



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Matthew H. Mead, Governor

Todd Parfitt, Director

December 9, 2013

AUC LLC, Reno Creek
Mr. James Viellenave
1536 Cole Blvd., Suite 330
Lakewood, CO 80401

**Re: Reno Creek ISR Project Application for a Permit to Mine, TFN 5 4/150, Round 2
Technical Review**

Dear Mr. Viellenave,

The DEQ Land Quality Division (LQD) District 3 staff has reviewed AUC's responses to LQD's Round 1 Technical Review comments. Enclosed are memorandums containing LQD's Round 2 Technical Review comments for the Reno Creek ISR Project Application for a Permit to Mine. The Round 2 Technical Review has found that the application is **Technically Incomplete** for the purpose of W.S. § 35-11-406(h). Please note, *Appendix D12 Statement of Basis of Groundwater Reclassification* is currently in review with the DEQ Water Quality Division (WQD). Comments from WQD's review will be forwarded to AUC upon their completion.

To date no review comments have been received from the U.S. Fish and Wildlife Service, and the State Historical Preservation Office. LQD is currently following up with these agencies and will forward their comments to AUC upon their receipt.

Please direct all comments to the LQD District 3 office in Sheridan. If you have any questions, please contact me at the LQD Sheridan Office, 307-675-5619.

Respectfully,

Luke McMahan
Project Geologist

\lm

Enc.: LQD/D3 Staff technical review memos
cc: Cheyenne File w/ attachments
Jon Saxton, Document Processing Center, NRC, 11545 Rockville Pike, Rockville, MD.
20852 w/ attachments



1074
12/10/13



MEMORANDUM

TO: File: TFN 5 4/150; AUC, Reno Creek ISR Project

FROM: Luke McMahan, Permit Coordinator, District III

DATE: December 9, 2013

SUBJECT: Round Two Technical Review Comments, Permit to Mine Application for AUC LLC's Reno Creek ISR Project, Campbell County, Wyoming

Discussion

Land Quality Division (LQD) District III received the subject application on January 24, 2013 under cover letter dated January 21, 2013 from Mr. Viellenave, President of AUC LLC. The Application was determined to be complete per LQD's April 4, 2013 letter to Mr. Viellenave notifying AUC that the Amendment Application was Complete and Suitable For First Publication as per W.S. § 35-11-406(g).

LQD Round 1 Technical Review Comments were submitted to AUC on two (2) occasions under cover letters dated August 8, 2013 and August 27, 2013. On November 13, 2013 LQD District 3 received AUC's Round One Response Package for the Reno Creek ISR Project Permit to Mine Application. The Response Package was provided by AUC as electronic PDF submittals on DVD.

Review Comments

In addition to LQD's Round 1 Technical Review comments, provided to AUC under cover letter dated August 8, 2013, a second Round 1 Technical Review Memorandum by Luke McMahan was submitted to AUC under cover letter dated August 27, 2013. I have completed review of AUC's responses to my comments LM-1 through LM-17 which address the comments from my August 8, 2013 review memorandum and Comment #1 from my August 27, 2013 memorandum. Comment #1 from my August 27, 2013 memorandum has been addressed under LM-11 in AUC's Round 1 Response Package. I find all responses acceptable for LM-1 through LM-17. However, a response was not provided for Comment #2 from my August 27, 2013 memorandum.

LMK
12/10/13

Additionally, further review of the Surface Owner Consent Forms included in the Adjudication portion of the permit application has identified missing Surface Owner Consent Forms for lands included in the proposed permit area. The following are my Round 2 Technical Review comments requesting additional information associated with the items discussed above.

1. Please provide a map for Appendix D-12 which shows both the proposed aquifer exemption area and all existing groundwater wells as shown on Figure D6B-58. For example, a blending of Figure D12-2 and Figure D6B-58 with a scale of 1:30,000. (LM)
2. Review of the Surface Owner Consent Forms included in the Adjudication portion of the permit application has identified missing Surface Owner Consent Forms for the proposed permit area. Please provide Surface Owner Consent Forms for the following areas or provide a response where they can be found in the Application:

T43N R74W
Sec 36

T43N R73W
Sec 32 - SE
Sec 33 - N2SW
Sec 28 - E2
Sec 21 - S2
Sec 22 - SW

Summary

As indicated in the comments above, additional information is required in order to deem this application technically complete. Therefore, I do not recommend approval of this Permit to Mine Application at this time.

\m

cc: Cheyenne

MEMORANDUM

OR	LB	DE	SP
KK	MT	DE	JM
PS	BK	DM	DS
JJ	MB	DL	

TO: Luke McMahan, Permit Coordinator

FROM: Deanna Hill *DH*

DATE: November 19, 2013

SUBJECT: AUC LLC - Permit to Mine Application TFN 5 4/150 - Reno Creek ISR Project Round Two Technical Review

In follow up to your November 15, 2013 memorandum, my comments regarding Appendix B, Appendix C and Surface Owner Consent have been addressed. My only outstanding comment is the submittal of the Reclamation Performance Bond, which is not a completeness issue. An acceptable bonding instrument must just be received prior to permit approval.

Should you have any questions, please advise.

DH:kp



MEMORANDUM

TO: File, TFN 5 4/150

THRU: Luke McMahan, Project Geologist

FROM: Mark Taylor, Program Principal

DATE: December 3, 2013

SUBJECT: Second Round Technical Review Comments, Permit to Mine Application for AUC LLC's (AUC) "The Reno Creek ISR Project", Campbell County, Wyoming

Discussion:

The following are my review comments in response to Luke McMahan's request of November 15, 2013.

Review Comments

I have completed my review of AUC's responses to LQD Comments MT1 through MT2. I found all responses acceptable with the exception of LQD Comment MT6.

Figure OP.2-5 does not clearly illustrate how AUC would control runoff from potential spills or leaks within wellfields located immediately adjacent to the highway/county road right-of-way. Please consider revised this figure to illustrate how AUC plans to protect the public from a release of fluid, from wellheads and pipelines failures, which could potentially enter the highway/county road right-of-way where the topography allows. In addition, please consider revising cross-section A- A' on this figure to illustrate the installation of drainage control (i.e. berms or ditches) within/along the inside of the AUC fence. Also please provide a specific permit text in the Operation Plan (Section 7.3.5.2) which discusses AUC corrective plans to address potential leaks from trunk lines installed beneath the highway/county road right-of-way.

New Review Comments

- 1) Operation Plan, Section 9.1.1.1, pg. OP9-3, last paragraph, sentence 2: The "113 acres" discussed in this text does seem to agree with the acreages presented on Table OP9-37. Please consider revising this text for clarity or perhaps remove the text.
- 2) Operation Plan, Figure OP.2-2: Please consider editing this figure to show the conceptual installation of sediment and erosion barriers along the western perimeter of the "Laydown Area".

Mark Taylor

- 3) Operation Plan, Section 4.3, Conceptual Wellfield Data Package: Please consider adding to the “minimum list” commitments to provide wellfield specific erosion and sediment control mitigation measures.
- 4) Operation Plan, Section 5.11.1, Sentence 1: Please remove the word “capped” as it may inappropriately suggest holes may be simply capped without any downhole sealing or plugging.

Summary

I am not prepared to recommend approval of this permit application package at this time.

mt/

cc: Cheyenne

Memorandum

To: File, TFN 5 4/150, AUC Reno Creek Project, New Permit

From: Larry Barbula, Program Principal

Date: November 20, 2013

Re: Review of Round Two Responses

Discussion

I had no comments that required responses. I recommend this application be approved.

XC: Cheyenne File Copy

MEMORANDUM

TO: File, AUC LLC Reno Creek ISR Project Application, TFN 5 4/150

THRU: Luke McMahan, Project Geologist

FROM: David Schellinger, Natural Resources Analyst

DATE: November 25, 2013

SUBJECT: Round 2 Technical Review Comments

As requested in your April 10, 2013 review request, I have reviewed baseline, operations plan and reclamation plan information related to soils issues. I found no significant issues with the technical data provided. However, two technical issues were noted during the review.

- 1) In order for the LQD to perform an adequate technical review, a bond estimate must be provided.

Round 2 Comment: Response is adequate

- 2) The map provided, and presumed maps in other sections of this application, do not appear to show all required information. Maps must show all of the following information:
 - a. Applicant's name and address
 - b. Title of the map
 - c. Date when the map was drawn
 - d. Each date of map revision
 - e. Map page number, exhibit number, etc.
 - f. Scale and contour interval
 - g. Township, range and section lines and numbers
 - h. A north arrow, and other items as described in Guideline 6, section V.

DS-2 Response

AUC recognizes the key elements listed in Guideline 6, Section V are in fact guidelines that facilitate a comprehensive map. Well generalized maps are those that highlight the most significant map elements while still representing the content in the most realistic and identifiable way. The level of detail and importance in what is remaining on the map must outweigh the insignificance of items that were generalized, to distinguishing characteristics of what makes the map useful and important. For example, according to the guidelines, each map should have a north arrow; although, if the map is north oriented, or if the geographical coordinates are already on the map the north arrow can be omitted. Similarly, if the map is small or medium scale, township, range and section lines will cloud the important features of the map.

AUC strived to balance the important elements of the maps with the elements listed Guideline 6, Section V. If there are specific maps that the WDEQ/LQD feels are inadequate or where additional elements would make the map more useful, AUC will revise the maps accordingly.

MSK
12/16/13

Round 2 Comment: *The information requested in Guideline 6 may seem trivial to you, but consider that your permit is a public document. All maps in D3 permits contain all information required by Guideline 6, Section V. There is a less known statute in the Wyoming Environmental Quality Act [WS § 35-11-405(a)(xv)] that states that applications for a mining permit shall be made in writing to the administrator and shall contain such other information as the administrator deems necessary. Consider the requested information to be included on the permit maps as little extras that the administrator deems necessary and correct the maps contained in this permit to include all information requested.*

/ds

xc: Cheyenne File

MEMORANDUM

TO: File, Reno Creek Project, TFN 5 4/150

FROM: Stacy Page

DATE: December 3, 2013

SUBJECT: Second Round Review of AUC LLC, Reno Creek Project Permit Application, TFN 5 4/150

Form 1

1. The response is acceptable. The Form 1 will be revised to show 481 acres as the total acreage to be affected.

Appendix D-8

2. The sampling plan approved in 2008 does not approve cover sampling in October. The transects sampled in phase II, which was approved May 18, 2011, should be distinguished from the transects sampled in Phase I. Please provide the date for each cover transect.
3. The response is acceptable. The dates for the species list have been provided.

Operation Plan

4. Section 2.9 Topsoil Salvage. I think there was some confusion about this comment. This comment refers to the topsoil stockpiles. Timely and adequate seeding of the topsoil stockpiles is important for protection of the topsoil resource because getting desirable species quickly established prevents weed infestations and erosion.

The private surface owner seed mix has some species in it that will make it difficult for some of the State Seed Mix species to become established. By using the State Seed Mix or designing a temporary seed mix compatible to both the Private Surface Owners and State Lands seed mixes you can use one seed mix and not have to keep track with your contractor whether it is State or Private topsoil in the stockpile. This is why I recommended added a temporary seed mix to your permit consisting of western wheatgrass at 4 lbs/acre PLS, thickspike wheatgrass at 4 lbs/acre PLS, and slender wheatgrass at 4 lbs/acre PLS.

You are required by Land Quality Rules and State Law to control weeds and preventing weed infestations will benefit your reclamation and success in bond release. One of the most successful methods of limiting cheatgrass and noxious weed invasion is seeding disturbance immediately. Some herbicide applications may still be required but will be reduced. Please add the commitment on Page 2-8 that each topsoil stockpile and additions to the stockpile will be seeded during the first available growing season with the temporary seed mix listed in Table RP.3-1.

MSK
12/10/13

December 3, 2013

LQD does not need to know who you contract with to do your seeding as long as the seeding is done when it should be done, using the proper equipment and with the approved seed mix. I have observed with a number of LQD permittees that when they use surface owners for seeding the seeding is not timely, the drills do not work well in rough conditions, the seeding rate is low and sometimes not even the approved seed mix is used even though it was the mix selected by the surface owner. You are the one that needs to protect the topsoil and are holding the bond and needing to get bond release so it should be your decision on who can get the job done correctly. You may wish to remove the commitment to have the surface owner(s) do the topsoil stockpile seeding.

You said that you have very good reclamation. Since I have not reviewed a bond release package from you could you please direct me to the date and location of some of your vegetation data from a final bond release package?

Reclamation and Restoration Plan

5. Please provide a seeding rate for the cover crop.
6. The response is satisfactory.
7. The response is satisfactory.
8. The Wyoming Game and Fish Department (WG&F) state in their June 7, 2013 letter on this project that while this project is not in a sage-grouse core area there is the Porcupine Creek Sage-Grouse Lek and sage-grouse likely use this area for winter, breeding, nesting, and brood-rearing habitat. WG&F recommends seeding sagebrush. I encourage you to make changes to the Private Surface Owner Seed Mix to help the governor with his efforts to keep the sage-grouse delisted. Ch. 3, Sec. 2(d)(vi) states that one of the requirements for bond release is that the revegetation species diversity and composition are suitable for the approved postmining land use. Since I am tasked with enforcing this rule I will need a letter from each of the landowners that they agree with the seed mix since it will alter the grasses considerably from the species present premining.

On the State Lands the Seed Mix must be revised to the mix below. Please make the following changes to the State Mix:

western wheatgrass	@3 lbs PLS
thickspike wheatgrass	@ 3 lbs PLS
green needlegrass	@ 2 lbs PLS
basin wildrye	@ 2 lbs PLS
slender wheatgrass	@ 2 lbs PLS
blue grama	@ 1 lbs PLS
big sagebrush	@ 1 lbs PLS
western yarrow	@ .25 lbs PLS
Total PLS/acre	14.25 lbs

AUC LLC, Reno Creek, TFN 5 4/150

Page 2

December 3, 2013

Please add the following items to Table RP. 3-1:

- a column to Table RP 3-1 with the actual PLS/acre for each species totaling to the 14 pounds
- a footnote that states this will be the minimum seeding rate
- the state section will be seeded only with the State Seed Mix.

To satisfy this comment the following are needed:

- revised state seed mix
- footnotes on Table RP. 3-1
- letters from the surface owners added as a section titled correspondence after the tables.

9. A table has been added that includes the affected and total acreage of the permit area for the mapping units of each vegetation community. Could you please explain why the affected acreage on this table does not match the affected acreage on the Form 1.
10. The response is satisfactory. A commitment to providing a sampling plan has been added.

sp\

xc: Cheyenne File