Resource Management Plan (RMP) (BLM 1986a), the BLM states in objectives 1.0 and 2.0 under Minerals that it would:

- "Make available and encourage development of mineral resources to meet national, regional, and local needs consistent with national objectives for an adequate supply of minerals," and
- "Assure that mineral exploration, development, and extraction are carried out in such a way as to minimize environmental and other resource damage and to provide, where legally possible, for the rehabilitation of lands."

The management decisions applicable to these objectives are as follows (BLM 1986b):

- **Locatable minerals.** “All public lands in the planning areas would be open for mining and prospecting unless withdrawn or restricted from mineral entry.”
- **Current mineral production areas.** “Recognize these areas as having a highest and best use for mineral production and encourage mining and minimum environmental disturbance. Make thorough examinations of all sites proposed for other Bureau programs in these areas.”

The proposed project would be consistent with the Shoshone-Eureka RMP.

1.3.4 State and Local Land Use Plans and Policies

The Proposed Action would be consistent with Section XI of the Lander County Policy Plan for Federally Administered Lands (Lander County 2005), which sets forth the policy to “promote the expansion of mining operations and areas.” The Lander County Policy Plan for Federally Administered Lands also states that mine site reclamation standards should be consistent with the best possible post-mine use for each specific area and that specific standards should be developed for each property.

1.3.5 Plan Amendments for the Phoenix Mine since the 2002 Final EIS

POO Amendments that have been approved since the 2002 Phoenix Mine Final EIS (BLM 2002a) and analyzed in an environmental assessment (EA) include:

- Willow Creek County Road Relocation Right-of-Way (ROW) Project Environmental Assessment – July 2008 (BLM 2008c).
- Philadelphia Canyon Waste Rock Facility and Minnie Pit Expansion Environmental Assessment – July 2010 (BLM 2010b).

1.4 Environmental Review Process

Numerous opportunities for public input occur during the NEPA decision-making process. The initial step in the EIS process is to notify the public and other government agencies of the BLM's intent to prepare an EIS. The BLM published a Notice of Intent (NOI) to prepare an EIS for the proposed project in the Federal Register (FR) on February 12, 2008 (FR Volume 73, Number 29). The NOI included a summary of the proposed project, information on public scoping, and project contact information.

The purpose of public scoping is to actively solicit and acquire input from the public and other interested federal, state, tribal, and local agencies about the proposed project. Information received during public scoping helps the agencies identify potential environmental issues/impacts, alternatives, and mitigation measures associated with the development of the proposed project. The process provides a mechanism for focusing and clarifying the issues so the EIS can address and analyze the primary areas of concern. Chapter 4.0, Section 4.1, Public Participation and Scoping, provides detailed information regarding public scoping that was conducted for the proposed project.

After completion of the public scoping period, a Draft EIS is prepared that addresses all of the environmental effects associated with the Proposed Action, including the issues and concerns identified during the scoping period. After the Draft EIS is published through the Notice of Availability (NOA) in the FR, the public has the opportunity to comment on the Draft EIS during a 45-day comment period. During the public comment period, the BLM conducts public meetings, which are held at the same locations as the public scoping meetings. Comments can be submitted at the public meetings by filling out the comment forms or providing verbal comments to BLM staff. The public also may submit comments to the BLM Mount Lewis Field Office via mail, facsimile, and e-mail. The Final EIS includes responses to all substantive public comments received on the Draft EIS.

1.5 Project Permits and Approvals

In addition to the EIS, implementing the Proposed Action would require authorizing actions from other federal, state, and local agencies with jurisdiction over certain aspects of the proposed project.

Table 1.5-1 lists the required permits or approvals that are already in place or would be obtained and the responsible regulatory agencies. Newmont is responsible for amending existing permits and applying for and acquiring additional permits, as needed.

Table 1.5-1 Major Permits and Approvals

Permit/Approval	Granting Agency
EIS POO ROW Permits	U.S. Department of the Interior, BLM
Compliance with the Clean Water Act (CWA) of 1972 Section 404	U.S. Army Corps of Engineers (USACE)
Surface Area Disturbance Permit Permit to Construct Permit to Operate	Nevada Division of Environmental Protection (NDEP), Bureau of Air Pollution Control
Water Pollution Control Permit Reclamation Permit Individual Hydrocarbon Permit	NDEP, Bureau of Mining Regulation and Reclamation
Permit to Operate a Public Water System	NDEP, Bureau of Safe Drinking Water
Storm Water General Permit	NDEP, Bureau of Water Pollution Control
Permit to Appropriate Water, Permit for Dam Construction (process and event ponds)	Nevada Division of Water Resources (NDWR)
Industrial Artificial Pond Permit (IAPP)	NDOW
Hazardous Materials Storage Permit	Nevada State Fire Marshal Division
Hazardous Waste Generation Identification	NDEP, Bureau of Waste Management; USEPA
Building Permits	Lander County
Class III Waivered Landfill Permit	NDEP, Bureau of Waste Management

1.6 Organization of the Environmental Impact Statement

This EIS follows the CEQ recommended organization (40 CFR 1502.10).

- Chapter 1.0 provides descriptions of the purpose and need for the action, the role of the BLM in the NEPA process, and the required regulatory actions for the proposed project.
- Chapter 2.0 describes the Proposed Action and alternatives, including the No Action Alternative.
- Chapter 3.0 describes the affected environment and the direct, indirect, and cumulative impacts associated with the Proposed Action and alternatives; possible mitigation to reduce or minimize impacts; and any residual adverse effects following the implementation of mitigation.
- Chapter 4.0 summarizes public participation and the scoping process and the consultation and coordination undertaken to prepare the EIS.

- Chapter 5.0 presents the list of EIS preparers and reviewers.
- Chapter 6.0 presents the list of references.
- Chapter 7.0 contains a glossary.
- Chapter 8.0 contains the index.

Copies of supporting documents are on file at the BLM Mount Lewis Field Office in Battle Mountain, Nevada.