

FINDING OF NO SIGNIFICANT IMPACT
for
NEVADA CEMENT COMPANY – MUSTACHE POZZOLAN MINE
Environmental Assessment
DOI-BLM-NV-C020-2010-0004-EA

INTRODUCTION

The *Mustache Project Environmental Assessment* (EA), DOI-BLM-NV-C020-2010-0004-EA, evaluates the impacts on the natural and human environment that could result from mineral resource mining and exploration operations at the Mustache Project (Proposed Action) located southwest of the City of Fernley, Lyon County, Nevada. The Proposed Action is described in the Mustache Project Plan of Operations, Reclamation Plan and Permit Application, dated October 2008.

The Mustache Project consists of a small-scale mining operation on public land within the city limits of Fernley. The Proposed Action includes the building of a new access road across public and private land, stripping and stockpiling of topsoil, construction of a staging area, excavation of pozzolan material, transportation of the mined material to Nevada Cement Company's cement plant north of the City of Fernley, and reclamation of the site. Total surface disturbance associated with the Proposed Action is expected to be 50.65 acres, with approximately 49.04 acres on public land and 1.61 acres on private land.

The impact analysis in the EA characterizes the potential for impacts that would be associated with the Proposed Action. The determination of environmental risk is resource-specific and is based on a number of factors including the presence and extent of resources within the project area, the extent of resources in the surrounding area, and the quality of existing data.

PLAN CONFORMANCE AND CONSISTENCY

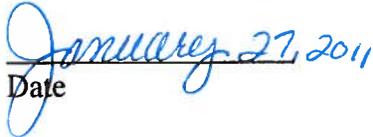
The Proposed Action has been reviewed for conformance with the Carson City District Office Consolidated Resource Management Plan (2001) and is found to be consistent with current BLM policies, plans and programs. The U.S. Department of the Interior's surface management regulations (43 CFR 3809) and current BLM policy contain provisions that permit mineral exploration and extraction on public land if such activities do not cause unnecessary or undue degradation of public resources.

FINDING OF NO SIGNIFICANT IMPACT DETERMINATION

Based on the analysis of the *Mustache Project Environmental Assessment*, DOI-BLM-NV-C020-2010-0004-EA, I have determined that the action will not have a significant effect on the human environment and an environmental impact statement will not be prepared.



Linda J. Kelly
Field Manager
Sierra Front Field Office



Date

DECISION RECORD
for
NEVADA CEMENT COMPANY - MUSTACHE POZZOLAN MINE
Plan of Operations N-86260
NEPA COMPLIANCE NO. DOI-BLM-NV-C020-2010-0004-EA

INTRODUCTION

The Bureau of Land Management (BLM) has prepared an Environmental Assessment (EA) that analyzes the affected environment, environmental impacts and mitigation measures associated with the Mustache Project (Proposed Action) proposed by Nevada Cement Company (NCC) in Lyon County, Nevada. The Proposed Action is located approximately three miles southwest of the center of the City of Fernley, Nevada and is within the city boundary. The Proposed Action is situated on public and private land in Sections 25, 26, 27, 28, 33, and 34 Township 20 North, Range 24 East, Mount Diablo Base & Meridian (Project Area).

In the Spring of 2008, NCC completed the Notice-level work that identified a distinct mappable shale lithology containing pozzolan. Pozzolan is a material which, when combined with calcium hydroxide, exhibits cementitious properties. There are 2.99 acres of existing disturbance from Notice-level exploration and bulk sampling activities conducted by NCC under Notice NVN-84690. The Proposed Action would include an additional 47.66 acres of surface disturbance in the Project Area for a total of 50.65 acres including Notice-level disturbance.

The Proposed Action is described in the Mustache Project Plan of Operations, Reclamation Plan and Permit Application dated October 2008 (BLM Serial No. N-86260). The Mustache Pozzolan Mine consists of a small-scale mining operation including removal of waste rock and pozzolan resources from an open pit on public land, transporting that material over an access route on public and private land to a processing facility on private land. NCC would also continue exploring for mineral resources within the Project Area as part of the Proposed Action. The estimated life of the Proposed Action is 25 years.

DECISION

As a result of the analysis presented in the EA, it is my decision to approve the Mustache Pozzolan Mine and concur with the associated occupancy with mitigation measures presented in the EA and listed below. This management decision for the Mustache Pozzolan Mine and the associated occupancy is issued under Title 43 Code of Federal Regulations Subparts 3715 and 3809 (43 CFR 3715 and 3809), respectively, and is effective immediately upon signing of this Decision Record (DR).

The rationale for the Finding of No Significant Impact (FONSI) supports this decision. The Proposed Action coupled with operating, environmental mitigation and reclamation measures detailed in the EA and listed in this document have led to my decision that all practicable means to avoid or minimize environmental harm have been adopted and that unnecessary or undue degradation of the public lands would not result. This decision is consistent with the BLM CCDO Consolidated Resource Management Plan (2001) and Record of Decision.

All resource values impacted by the Proposed Action have been evaluated for cumulative impacts. It has been determined that cumulative impacts would be negligible for all resources.

AUTHORITY

The Proposed Action is consistent with Federal law, BLM regulations and policy, and the BLM CCDO Consolidated Resource Management Plan (2001). The U.S. Department of the Interior's surface management regulations at 43 CFR 3715 and 3809 and BLM policy contain provisions that permit mineral exploration and extraction on public land, and occupancy reasonably incident thereto, if such activities do not cause unnecessary or undue degradation of public resources. The Proposed Action, with mitigation measures proposed by NCC and accepted by the BLM, as well as additional measures stipulated by the BLM, will not cause undue or unnecessary degradation of public lands.

PUBLIC INVOLVEMENT

Prior to preparing the EA, BLM solicited initial public comment during a 30-day scoping period beginning in early March 2009. Public comment was also solicited in conjunction with a Fernley City Council Meeting held on March 18, 2009. The BLM received 14 responses. The predominant issues identified during the public scoping period related to the following: increased dust (including the potential for respirable crystalline silica) from the operations; the location or zoning of the mine relative to existing and/or planned residential zoned development; access routes and increased truck traffic through residential areas; noise; and visual impacts. Other notable issues surrounded water use and adverse affects to property values adjacent to the operation.

The issues identified during the scoping period, with the exception of zoning, were incorporated into the planning effort, along with discussions with other agencies, and input from an interdisciplinary team of BLM resource specialists. Zoning in the Project Area is under the authority of the City of Fernley Community Development Department (CDD). The Proposed Action resides within the City of Fernley city limits on public lands zoned RR-5 (Rural Residential 20-acre minimum parcel size) which allows for open and subsurface mining uses with a special use permit (SUP). On March 18, 2009, NCC obtained approval for a SUP from the City of Fernley CDD for the Proposed Action which is contingent on NCC acquiring access to the Project Area which avoids residential areas.

Upon completion of the EA, an electronic copy was posted on the BLM Carson City District Office web page for a 30-day public review period, and a legal notice soliciting public review of the EA was published in the Fernley Leader newspaper. A hard copy of the EA was also made available for review at the public room in the BLM Carson City District Office. During the public review period the BLM received 65 letters from the public mostly expressing support for the Proposed Action; two letters were in opposition. No comments or letters were received from coordinating State and Federal agencies. No substantive comments were received, therefore no changes were made to the March 2010 Preliminary Environmental Assessment, which now becomes the Final EA.

RATIONALE

The reasons for issuing the decision for the Mustache Pozzolan Mine under 43 CFR 3809 are as follows: The Proposed Action, as mitigated, meets the criteria described in the Federal Land Policy and Management Act of 1976 to prevent undue and unnecessary degradation of public land and the 43 CFR §3809. The Proposed Action is in conformance with the BLM CCDO Consolidated Resource Management Plan (2001) which states that the BLM desired outcome is to *encourage development of energy and mineral resources in a timely manner to meet national, regional and local needs consistent with the objectives for other public land uses* (page MIN 1). The Proposed Action is also in conformance with the President's National Energy Policy as put forth in Executive Order 13212 and will not have an adverse impact on energy development, production, supply and/or distribution. The action must also comply with applicable rules and regulations of other local, State, and Federal agencies.

The BLM approval of the Plan of Operations is subject to operating, mitigation, reclamation and monitoring measures proposed by NCC in the Plan of Operations and additional BLM stipulations set forth in the EA and restated in this DR. These measures and stipulations, in addition to the conditions of approval associated with NCC's respective State and local agency permits are included below.

The following section describes the conditions of approval stated in NCC's (applicant's) SUP for the Mustache Pozzolan Mine approved by the City of Fernley on March 18, 2009:

1. The applicant is required to file with the City of Fernley a detailed dust control management plan to address dust impacts on both employees and the public and receive approval of the City before the applicant can proceed.
2. The applicant is required to file with the City of Fernley an access agreement for any and all parcels the applicant proposes to use for access to this site.
3. The applicant is required to file with the City of Fernley a copy of any and all documents that the applicant files with either the Bureau of Land Management or the Nevada Department of Environmental Protection as part of this project.
4. The Sage Street alternative access route can only be used for the first 18 months, upon being issued the BLM and the Nevada Division of Environmental Protection (NDEP) permits. The use of this route is limited to material testing, construction, storage and other ancillary uses related to the pre-operations of the facility. The applicant can only use end dumps and limit their loads to no more than a 10 day, and not run during Fernley High School peak hours during the use of the Sage Street alternative.
5. Applicant must declare over 5 acres of disturbance and be required to retain this permit.
6. Condition for the approximate green road (installation) as shown on the map presented by Councilman Eilrich within latitude to the satisfaction of City Staff.

7. Installation of at least a deceleration lane accommodating truck traffic slowing down to make a right turn on any accesses used on Highway 95A and other requirements by the Nevada Department of Transportation (NDOT).
8. The applicant will have to include dust control for any gravel road shown on their NDEP permit.
9. Trucks must use covers.
10. Require a 3 year review for the Special Use Permit,
11. NDOT approval will be required for access onto Highway 95A prior to improvement plan approval.
12. The Storm Water Pollution Prevention Plan (SWPPP) shall include erosion control in/around the site and along the entire length of the proposed access road. The SWPPP is required prior to any construction activities and shall be maintained throughout the mining operations.
13. Please be aware that the City of Fernley currently has a project under construction along Sage Street and this project is referred to as Water Conveyance Infrastructure Project 3A. Please contact Ric Adler at 775-322-3064 for timing of the project.
14. Access road design shall conform to City of Fernley Standard Detail No. 124 (Gravel Roadway Type 1G). Gravel section width =38 ft (30' roadway with 4' shoulders) ROW/Easement =60 ft.
15. The applicant will comply with all City of Fernley, North Lyon County Fire Protection District, State of Nevada and U. S. Government laws, regulations and requirements.
16. The applicant shall supply the Building Division, Community Development Department, and North Lyon County Fire Protection District with any and all permits, licenses and hazardous-material information related to chemicals or hazardous materials stored or used on site.
17. The applicant will work with the United States Department of the Interior, Bureau of Reclamation, Lahontan Basin Office, 705 N. Plaza Street Rm 320, Carson City, NV, 89701 (B. C. Deshler, 775-884-8349) and the Truckee-Carson Irrigation District, P. O. Box 1356, Fallon, NV, 89407-1356 (Ms. Kate Rutan) on drainage issues.
18. The applicant must obtain approval for their Improvement Plans from the City Public Works Department within twelve (12) months of the approval of this Special Use Permit or the permit shall become null and void. Extensions of time may be granted pursuant to Chapter 11 of the Development Code.

The following section describes the operating, mitigation, reclamation and monitoring measures required by the BLM or recommended by Nevada State agencies. Some of these measures duplicate those committed to by NCC in their Plan but are included below for completeness. The measures are listed by resource:

Air Quality – 1: Emissions of fugitive dust from disturbed surfaces would be minimized by utilizing appropriate control measures such as reduced vehicle speeds, surface application of water from a water truck or the application of a surface surfactant (e.g., magnesium chloride).

Water Quality – 1: Drill holes (i.e., boreholes) would be plugged prior to the drill rig moving from the drill site in accordance with Nevada Revised Statutes (NRS) 534 and NAC 534.4369 and NAC 534.4371. In the unlikely event that any drill hole produces artesian flow, the drill hole would be contained pursuant to NRS 534.060 and NAC 534.378 and would be sealed by the method described in Subsection 2 of NAC 534.4371. If casings are set in a drill hole (beyond surface casing), either the drill hole would be completed as a well and plugged pursuant to NAC 534.420 or the casings would be completely removed from the drill hole and then plugged according to NAC 534.4369 and NAC 534.4371.

Water Quality – 2: Drill cuttings would be contained and fluids would be managed on site utilizing appropriate control measures. Sediment traps would be used as necessary and filled at the end of the drill program.

Water Quality – 3: NCC would follow the Spill Contingency Plan included in the Plan.

Cultural Resources – 1: All historic properties included in, or eligible for inclusion in, the National Register of Historic Places would be avoided or treated to ensure compliance of Section 106 of the National Historic Preservation Act.

Cultural Resources – 2: Pursuant to 43 CFR 10.4(g), NCC would notify the BLM authorized officer, by telephone, and with written confirmation, immediately upon the discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony (as defined in 43 CFR 10.2). Further pursuant to 43 CFR 10.4 (c) and (d), the operator would immediately stop all activities in the vicinity of the discovery and not commence again for 30 days or when notified to proceed by the BLM authorized officer.

Cultural Resources – 3: NCC would not knowingly disturb, alter, injure, or destroy any scientifically important paleontological deposits; or any historical or archaeological site, structure, building, or object. If NCC discovers any cultural or paleontological resource that might be altered or destroyed by operations, the discovery would be left intact and reported to the authorized BLM officer.

Survey Monuments – 1: Any survey monuments, witness corners, or reference monuments would be protected to the extent economically and technically feasible.

Public Safety – 1: Public safety would be maintained throughout the life of the Proposed Action. All equipment and other facilities would be maintained in a safe and orderly manner.

Public Safety – 2: All trenches, sumps, and other small excavations that pose a hazard or nuisance to the public, wildlife, or livestock would be built with a sloped end for easy egress or adequately fenced to preclude access.

Public Safety – 3: Activities would be restricted to frozen or dry ground conditions where feasible. Operations would be curtailed when saturated and soft soil conditions exist.

Public Safety – 4: In the event that any existing roads are severely damaged as a result of activities associated with the Proposed Action, NCC would return the roads to their original condition.

Hazardous or Solid Wastes – 1: Pursuant to 43 CFR 8365.1-1(b)(3), no sewage, petroleum products, or refuse would be dumped from any trailer or vehicle.

Hazardous or Solid Wastes – 2: Only nontoxic fluids would be used in the drilling process.

Hazardous or Solid Wastes – 3: Regulated wastes would be removed from the Project Area and disposed of in a state, federal, or local designated area.

Fire Management – 1: All applicable state and federal fire laws and regulations would be complied with and all reasonable measures would be taken to prevent and suppress fires in the Project Area.

Fire Management – 2: The Carson City Wildland Fire Mitigation Plan would be followed.

Erosion and Sediment Control – 1: Final reclamation of the mine site would consist of construction of a diversion ditch on the southwest side of the pit, spreading growth media on the mined slopes, and reseeding.

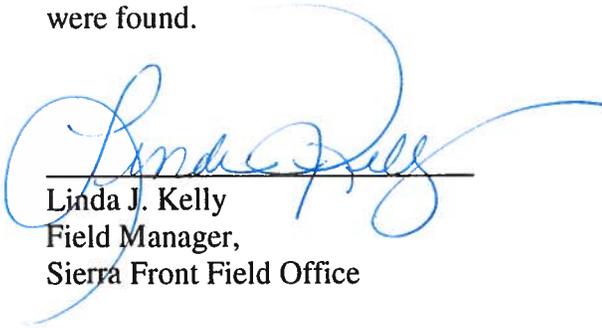
Erosion and Sediment Control – 2: Final reclamation of constructed roads, sumps, and drill sites would consist of, if applicable, fully recontouring disturbances to their original grade and reseeding in the fall season immediately following completion of exploration activities.

Erosion and Sediment Control – 3: Reseeding would be consistent with all BLM recommendations for mix constituents, application rate, and seeding methods.

Erosion and Sediment Control – 4: Drill sites, sumps, and trenches would be reclaimed as soon as practicable after completion of logging and sampling.

Invasive, Nonnative Species – 1: Noxious weeds would be controlled through implementation of preventive BMPs, which would include, but not be limited to the following: (a) any heavy equipment moving into the Project Area would have wheel wells, undercarriage, etc., cleaned with high pressure water or air to remove any weed seeds prior to moving onto the site; (b) only certified weed-free seed would be used for reclamation seeding; and (c) all reclamation would be monitored for infestations of noxious weeds.

Invasive, Nonnative Species – 2: Eradication measures would be implemented if noxious weeds were found.



Linda J. Kelly
Field Manager,
Sierra Front Field Office

January 27, 2011
Date