

**WEST PEQUOP PROJECT LLC  
PEQUOP EXPLORATION PROJECT  
ELKO COUNTY, NEVADA**

**AMENDMENT #1 PLAN OF OPERATIONS NVN-071287/  
PERMIT FOR RECLAMATION NO. 0193**



March 2010

**WEST PEQUOP PROJECT LLC  
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ELKO COUNTY, NEVADA**

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March 2010

*Submitted by*

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Reno, NV 89521

*Submitted to*

Bureau of Land Management  
Elko District - Wells Field Office  
3900 East Idaho Street  
Elko, Nevada 89801

*and*

Nevada Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701

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**WEST PEQUOP PROJECT LLC  
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AMENDMENT #1 PLAN OF OPERATIONS NVN-071287/  
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**INTRODUCTION**

This Amendment #1 to Plan of Operations NVN-071287 and application for a major modification to Permit for Reclamation (PFR) No. 0193 is submitted to the Bureau of Land Management, Wells Field Office (BLM), and the Nevada Division of Environmental Protection (NDEP) Bureau of Mining Regulation and Reclamation (BMRR) by West Pequop Project LLC (WPP) for the Pequop Exploration Project (Project) located in Elko County. WPP plans to amend existing exploration activities by expanding the Project boundary and increasing the total permitted surface disturbance from 100 acres to 400 acres. This Plan is submitted in accordance with BLM Surface Management Regulations 43 Code of Federal Regulations (CFR) 3809, as amended, and Nevada reclamation regulations at Nevada Administrative Code (NAC) 519A. The format for this Plan is consistent with the plan of operations and permit for reclamation application for an exploration project.

The Project is located on private land and public lands administered by the BLM in all or parts of Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, Township 36 North, Range 65 East (T36N, R65E), Section 31, T36N, R66E, and Sections 1, 2, 3, 4, 9, 10, 11, 12, 14, and 15, T35N, R65E, Mount Diablo Base and Meridian (MDB&M), Elko County, Nevada (Project Area). Figure 1 shows the existing and proposed Project Area. The Project is currently accessed by traveling approximately 12 miles east of Wells, Nevada on Interstate 80 (I-80) to the Independence Exit, then traveling approximately 1.5 miles east on a frontage road to the main road in the eastern portion of Independence Valley, then traveling 7.5 miles south on an unimproved road to the main Project. From this point the Project is accessed by traveling approximately three miles east on one of two existing roads. WPP will perform major maintenance on an existing jeep trail that will also be utilized as access to the southern portion of the expanded Project area from the unimproved dirt road. A second access route from the east side of the Project Area is proposed under this amendment. The second access route originates at the Oasis exit approximately 27 miles east of Wells, Nevada on I-80, then is traveled south for approximately 1.4 miles to the Six Mile Canyon Road and then west-southwest into the Project Area. Figure 1 is a general location map that includes Project access routes (all figures are located in Appendix A).

The existing Plan was submitted by Pittston Nevada Gold Company Ltd. (PNG) in September 1999 and revised in March 2000. The Decision Record for the Plan and the Finding of No Significant Impact (FONSI) for the Pequop Project Environmental Assessment (EA) BLM/EK/PL-2000/011, 3809, N17-99-002P,-66237 were signed May 24, 2000. AuEx Ventures, Inc. (AUI) acquired the Project in July 2005, as well as other assets from PNG. WPP has entered into a joint venture with AUI and is currently performing exploration work on the Project.

The existing Plan boundary and amended Project Area boundary are shown on Figure 1. Surface disturbing activities will consist of constructing new exploration roads, drill sites, accessing drill sites with overland travel, trenching or bulk sampling, construction of a lay down yard, construction of up to five ground water monitoring wells, and major and minor maintenance of existing roads. Proposed activities will occur throughout the existing and expanded Project Area.

Project activities will continue to be implemented in a phased manner. WPP has a total of 66.86 acres of surface disturbance, leaving 33.14 acres of permitted surface disturbance available for ongoing exploration activities. Figure 2 shows the existing disturbance in the Project Area. WPP is unable to specify exactly where the remainder of surface disturbance will occur because exploration is ongoing and future target locations will be determined based on current exploration. WPP has outlined several areas of interest for the upcoming drilling season and these areas are shown on Figure 3. WPP anticipates that at least 20 acres of surface disturbance will occur in these areas during the processing of this amended Plan. Surface disturbance associated with exploration drill road construction will be approximately 12 acres; drill site construction will be approximately five acres; and overland travel will be approximately three acres. Currently permitted exploration activities will be provided to BLM in a work plan, and the bond will be increased for reclamation of the additional surface disturbance prior to any work being performed. The remaining 13.14 acres of approved disturbance will be utilized in subsequent phases.

Once the amended Plan is approved, WPP will commence phased exploration activities in the expanded Project boundary. New Phase I activities will result in approximately 28 acres of surface disturbance from exploration drill road construction (nine acres), drill site construction (seven acres), overland travel (two acres), and maintenance of existing access roads (ten acres). The specific locations of the proposed exploration activities are unknown because they are dependent on the results of ongoing exploration. WPP has identified three areas where Phase I exploration activities will occur. The proposed Phase I exploration areas are shown on Figure 4.

The total anticipated Project-related disturbance through Phase I of the amended Plan will be 114.86 acres and includes existing disturbance of 66.86 acres, an additional 20 acres of permitted disturbance within the approved Project Area boundary, and proposed Phase I disturbance of 28 acres in the expanded Project Area. The remaining 285.14 acres of surface disturbance will be utilized by WPP in future phases. Project-related surface disturbance is detailed in Table 1.

WPP plans to continue to bond the Project in phases as defined above. A cost estimate, which is included in Appendix B, has been prepared for a total of 114.86 acres. The additional 285.14 acres will be bonded in subsequent phases.

**Table 1: Existing and Proposed Project Related Surface Disturbance**

Project Component	Existing Disturbance (acres)	Anticipated Disturbance within Approved Project Area Boundary (acres) <sup>1</sup>	Proposed Phase I (acres)	Future Phases <sup>2</sup> (acres)	Total Project-Related Disturbance (acres)
Access Roads (including maintenance)	6.29	0.00	10.00	2.00	18.29
Constructed Roads	38.60	12.00	9.00	144.12	203.72
Constructed Drill Sites, Sumps, and Spoil Piles	20.00	5.00	7.00	121.77	153.77
Overland Travel	1.97	3.00	2.00	10.00	16.97

<b>Project Component</b>	<b>Existing Disturbance (acres)</b>	<b>Anticipated Disturbance within Approved Project Area Boundary (acres)<sup>1</sup></b>	<b>Proposed Phase I (acres)</b>	<b>Future Phases<sup>2</sup> (acres)</b>	<b>Total Project-Related Disturbance (acres)</b>
Trenches	0.00	0.00	0.00	5.00	5.00
Monitoring Wells	0.00	0.00	0.00	2.00	2.00
Lay Down Yard	0.00	0.00	0.00	0.25	0.25
<b>Total Disturbance</b>	<b>66.86</b>	<b>20.00</b>	<b>28.00</b>	<b>285.14</b>	<b>400.00</b>

<sup>1</sup> Consists of already approved disturbance.

<sup>2</sup> Includes disturbance proposed in the Plan that will not be utilized in Phase I (272 acres) as well as the approved disturbance that will not be used prior to approval of this Plan (13.14 acre).

On an annual basis, on or before April 15<sup>th</sup>, WPP will submit to the BLM and BMRR a summary of exploration and reclamation activities for the previous year as well as the anticipated activities for the upcoming exploration season. The summary will consist of a brief description of the type of activities completed and anticipated, as well as a map showing the location of the activities. The annual summary will be accompanied by an estimate of the costs to reclaim the existing and anticipated disturbance. The bond amount will be provided to the BLM prior to the commencement of any work not bonded at the time that the summary is submitted.

**1 OPERATOR/CLAIM INFORMATION**

**1.1 Operator Information**

Operator Name: West Pequop Project LLC

Mailing Address: 8725 Technology Way, Suite B  
Reno, Nevada 89521

Phone Number: Office: (775) 828-6070

Tax Payer Identification Number:

Point of Contact:

Emergency Contact Information: 8725 Technology Way, Suite B  
Reno, Nevada 89521  
Office: (775) 820-6070

**Corporate Information**

Manager: Agnico-Eagle (USA) Ltd.  
145 King Street East, Suite 500  
Toronto, Canada M5C2Y7

**1.2 Claimant/Claim Information (if different than operator information)**

Claimant(s) Name & Mailing Address: West Pequop Project LLC  
8725 Technology Way, Suite B  
Reno, Nevada 89521

Primary Commodity: (e.g., gold, silver, copper, turquoise, barite, etc.)

Gold and Silver.

Claim Name(s):

Appendix C.

BLM Serial Number of Mining Claim(s) where disturbance would occur:

Appendix C.

Claim Type(s): (Lode, Mill Site, Placer, etc.)

Lode claims.

## **2 DESCRIPTION OF PROJECT**

### **2.1 Legal Description**

The Project is located in parts of or all of Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, T36N, R65E, Section 31, T36N, R66E, and Sections 1, 2, 3, 4, 9, 10, 11, 12, 14, and 15, T35N, R65E, MDB&M, Elko County, Nevada.

### **2.2 Surface Ownership of the Land Within the Area of Operation**

The Project Area is located on public lands administered by the BLM and on private land. Figure 1 shows the land status within and outside the Project Area.

#### **2.2.1 Private Lands**

Portions of all three access roads from the west of the Project Area cross private land. The northern most access route was constructed by PNG. The two southern access routes are pre-January 1, 1981 existing routes. The southern most of the two access routes will require major maintenance prior to use for Project-related activities. A very small portion of the eastern access route is also located on private land. All of the access roads are located outside of the Project Area boundary (Figure 1).

#### **2.2.2 Public Lands - BLM Administered**

The entire Project Area is located on public lands managed by the BLM

#### **2.2.3 National Forest System Lands - USFS Administered**

None.

#### **2.2.4 State Lands**

None.

### **2.3 Description of Operations**

WPP will continue mineral exploration activities permitted under Plan of Operations NVN-071287/ Reclamation Permit Number 0193 within an expanded Project Area. Permitted activities consist of exploration drilling and sampling using constructed roads and drill sites, utilizing overland routes and drill sites, and reclamation of surface disturbance. Expanded activities will include the above as well as construction of trenches, construction of a lay down yard, construction of up to five ground water monitoring wells, major maintenance of existing access roads, and reclamation. In addition WPP proposes to increase the Project Area boundary as shown on Figure 1, and increase the permitted surface disturbance from 100 acres to 400 acres. The following sections describe general operating procedures, construction techniques, and equipment that WPP anticipates using.

WPP will conduct all activities within the amended Project Area consistent with the applicable performance standards outlined in 43 CFR 3809.420. Customary and reasonable technology and practices will be utilized so as to avoid unnecessary environmental impacts and also facilitate reclamation. Exploration will occur in phases that will be outlined by work plans and shown on

maps for activities that could occur anywhere within the Project Area. These work plans will be submitted to the BLM and BMRR on an annual basis prior to commencement of activities. The maps will show the location of the existing and planned surface disturbance to ensure that all eligible and unevaluated cultural resources and any other sensitive resources are avoided or mitigated. Work plans will include a reclamation cost estimate, and the bond will be increased as needed. Phase I exploration activities under the Plan will disturb up to 28 acres through the construction of roads and drill sites, overland travel, and access road maintenance. The exact location of surface disturbing activities is unknown at this time; however, WPP has determined several preliminary areas in which activities will occur (Figure 4).

### 2.3.1 Topographic Maps

The 7.5 minute topographic maps for the Project Area are the Independence Valley NE, compiled in 1967, The Independence Valley NW, compiled in 1967, the Pequop Summit SW, compiled in 1967, and the Pequop Summit, compiled in 1967. Figures 2 through 4 utilize these topographic maps as the base.

### 2.3.2 Equipment

Project personnel will access the Project Area in four-wheel drive vehicles. Over the life of the Project, drilling will be conducted with up to five truck-mounted reverse circulation drill rigs and two core drill rigs or equivalent. Phase I drilling will be conducted with up to two truck-mounted reverse circulation drill rig and one core drill rig. These vehicles could be used over the life of the Project:

- Up to five reverse circulation drill rigs;
- Up to two core drill rigs;
- Up to four water trucks (5,000 gallon);
- Up to seven mud mixing tanks and pumps;
- Up to seven circulation tanks;
- Up to six all-terrain vehicles;
- Up to seven pipe trucks;
- One booster truck;
- One auxiliary air compressor;
- Up to two portable light plant/generator;
- One bulldozer;
- One excavator;
- One all-terrain vehicle with a seed broadcaster;
- Up to ten four wheel drive vehicles; and
- Up to two portable trailers/supply sheds.

A Caterpillar D8 bulldozer or equivalent will be used to construct roads and drill sites where needed. Roads and drill sites will be reclaimed using an excavator and an all-terrain vehicle with a seed broadcaster, or a comparable method.

### 2.3.3 Work Force

Standard drilling procedures will require that a geologist be on site throughout drilling activities to manage the drill rig, log drill holes, determine maximum drill depth, and advise the drill rig operator as needed. Standard drill rig crews will consist of a drill rig operator and one to two laborers. The drill rig operator will be in charge of the drill rig and will make decisions regarding drilling techniques and equipment. Laborers will be responsible for removing and boxing the recovered core samples, removing the cuttings from the drill rigs, mixing drilling fluids in a portable mud tank, operating the water truck, assisting with drilling operations, and conducting maintenance as necessary. Up to a total of 28 individuals (three contract personnel per drill rig crew and one WPP-employed geologist per drill rig for seven drill rigs) could be in the Project Area at the same time. During Phase I, it is anticipated that up to nine contract personnel and three geologists will be on site. Drilling activities will generally be limited to daylight hours but may continue up to 24 hours per day for some drill rigs.

### 2.3.4 Road Construction

The Project Area will be accessed from I-80 via pre-January 1, 1981 existing roads. (Figure 1) Portions of the existing access roads will require maintenance to allow safe passage of Project-related equipment. Maintenance could include repairing erosion damage, repairing water bars or other surface drainage, grading, blading, widening, and placing berms as warranted. The areas requiring maintenance are shown on Figure 4. All construction activities will be consistent with applicable BLM approved Best Management Practices (BMPs).

When new road construction is necessary, roads will be built with a 16-foot running surface including safety berm where warranted. Road construction will occur in areas with varying topography. As a result, the disturbance width will vary between 16 feet and 43 feet. Balanced cut and fill construction will be used to the extent practicable to minimize the exposed cut slopes and the volume of fill material. Since the depth of cut will be kept to a minimum, growth media removed during construction will be stockpiled as part of the fill slope to be used during reclamation. Road construction within drainages will be avoided wherever possible. When drainages must be crossed with a road, BMPs established by the NDEP and the Nevada Division of Conservation Districts Handbook of Best Management Practices, adopted by the State Environmental Commission on December 7, 1994, will be followed to minimize the surface disturbance and erosion potential. Culverts will generally not be installed on exploration roads. However, if a culvert is necessary, the placement and size will be approved by the BLM and NDEP.

Road construction will be performed with a dozer and/or a trackhoe and will occur intermittently throughout the life of the Project. As previously stated, WPP will utilize existing roads to the fullest extent possible. Road grades will be kept to an average of ten percent or less to minimize erosion. Where steeper grades are unavoidable, water bar spacing will not exceed 400 feet.

Maintenance of exploration roads will include minor seasonal regrading and reestablishment of water bars as necessary, as outlined in the BLM Manual 9113. Erosion control will be monitored in the spring and fall. Existing road maintenance will not increase the surface disturbance within the Project Area and will consist of smoothing rutted surfaces and potholes on existing access and drill roads. Maintenance of existing pre-1981 roads will be conducted only on an as-needed basis and will include minor seasonal regrading and maintenance of drainage features as necessary. With the exception of those areas requiring major maintenance as discussed above and shown on Figure 4,

maintenance of access roads will include grading of ruts and potholes and potential graveling to reduce erosion and formation of bug dust. If road gravel is necessary to improve some of the roads in the area, the gravel will be obtained from a BLM approved source.

### **2.3.5 Drill Sites and Drilling Procedures**

New drill site disturbance will be kept to the minimum necessary for safe access and a safe working area for equipment and crew. Sites will be constructed with working areas of approximately 0.03 acre. Sumps located adjacent to the drill sites will be constructed as necessary to collect drill cuttings and manage drilling fluids. Spoil piles will be located at the edge of the sump to facilitate backfilling during reclamation. Sump and spoil pile working areas will average approximately 0.02 acre. Drill site construction will occur in areas of varying topography; therefore, actual disturbance areas will vary. In flat and gentle terrain, the disturbance areas will not greatly exceed the working areas. In steeper terrain, disturbance areas for drill sites, sumps, and spoil piles could measure up to approximately 0.35 acre.

WPP has disturbed approximately 20 acres through drill site construction at the Project Area (Figure 2). WPP anticipates that up to five additional acres of drill sites (15 to 20 drill sites) will be constructed utilizing permitted disturbance. Once the amended Plan is approved, WPP anticipates that up to seven acres will be disturbed in the construction of 20 to 25 drill sites as part of Phase I.

Drill holes will be both vertical and angled with average drill depths of approximately 1,000 feet. Cuttings not bagged and removed during sample collection will be used as a source of backfill and placed back down the borehole. Generally, all drill holes will be plugged prior to the drill rig moving from the drill site in accordance with Nevada Revised Statute (NRS) 534 and NAC 534.4369 and NAC 534.4371. In subsequent phases, up to three drill holes will be collared with a reverse circulation drill rig and completed using a core rig. Once the core rig has completed drilling, the hole will be plugged. Remaining drill holes will be plugged by placing drill cuttings or inorganic fill material into the total depth of the hole, or if ground water is encountered, plugged as a well pursuant to NAC 534.420.

Only water or nontoxic drilling fluids will be utilized, as necessary, during drilling. WPP will obtain water at a water well located in Section 20, T32N, R65E (Permit Number 62041). WPP is in the process of obtaining the applicable permits, and will provide copies of the documentation to the BLM and BMRR. WPP may, in future phases, acquire water from a separate source. The BLM and BMRR will be notified of the source and provided with copies of all applicable permits.

### **2.3.6 Trenching**

WPP could perform trenching activities in subsequent phases of the Project. Trenches will be excavated using a Caterpillar 320 excavator or equivalent. Excavated materials will be stockpiled along the length each trench, or otherwise placed in close proximity to facilitate backfilling. Exact dimensions and locations of the trenches/bulk samples cannot be identified at this time because sample sites will depend upon exploration results. It is expected that these activities could disturb up to five acres over the life of the Project. Surface disturbance will include the excavation, the spoil pile, and any required equipment access. Once the locations of trenches have been determined, and prior to excavation, WPP will notify the BMRR and BLM and provide a bond for reclamation.

### **2.3.7 Lay Down Yard**

WPP, to the extent possible, will utilize drill site disturbance to store drilling supplies and equipment. However, as the Project progresses and a greater number of drill rigs are utilized, WPP may elect to construct a lay down area to store drilling supplies and equipment in subsequent phases. The lay down area will measure approximately 100 feet long by 100 feet wide (0.25 acre) and will likely be constructed in an area with a gentle or flat slope to minimize surface disturbance. Construction will consist of clearing vegetation and topsoil to create a clearing with a slight grade to reduce ponding of meteoric waters. Topsoil will be cleared and stockpiled within the disturbance area of the yard to be utilized for reclamation. The lay down yard will be fenced. The lay down yard will not be constructed in Phase I. The exact location of the lay down yard will be determined at a later time. WPP will notify the BLM and NDEP and make sure the bond is sufficient to cover the disturbance.

### **2.3.8 Ground Water Monitoring Wells**

WPP will construct up to five ground water monitoring wells within the Project Area in subsequent phases to collect baseline data for future use. Ground water monitoring wells will be drilled in accordance with NAC 534.4351 through 534.4363. WPP will either complete up to five exploration drill holes for use as ground water monitoring wells or drill new wells, if needed. In accordance with NAC 534.4361.1, a surface pad will be constructed around each monitoring well. It is anticipated that each monitoring well surface pad will measure approximately 0.4 acre. The monitoring wells will be plugged in accordance to NAC 534.420.

Monitoring wells will not be constructed in Phase I. The location and depth of potential ground water monitoring wells will be determined at later time. Once determined, WPP will notify the BLM, BMRR, and the Division of Water Resources (DWR), and adjust the reclamation cost estimate accordingly.

### **2.3.9 Water Management Plan**

Drill holes will average approximately 1,000 feet in depth. Drill cuttings will be captured and drill fluids will be managed with the use of sumps at each drill site. Reverse circulation and core drilling requires recirculating drilling fluid to cool the bit and remove cuttings. Water with or without nontoxic drill additives may be utilized as necessary. WPP anticipates that each reverse circulation rig will consume up to 2,000 gallons of water per shift, while each core rig will consume up to approximately 10,000 gallons per shift. Water usage will vary throughout the life of the Project based on the number of drill rigs operating at any time.

The management of drill cuttings will be conducted in a manner that is consistent with BMPs and includes the use of one or all of the following: sediment traps or sumps; straw bales (certified weed-free); silt fences; and the distribution of clarified water from sediment traps through perforated pipes in order to minimize erosion from channeling. If needed, the use of a sand separation system will be used in conjunction with the sediment sumps so that the recirculating of drilling fluids can be maximized.

None of the drilling fluids to be used on the Project contain hazardous substances and are all approved for well drilling and will not contaminate aquifers. Material Safety Data Sheets (MSDS) for common drill additives are included in Appendix D.

### **2.3.10 Rock Characterization and Handling Plan**

Not applicable as this is an exploration project.

### **2.3.11 Quality Assurance Plan**

Not applicable as this is an exploration project. However, quality assurance for reclamation will be addressed under the Reclamation Plan (Section 3).

### **2.3.12 Spill Contingency Plan**

A spill contingency plan is contained in Appendix D.

### **2.3.13 Other Plans**

Solid wastes will be managed through collection and disposal at a state, federal, or local designated site at the end of a drill shift. A Porta Potty will also be used on the Project and will be supplied and maintained by a Nevada based contractor.

The following precaution measures will be taken to prevent wildland fires: 1) All vehicles will carry a minimum of a shovel and five gallons of water (preferably in a pump), in addition to a conventional fire extinguisher; 2) Adequate fire fighting equipment (shovel, pulaski, standard fire extinguisher(s), and an ample water supply) will be kept readily available at each occupied drill site; 3) Vehicle catalytic converters will be inspected often and cleaned of all flammable debris; 4) All cutting/welding torch use, electric arc-welding, and grinding operations will be conducted in an area generally free of vegetation. An ample water supply and shovel will be on hand to extinguish any fires created from sparks. At least one person in addition to the cutter/welder/grinder will be at the work site to promptly detect fires created by sparks; 5) Any restriction or closures issued by the Wells Field Office that apply to the Project will be observed by Project personnel; and 6) Any observed wildland fire will be reported immediately to the BLM Central Nevada Interagency Dispatch Center at (775) 623-3444.

### **2.3.14 General Schedule of Operations from Start through Closure**

WPP will continue permitted exploration activities under the existing Plan. WPP will commence Phase I work, outlined in this Plan, upon approval by the BLM and issuance of the revised PFR from the BMRR. WPP anticipates that the proposed exploration activities under this Plan will last approximately ten years.

Reclamation will begin within exploration areas considered inactive, without potential, or completed, at the earliest practicable time. Reclamation activities will be coordinated with the BLM and the BMRR, as necessary. The proposed reclamation is expected to have a duration of up to two years from the time of commencement of final reclamation and will be initiated within two years

after the completion of exploration activities. Revegetation is anticipated to take three years after the time of seeding to achieve success.

**2.3.15 Land within the Area of Operation Which was Affected by the Following:**

**2.3.15.1 An Operation Conducted by a Previous Operator and Which Is Inactive on the Date on Which the Application for a Permit for an Operation Is Filed**

None.

**2.3.15.2 The Current Operator Before January 1, 1981, and Which Is Inactive on the Date on Which the Application for a Permit for an Operation Is Filed**

None.

**2.3.15.3 The Current Operator Before January 1, 1981, and Which Is Active on the Date on Which the Application for a Permit for an Operation Is Filed**

None.

**2.3.15.4 The Current Operator on or after January 1, 1981, but Before October 1, 1990, and Which Is Inactive on the Date on Which the Application for a Permit for an Operation Is Filed**

None.

**2.3.15.5 The Current Operator on or after January 1, 1981, but Before October 1, 1990, and Which Is Active on the Date on Which the Application for a Permit for an Operation Is Filed**

None.

**2.3.16 The Location of any Surface Water Body within One-Half-Mile Downgradient of the Operation Which May be Impacted by Excess Sedimentation Resulting from the Mining Operations.**

There are no downgradient springs located within 0.5 mile of the Project Area. In addition, there are no seeps or perennial drainages within or adjacent to the Project Area. Six Mile Creek, an ephemeral stream, is located in the eastern portion of the Project Area. The creek generally flows in the early spring during heavy snow melt. In addition to the Six Mile Creek, there are several other ephemeral drainages located throughout the Project Area. The drainages generally flow in response to seasonal precipitation.

**2.3.17 Land within the Operation Area Active on or after October 1, 1990**

There are approximately 66.86 acres of Project-related surface disturbance in the Project Area consisting of access roads, drill sites, exploration roads, and overland travel. All current disturbance is shown on Figure 2.

### **2.3.18 Access Roads which Were Created before January 1, 1981**

All access roads were created prior to January 1, 1981; however, portions of two of the roads, as shown on Figure 4, will require major maintenance to meet Project needs.

### **2.3.19 Surface Occupancy**

Under CFR 3809 Part 710 Section 3715.01, occupancy means full or part-time residence on the public lands. It also means activities that involve residence; the construction, presence, or maintenance of temporary or permanent structures that may be used for such purposes; or the use of a watchman or caretaker for the purpose of monitoring activities. Residence or structures include, but are not limited to, barriers to access, fences, tents, motor homes, trailers, cabins, houses, buildings, and storage of equipment or supplies. WPP plans to utilize up to two portable trailers as office space and to safely store drilling supplies. In addition, WPP will construct up to five ground water monitoring wells in future phases. Groundwater monitoring wells will each be equipped with above ground covers/locks, which meet the definition of temporary structures. This Plan serves as a request for occupancy for these structures.

## **2.4 Environmental Protection Measures**

WPP will commit to the following environmental protection measures to prevent unnecessary or undue degradation during construction, operation, and reclamation of the Project. The measures are derived from the general requirements established in the BLM's Surface Management Regulations at 43 CFR 3809 and BMRR mining reclamation regulations, as well as other water and air quality regulations.

- Generally, all holes will be surveyed and plugged as an operational procedure immediately after completion of drilling in accordance with NAC Chapter 534.4369 and 534.4371. In subsequent phases up to three drill holes will be collared with a reverse circulation drill rig and completed using a core rig. Once the core rig has completed drilling, the hole will be plugged. Remaining drill holes will be plugged by placing drill cuttings or inorganic fill material into the total depth of the hole, or if ground water is encountered, plugged as a well pursuant to NAC 534.420.
- Pursuant to 43 CFR 10.4(g), WPP will 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 will 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.
- WPP will not knowingly disturb, alter, injure, or destroy any scientifically important paleontological deposits. If WPP discovers any scientifically important paleontological

resource that might be altered or destroyed by operations, the discovery will be left intact and reported to the authorized BLM officer.

- WPP will avoid or mitigate any eligible or unevaluated historical or archaeological site, structure, building or object. If WPP discovers any cultural resource that might be altered or destroyed by operations, the discovery will be left intact and reported to the authorized BLM officer.
- Public safety will be maintained throughout the life of the Project. All equipment and other facilities will be maintained in a safe and orderly manner.
- All trenches, sumps, and other small excavations that pose a hazard or nuisance to the public, wildlife, or livestock will be adequately fenced to preclude access to them. Activities are restricted to frozen or dry ground conditions where feasible. Operations will be curtailed when saturated and soft soil conditions exist.
- To the extent practicable, three strand fence meeting BLM and Nevada Division of Wildlife (NDOW) recommendation as shown in the Mule Deer Working Group Habitat Management Plan (2009) will be used at the Project. In areas where alternative fencing is required (i.e., lay down yard), WPP will ensure that the total length of fence will not inhibit migration.
- WPP will not conduct surface disturbing activities when snow conditions result in mule deer (*Odocoileus hemionus*) using the lands within the Plan Boundary as winter habitat. Surface disturbing activities will not take place until snow conditions allow. These seasonal restrictions on creating new surface disturbance will be implemented in coordination with BLM wildlife specialists in response to site-specific, on-the-ground conditions.
- Any survey monuments, witness corners, or reference monuments will be protected to the extent economically and technically feasible.
- Pursuant to 43 CFR 8365.1-1(b)(3), no sewage, petroleum products, or refuse will be dumped from any trailer or vehicle.
- All applicable state and federal fire laws and regulations will be complied with and all reasonable measures will be taken to prevent and suppress fires in the Project area.
- Final reclamation of overland travel roads, sumps, and drill sites will consist of, if applicable, fully recontouring disturbances to their original grade, and reseeding in the fall season immediately following completion of exploration activities.
- In the event that any existing roads in the Project Area are severely damaged as a result of WPP activities, WPP will return them to their original condition.
- Reseeding will be consistent with all BLM and NDOW recommendations for seed mix constituents, application rate, and seeding methods.
- Only nontoxic fluids will be used in the drilling process.

- Drill cuttings will be contained on site and drill fluids managed utilizing appropriate control measures. Sediment traps will be used as necessary and filled at the end of the drill program
- Regulated wastes will be removed from the Project Area and disposed of in a state, federal, or local designated area.
- Emissions of fugitive dust from disturbed surfaces will be minimized by utilizing appropriate control measures. Surface application of water from a water truck is the current method of dust control during high wind conditions.
- Noxious weeds will be controlled through implementation of preventive BMPs and eradication measures if noxious weeds are found.
- Drill sites, sumps, and trenches will be reclaimed as soon as practicable after completion of logging and sampling.
- All equipment will be properly maintained and equipped with suitable and necessary fire suppression equipment, such as fire extinguishers and hand tools. All Project-related traffic will observe prudent speed limits to enhance public safety, protect wildlife and livestock, and minimize dust emissions. All activities will be conducted in accordance with applicable federal and state health and safety requirements.
- All Project-related refuse will be disposed of on a daily basis consistent with applicable regulations. No refuse will be disposed of on site. In the event that hazardous or regulated materials such as diesel fuel are spilled, measures will be taken to control the spill and the NDEP will be notified. The Spill Plan (Appendix D) outlines procedures in case of a spill. All drill holes will be abandoned in accordance with applicable federal and state standards as set forth in this Plan and discussed in detail in the Reclamation Plan (Section 3).
- WPP will follow the Spill Prevention Plan in Appendix D.

### 3 RECLAMATION PLAN

Reclamation will be completed to the standards described in 43 CFR 3809.420 and NAC 519A. The reclamation measures to be utilized by WPP for the Project are described in the following sections.

Reclamation activities will be conducted when it has been determined that exploration disturbance is no longer needed. Reclamation will begin within exploration areas considered inactive, without potential, and will be completed at the earliest practicable time. Earthwork and revegetation activities are limited by the time of year during which they can be effectively implemented. Table 2 outlines the anticipated reclamation schedule on a quarterly basis. Site conditions and/or yearly climatic variations may require that this schedule be modified to achieve revegetation success. Reclamation activities will be coordinated with the BLM and the BMRR, as necessary. The proposed reclamation is expected to have a duration of up to approximately two years from the time of commencement of final reclamation and will be initiated within two years following completion of exploration activities. Revegetation success is anticipated to take three years after the time of seeding.

**Table 2: Anticipated Reclamation Schedule**

TECHNIQUES	Quarter				Year(s)
	1 <sup>st</sup> Jan- Mar	2 <sup>nd</sup> April- June	3 <sup>rd</sup> Jul- Sept	4 <sup>th</sup> Oct- Dec	
Regrading					Within two years of Project completion
Seeding					Within two years of Project completion
Monitoring					Three years beyond regrading and reseeding

Note: Regrading activities could occur year-round.

#### 3.1 Drill Hole Plugging

All drill holes (i.e., boreholes) will be plugged in accordance with NRS 534, Section 31, NAC 534.4369 and NAC 534.4371, and guidance from the BLM. In the event that ground water is encountered, drill holes will be plugged pursuant to NAC 534.420. Generally, drill holes will be plugged prior to the drill rig leaving the site; however, in later phases, WPP will leave up to three reverse circulation holes open to be completed with a core rig.

Ground water wells will be plugged pursuant NRS 534.420. If casings are set in a borehole, either the boreholes will be completed as wells and plugged pursuant to NRS 534.420 or the casings will be completely removed from the boreholes before they are plugged pursuant to Section 31. The upper portion of the borehole may be permanently cased if the annulus is completely sealed from the casing shoe to the surface pursuant to NAC 534.380. In the event that the upper portion of a borehole is permanently cased, the casing will be perforated, in accordance with NAC 534.420.

#### 3.2 Regrading and Reshaping

Regrading and reshaping of all constructed drill sites, exploration roads, trenches, monitoring wells, and lay down yard, will be completed to approximate the original topography. Fill material, enhanced with growth media, will be pulled onto the roadbeds, and drill/well sites to fill the cuts and

restore the slope to natural contours. Topsoil removed and stockpiled during the construction of the lay down yard will be replaced on the cleared area and regraded. Sumps and trenches will be backfilled with the stockpiled spoil pile. Reclamation work will be completed with an excavator and dozer as necessary.

Should any drainages be disturbed, they will be reshaped to approach the pre-construction contours. The resulting channels will be of the same capacity as up and downstream reaches and will be made nonerosive by use of surface stabilization techniques (rip-rap) where necessary, and ultimately revegetated. Following completion of earthwork, all disturbed areas will be broadcast seeded.

### **3.3 Mine Reclamation**

Not applicable as this is an exploration project.

### **3.4 Handling of Topsoil**

Soils capable of serving as growth media will be salvaged and stockpiled as part of the fill slope of roads and drill/well sites. Topsoil removed during construction of the lay down yard will be stockpiled within the cleared area. In addition, as much of the soil organic matter as possible will be salvaged to minimize compaction and promote aeration. Soil amendments are not considered necessary in those areas where sufficient growth media are available.

### **3.5 Revegetation**

Generally, seedbed preparation and seeding will take place in the fall after regrading of disturbed areas. All reclaimed areas will be broadcast seeded with a cyclone-type bucket spreader or a mechanical blower. Broadcast seed will be covered by harrowing, raking, or other site-specific appropriate methods as necessary to provide seed cover and enhance germination. Reclaimed surfaces will be left in a textured or rough condition (e.g., small humps, pits) to enhance moisture retention and revegetative success while minimizing erosion potential.

The seed list, provided by the BLM and shown in Table 3, is based on known soil and climatic conditions and was selected to establish a plant community that will support the post-exploration land use. The mix is designed to provide species that can exist in the environment of northeastern Nevada, are proven species for revegetation, and/or are native species found in the plant communities prior to disturbance. Broadcast seeding will be at a rate of approximately ten pounds of pure live seed (PLS) per acre. Changes and/or adjustments to the reclamation plant list and/or application rate will be completed in consultation with, and approval by, the BLM and BMRR.

Timing of revegetation activities is critically important to the overall success of the program. Seeding activities will be timed to take advantage of optimal climatic periods and will be coordinated with other reclamation activities. In general, earthwork and drainage control will be completed in the summer or early fall. Seedbed preparation will generally be completed in the fall, either concurrently with or immediately prior to seeding. Seeds will be sown in late fall to take advantage of winter and spring precipitation and optimum spring germination. Early spring seeding may be utilized for areas not seeded in the fall. In either case, seeding will not be completed when the ground is frozen or snow covered.

**Table 3: Preliminary Revegetation Seed Mixture**

Common Name	Scientific Name
<b>GRASSES</b>	
Bluebunch wheatgrass	<i>Agropyron spicatum</i>
Indian ricegrass	<i>Oryzopsis hymenoides</i>
Webber ricegrass	<i>Oryzopsis webberi</i>
Great Basin wildrye	<i>Elymus cinereus</i>
Green needlegrass	<i>Stipa viridula</i>
Idaho fescue	<i>Festuca idahoensis</i>
Sandberg bluegrass	<i>Poa sandbergii</i>
Slender wheatgrass	<i>Agropyron trachycaulum</i>
Canby bluegrass	<i>Poa canbyi</i>
<b>FORBS</b>	
Arrowleaf balsamroot	<i>Balsamorhiza sagittata</i>
Small burnet	<i>Sanguisorba minor</i>
Eriogonum (buckwheat)	<i>Eriogonum</i>
Rockcress	<i>Arabis</i>
Chickpea milkvetch	<i>Astragalus cicer</i>
Northern sweetvetch	<i>Hedysarum boreale</i>
Palmer penstemon	<i>Penstemon palmeri</i>
Western yarrow	<i>Achillea millefolium lanulosa</i>
Blue flax	<i>Linum lewisii</i>
Prostrate kochia	<i>Kochia prostrata</i>
Gooseberryleaf globemallow	<i>Sphaeralcea coccinea</i>
<b>SHRUBS**</b>	
Antelope bitterbrush	<i>Purshia tridentate</i>
Fourwing saltbrush	<i>Atriplex canescens</i>

Application rate: 5-6 pounds Pure Live Seed (PLS)  
 (for broadcast seeding, the application rate should be multiplied by 1.5)

Seed mix shall contain at least 2-3 grasses and 1-2 forbs. If either one or both of the two shrubs are added to the seed mixture cut back on the amount of grass seed in the mixture. When developing the seed mixture, the number of seeds per square foot should not exceed 30 seeds.

\*\* BLM Wells Field Office doesn't require shrubs to be planted on reclaimed exploration activities disturbance, unless the operator has been notified of a requirement for a shrub component for a site specific project

**3.6 Isolation, Removal, and/or Control of Acid-Forming, Toxic, or Deleterious Materials**

Refer to Section 5.2 under the Interim Management Plan.

### **3.7 Removal or Stabilization of Building, Structures, and Support Facilities**

Up to two temporary structures could be utilized for office space and to store drilling supplies during the life of the Project as well as up to five ground water monitoring wells. All equipment, temporary structures, and supplies will be removed following completion of the Project. Other materials, including scrap, trash, and unusable equipment, will be removed on a daily or weekly basis and disposed of in accordance with federal and state regulations and laws.

### **3.8 Post-Closure Management**

Post-closure management will commence on any reclaimed area following completion of the reclamation work for the area. Post-closure management will extend until the reclamation of the site or component has been accepted by both the BIM and BMRR. For bonding purposes, a three-year post-closure management period is assumed following completion of reclamation construction on any site. For sites reclaimed early in the operations, management of the reclaimed sites will occur concurrently with operational site management. Annual reports showing reclamation progress will be submitted to the BLM and BMRR.

## 4 MONITORING PLAN

Monitoring of the drill sumps includes periodic visual inspections during drill operations to ensure that the drill cuttings are contained. Should the observed condition indicate that the sump containment is inadequate, additional sump capacity will be built and/or incorporated into the drilling fluid management system. Monitoring associated with reclamation activities is addressed in the Reclamation Plan (Section 3).

Monitoring of drill roads and water bars will include visual inspections, primarily after storm events. If erosion has occurred, or seems likely to occur, the water bars and roads will be repaired using a Caterpillar 325 excavator, or equivalent.

### 4.1 **Demonstrate Compliance with the Approved Plan of Operations and Other Federal and State Environmental Laws and Regulations**

The amended activities outlined in this Plan will be conducted upon BLM and NDEP approval of this Plan.

### 4.2 **Provide Early Detection of Potential Problems**

Not applicable as this is an exploration project.

### 4.3 **Supply Information That Would Assist in Directing Corrective Actions Should They Become Necessary**

Not applicable as this is an exploration project.

## **5 INTERIM MANAGEMENT PLAN**

The following discussion includes those topics that are pertinent to the planned exploration activities.

### **5.1 Measures to Stabilize Excavations and Workings**

The planned exploration activities do not include mine excavations or workings. The constructed exploration drill roads, sites, sumps, trenches, lay down areas, and monitoring well sites will be maintained in operating condition until reclamation to prevent wash outs and containment breaches.

### **5.2 Measures to Isolate or Control Toxic or Deleterious Materials**

Toxic substances utilized at the Project will include diesel fuel, gasoline, and lubricating grease. Approximately 500 gallons of diesel fuel and gasoline will be stored in fuel delivery systems on vehicles and drill rigs. Approximately 100 pounds of lubricating grease will be stored on the drill rig or transported by drill trucks. In the event that hazardous or regulated materials are spilled, measures will be taken to control the spill, and the BLM and/or the NDEP will be notified as required. Any hazardous substance spills will be handled in accordance with the Spill Contingency Plan (Appendix D), including an immediate clean up and any resulting waste transferred off site in accordance with all applicable local, state, and federal regulations. Contract drillers will maintain spill kits on site for use in case of a spill.

### **5.3 Provisions for the Storage or Removal of Equipment, Supplies and Structures**

During extended periods of nonoperation or seasonal closure of the exploration activities, all exploration equipment and supplies will be moved from the Project Area. Lay down/storage yards will be secured. No chemicals or waste will be stored on site during temporary or seasonal closure. Portable structures (trailers) will either be removed or secured.

### **5.4 Measures to Maintain the Project Area in a Safe and Clean Condition**

WPP will conduct regular, periodic inspections of the exploration areas and activities.

### **5.5 Plans for Monitoring Site Conditions During Periods of Nonoperation**

The measures outlined in Section 5.4 will be conducted during periods of nonoperation, except as limited by weather and ground conditions.

### **5.6 A Schedule of Anticipated Periods of Temporary Closure During Which You Would Implement the Interim Management Plan, Including Provisions for Notifying BLM and NDEP of Unplanned or Extended Temporary Closures**

WPP anticipates that Project activities will not occur during winter months. Generally operations will be suspended from late November through early April; however, actual time frames will depend on the actual snow fall and melt. WPP will ensure all equipment, and temporary structures are removed from the Project during seasonal closure. Materials stored in the lay down yard will be removed or secured. All refuse will be removed from the site and disposed of in an appropriate landfill. Sumps and trenches will be filled or fenced as necessary. Non-weather related closures are

not anticipated; however, should it happen, WPP will notify the BLM and NDEP verbally and in writing, and follow all procedures for seasonal periods of non operation.

**5.7 In Cases of Temporary or Seasonal Closure, You must Provide Adequate Maintenance, Monitoring, Security, and Financial Guarantee, and BLM May Require You to Detoxify Process Solutions**

Not applicable as this is an exploration project.

## **6 STATEMENT OF ASSUMPTION OF RECLAMATION RESPONSIBILITY**

WPP agrees to accept the responsibility for reclamation of all surface disturbance associated with the Project detailed under this Application. WPP will obtain a reclamation performance bond for the activities outlined in this Application, as per NAC 519A.350.

## 7 RECLAMATION COST ESTIMATE

Reclamation of the Project is designed to return the site to a safe, stable, and productive condition capable of supporting wildlife habitat, mineral exploration, livestock grazing, and recreation. The commitment to successful completion of this task is expressed in initial designs that facilitate ease of implementation of the Reclamation Plan, planned construction and reclamation design, which minimizes surface disturbance, and implementation of concurrent reclamation where appropriate. The reclamation tasks are set forth in both the Reclamation Plan (Section 3) and Reclamation Cost Estimate (Appendix B), for both permitted activities and proposed activities, to follow the bond release criteria established in NAC 519A.385. WPP will seek bond release in accordance with NAC 519A.385. WPP has projected that the total existing and proposed surface disturbance will equal approximately 400 acres. WPP will conduct the exploration activities and bonding in phases; therefore, the cost estimate in Appendix B includes existing disturbance (66.86) acres, proposed disturbance associated with permitted exploration activities (an additional 20 acres), and proposed Phase I disturbance (28.00) acres for a total of 114.86 acres.

The official Nevada Standardized Reclamation Cost Estimator (SRCE) software that was developed in accordance with the Nevada Standardized Unit Cost Project, a cooperative effort between the NDEP, the BLM, and the Nevada Mining Association (NvMA) to facilitate accuracy, completeness, and consistency in the calculation of costs for mine site reclamation was used to estimate the cost of reclamation.

## **8 PERMIT APPLICATION FEE**

The State Application for Reclamation Permit fee is structured such that different rates are used to calculate the fee based on the total affected acres (acres of surface disturbance) and the type of application (new, minor modification, and major modification). This Plan meets the definition of a Major Modification as described in NAC 519A.043. The permit fee for a major modification is equal to the amount of the applicable annual fee assessed under NAC519A.235. The Project will affect 400 acres; therefore, the fee for this application is \$1,000.00. A check in the amount of \$1,000.00 is enclosed with this application. The check is made payable to the State of Nevada, Division of Environmental Protection.

## **9 EFFECT OF PROPOSED RECLAMATION ON PUBLIC SAFETY**

No unnatural hazards will exist during or after reclamation in the disturbed/reclaimed areas.

## 10 ACKNOWLEDGMENTS

It is understood that should the nature of the operation change, a modified or supplemental plan of operations and reclamation may be required.

It is understood that approval of this Plan of Operations does not constitute: (1) Certification of ownership to any person named herein; and (2) Recognition of the validity of any mining claim herein.

It is understood that a bond equivalent to the actual cost of performing the agreed upon reclamation measures will be required before this Application can be approved. Bonding and any bond reduction amounts will be set on a site-specific basis by the lead agency in coordination with the cooperating agencies.

It is understood that approval of this Application does not relieve the undersigned of responsibility to comply with any other applicable state or federal laws, rules or regulations.

It is understood that any information provided with this Application that is marked confidential will be treated by the agency in accordance with that agency's laws, rules and regulations.

On behalf of West Pequop Project LLC, I have reviewed and agree to comply with all conditions in this Plan of Operations and Reclamation Plan. I understand that the bond will not be released until the state agency in charge gives written approval of the reclamation work. I further understand that all fees, per NAC 519A.235 and NAC 519A.240, required to be paid annually to the State of Nevada, are to be paid until such time as written approval of the reclamation work has either been provided to the state or the state has given its own approval.

West Pequop Project LLC

By \_\_\_\_\_  
Mark Abrams  
Exploration Manager

Date \_\_\_\_\_

## 11 REFERENCES

Bureau of Land Management (BLM). 1989. *Surface Management of Mining Operations (NSO) Handbook H-3809-1*.

\_\_\_\_\_. 1992. *Solid Minerals Reclamation Handbook #H-3042-1*.

\_\_\_\_\_. 1999. *Revised Guidelines for Successful Mining and Exploration Revegetation*.

Nevada Division of Environmental Protection and the Nevada Division of Conservation Districts. 1994. *Handbook of Best Management Practices*. Adopted by the State Environmental Commission. December 7, 1994.

Nevada Division of Wildlife, Mule Deer Working Group. 2009. *Habitat Management Plan*.

Nevada Standardized Reclamation Cost Estimator (SRCE) software developed in accordance with the Nevada Standardized Unit Cost Project, a cooperative effort between the NDEP, the BLM, and the Nevada Mining Association (NvMA).2006.