CHAPTER 1
INTRODUCTION

The United States (U.S.) Department of Interior, Bureau of Land Management's (BLM) Elko District Office prepared this Final Supplemental Environmental Impact Statement (SEIS) for the Leeville Project to provide responses to comments received by BLM during the public comment period on the Draft SEIS for the Leeville Project (BLM 2007a) and additional information regarding cumulative effects associated with the Project when combined with past, present, and reasonably foreseeable future land use activities in the Carlin Trend area (**Figure 1-1**). The Leeville Project was authorized in 2002, has been constructed, and is currently being operated by Newmont Mining Corporation (Newmont).

This Final SEIS supplements the cumulative effects analyses originally presented in the Leeville Project EIS (BLM 2002a) by providing expanded and updated analyses of cumulative effects consistent with the recent decision by the U.S. Court of Appeals for the Ninth Circuit: Great Basin Mine Watch v. Hankins, 456 F.3d 955 (Ninth Circuit 2006).

Descriptions of the Leeville Project, affected environment, and potential direct and indirect impacts of the Project are included in the EIS document (BLM 2002a). In addition, the Leeville EIS provides descriptions of irreversible and irretrievable commitment of resources, residual adverse impacts, and potential mitigation and monitoring measures for the Leeville Project.

The Leeville Project EIS (BLM 2002a) analyzed three alternatives to the Proposed Action: Alternative A – Eliminate Canal Portion of Water Discharge Pipeline; Alternative B – Backfill Shafts; and Alternative C – Relocate Waste Rock Disposal Facility and Refractory Ore Stockpiles. All three of these alternatives were selected by BLM as the Preferred Alternative in the Leeville Project EIS (BLM 2002a). Cumulative effects resulting from implementation of these alternatives are addressed in this Final SEIS.

The cumulative effects analysis in this Final SEIS incorporates qualitative and quantitative data collected since 2002 and incorporates by reference the information and analyses contained in the Leeville Project EIS (BLM 2002a) and South Operations Area Project Amendment (SOAPA) EIS (BLM 2002b) documents; expanded analyses of cumulative effects of mining and other land uses where appropriate; and additional detail with respect to the analytical processes used. The purpose and need for the action, project history for existing operations (including legal background for the analysis), and issues raised during scoping are discussed in the sections below.

PURPOSE AND NEED

The purpose of Newmont's Leeville Project is to use the existing work force to conduct mining on unpatented mining claims and fee land to produce gold from ore reserves contained in the ore deposit. Gold is an established commodity with international markets and demand. Uses include jewelry, investments, as a standard for monetary systems, electronics, and other industrial applications.

BLM is responsible for managing mineral rights access on certain public land as authorized under the General Mining Law of 1872, as amended. Under the law, persons are entitled to reasonable access to explore for and develop mineral deposits on public domain land that has not been withdrawn from mineral entry.

In order to use public land managed by the BLM Elko District Office, Newmont must comply with BLM Surface Management Regulations (43 CFR 3809) and other applicable statutes, including the Mining and Mineral Policy Act of 1970 (as amended) and Federal Land Policy and Management Act of 1976. BLM must review Newmont's plans to ensure the following:

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

PROJECT HISTORY AND STATUS

The area of gold mining activity and development in the vicinity of Carlin, Nevada is known as the Carlin Trend. The Carlin Trend is an approximately 50-mile-long, 5-mile-wide belt of multiple major gold deposits extending from approximately 10 miles southeast (Emigrant deposit) to approximately 40 miles northwest (Hollister deposit) of Carlin (**Figure 1-2**). Although the area has been mined for the past 120 years, major mining activity began with development of the Carlin Pit in 1965. As a result of mining since 1965, the Carlin Trend has become the most prolific gold field in the Western Hemisphere.

In April 1997, Newmont submitted a proposed Plan of Operations to the Elko District Office of the BLM for its Leeville Project located about 20 miles northwest of Carlin, Nevada (**Figure 1-2**). The Plan of Operations proposed activities to develop and operate an underground mine and associated surface support facilities.

BLM compiled a Draft EIS for the Leeville Project which was released in March 2002, and a Leeville Project Final EIS was completed in July 2002 (BLM 2002a). BLM issued a Record of Decision (ROD) for Leeville in September 2002 that selected an agency-preferred alternative and identified mitigation measures to be implemented for the project. In April 2000, BLM also released the *Cumulative Impact Analysis (CIA) of Dewatering and Water Management Operations for the Betze Project, South Operations Area Project Amendment, and Leeville Project* (BLM 2000). This report analyzed potential effects to surface water and groundwater that could result from dewatering and subsequent discharge of excess water associated with proposed and existing mining projects in the Carlin Trend.

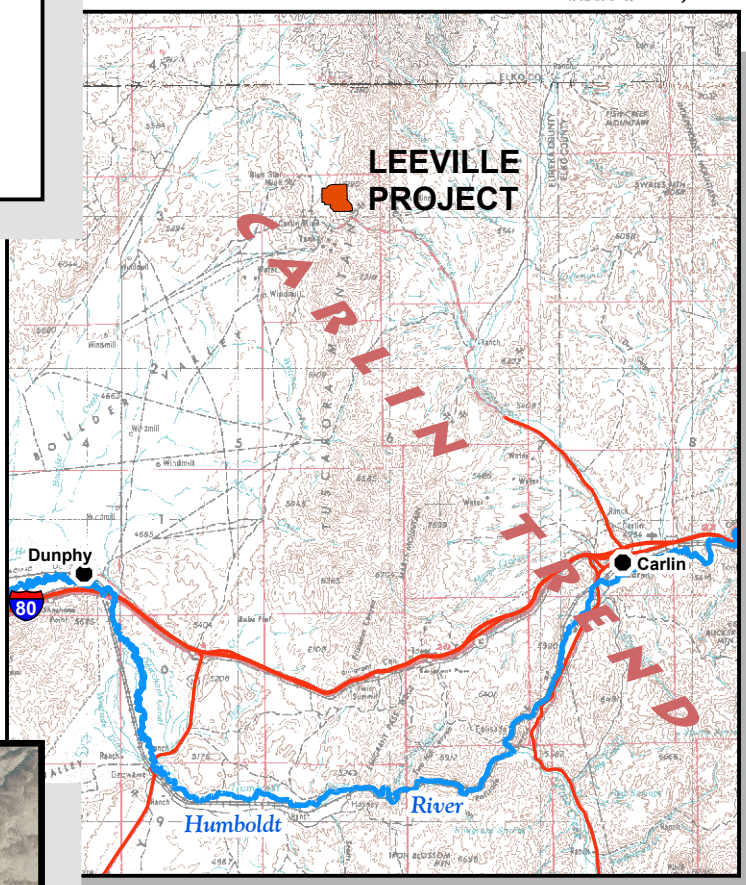
In November 2002, two special interest groups filed an action in U.S. District Court for the District of Nevada challenging BLM's RODs for the Leeville and SOAPA mine projects, as well as BLM's bonding decisions for SOAPA. The groups alleged violations of the National Environmental Policy Act (NEPA), Clean Water Act, and several other legal authorities.

In March 2004, the district court rejected the challenge on cross-motions for summary judgment, and the special interest groups appealed. On August 1, 2006, the U.S. Court of Appeals for the Ninth Circuit concluded that, with the exception of dewatering and discharge of water, BLM's analysis of certain cumulative effects in the Leeville Project and SOAPA EIS documents did not meet the requirements of NEPA (Great Basin Mine Watch v. Hankins, 456 F.3d 955, 9th Circuit 2006). The Ninth Circuit substantially affirmed the district court's decision upholding the Leeville Project EIS and SOAPA EIS in all other respects.

Since BLM's issuance of the ROD in 2002, much of the Leeville Project has been constructed and is being operated by Newmont. Those project components include:

- Developing and operating the Leeville underground mine – including construction of one hoist and one ventilation shaft to support underground mining for production, underground access, and ventilation.
- Constructing a waste rock disposal facility.

SCALE 1:500,000



SCALE 1:100,000

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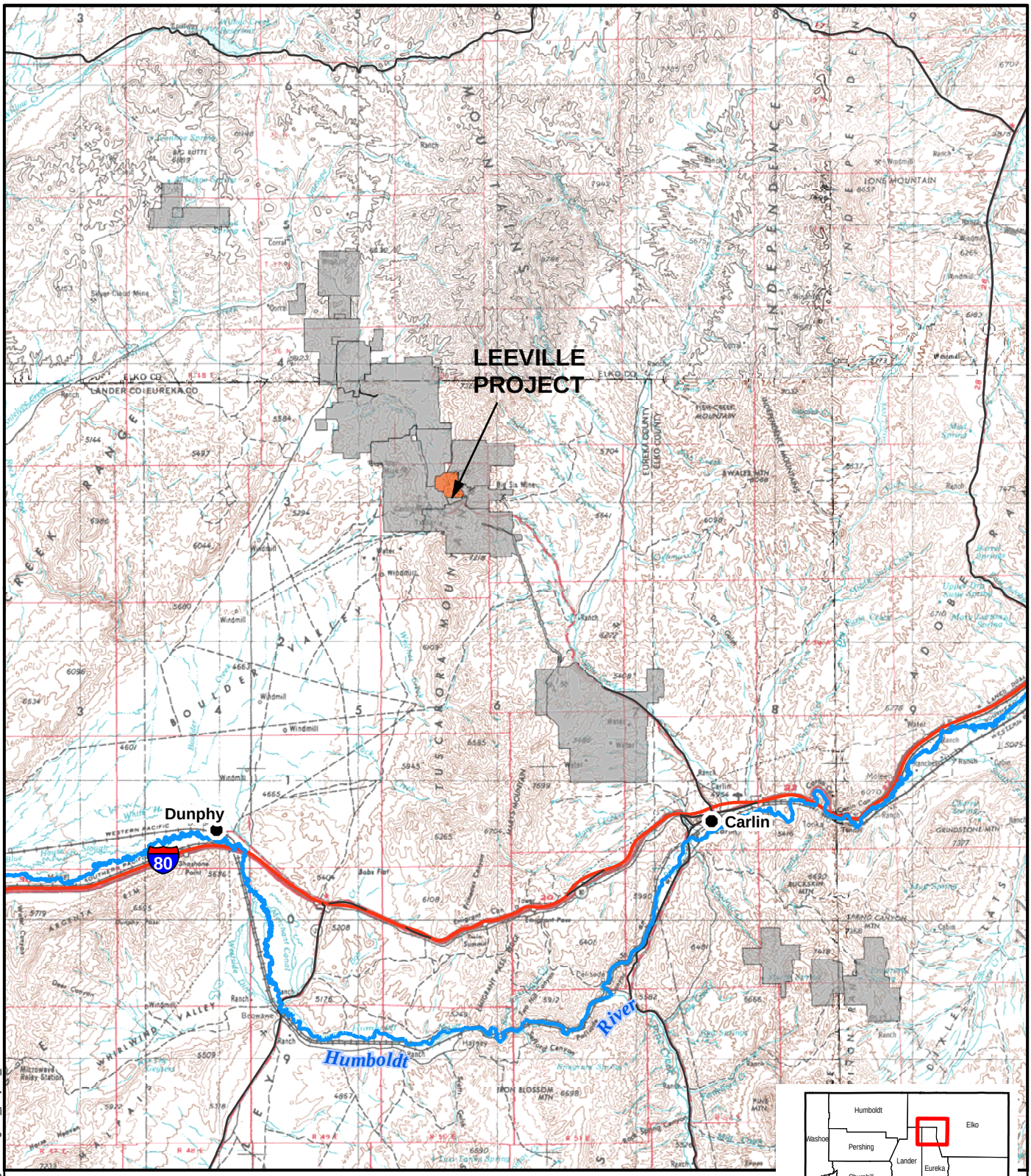
U.S. Department of the Interior
Bureau of Land Management
Elko District Office
Tuscarora Field Office
Elko, Nevada

GENERAL LOCATION
Leeville Project
Final Supplemental EIS
Eureka and Elko Counties, Nevada

FIGURE

1-1



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U.S. Department of the Interior
Bureau of Land Management
Elko District Office
Tuscarora Field Office
Elko, Nevada

PROJECT LOCATION
Leeville Project
Final Supplemental EIS
Eureka and Elko Counties, Nevada

FIGURE
1-2

- Shipping ore to Newmont's Mill 6 in the South Operations Area is ongoing.
- Rerouting and upgrading existing access road to a haul road has been completed.
- Dewatering system operation is scheduled to pump a peak of 23,000 gallons per minute (gpm) over the life-of-mine.
- Constructing a pipeline to convey groundwater from the Leeville Mine dewatering system to Barrick's facility located north of the Leeville Mine.
- Completing construction of a water treatment facility to treat mine discharge water.
- Completing construction of ancillary facilities including a dry.
- Continuing geologic evaluations and exploration activities are ongoing.
- Constructing a radio tower for communications.
- Completing rerouting an existing Sierra-Pacific power line.
- Reclaiming areas disturbed by activities described above will be accomplished as areas are no longer needed for mining or related activities.

A detailed description of the Leeville Project is contained in the Proposed Action section of the Leeville Project EIS (BLM 2002a). Other components of the Project have not yet been constructed or have been partially completed as of preparation of this Final SEIS. These components include construction of three additional ventilation shafts and a refractory ore stockpile (Newmont 2010a).

SCOPING SUMMARY

BLM filed a Notice of Intent (NOI) to prepare a Draft SEIS for the Leeville Project to update cumulative effects analysis. The NOI appeared in the Federal Register on March 7, 2007 (Volume 72, No. 44, page 10241). The NOI announced a 21-day public scoping period ending March 29, 2007. The Notice of Availability (NOA) for the Draft SEIS was published in the Federal Register August 31, 2007 (Notice E7-17588) which initiated a 60-day public comment period. A total of five letters were received during the comment period which ended on October 31, 2007.

As stated in 40 CFR 1501.7, scoping comments are used to determine the scope and substantive issues to be addressed. **Table 1-1** contains a summary of the scoping comments, along with the location in this Final SEIS where each comment is addressed, if any.

TABLE 1-1
Scoping Summary

Comment	Disposition
All the water of the State belongs to the public and may be appropriated for beneficial use pursuant to the provisions under Chapter 533 and 534 of the Nevada Revised Statutes (NRS). All mineral exploration boreholes must be plugged and abandoned according to the Nevada Administrative Code Chapter 534.	Noted
Use consistent lighting mitigation measures that follow "Dark Sky" lighting practices.	Noted
Use consistent mitigation measures that address logical placement of improvements and use of appropriate screening and structure colors. Existing utility corridors, roads, and areas of disturbed land should be used wherever possible.	Noted
Consider alternatives and mitigation to reduce impacts.	Noted
The Draft Supplemental EIS should focus on the following issues; water resources, surface water quality, waste rock, heaps, pit lakes, air quality, mercury, aquatic habitat and fisheries, and Native American issues.	Cumulative Effects - Chapter 3

TABLE 1-1
Scoping Summary

Comment	Disposition
For surface water, the whole Humboldt River drainage must be considered. Any salt or metals added to the river will have cumulative impacts with those from other mines, or power plants.	Water Quantity and Quality – Chapter 3
The study area boundaries should be defined for each resource based on the resource and level of disturbance to the resource	Noted
Detail each of the past, present and reasonably foreseeable exploration and development operations.	Past, Present, and Reasonably Foreseeable Future Activities – Chapter 2
Verify the predictions of the drawdown modeling done in 1998 by comparing them to monitoring data collected since. Recalibrate the model if predictions not substantially accurate. Make future predictions after recalibration (if needed).	Water Quantity and Quality – Chapter 3
Update the pit lake models.	Water Quantity and Quality - Chapter 3
Include changes in surface water flow along the Humboldt River in the modeling.	Water Quantity and Quality - Chapter 3
Analyze effects on federal reserved water rights, catalogue each potential affected water right, and the impacts.	Water Quantity and Quality – Chapter 3
Complete a cumulative analysis of waste rock, including an evaluation of potential releases of toxic substances	Geology and Mineral Resources - Chapter 3
Evaluate acid mine drainage potential using quarterly reporting for water pollution control permits.	Water Quantity and Quality – Chapter 3
Map heaps, including current disposal proposals.	Introduction – Chapter 1
Review all other facilities at mines within the broad cumulative impact review area.	Noted
Map pit lakes. Use the Lone Tree pit lake to verify models. Analyze effects of pit lake water quality on migratory birds and other wildlife, and groundwater.	Water Quantity and Quality – Chapter 3
Review air quality in light of the proposed coal-fired power plant and other sources.	Air Quality – Chapter 3
Analyze releases of mercury from all sources (mines, coal burning, limestone kilns, wildfires, other).	Air Quality – Chapter 3
Study the airshed of northern Nevada, including local and regional impacts.	Air Quality – Chapter 3
Impacts on fish of changes in flows in the Humboldt River system, contaminant loading, and mercury emissions.	Water Quantity and Quality; Air Quality; Fisheries and Aquatic Resources – Chapter 3
Ability of Native Americans to fully practice the traditional religions, including sacred and spiritual sites, and traditional food and medicine gathering.	Native American Concerns – Chapter 3