



United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

RECEIVED
DEC 16 2013
Department of Water Resources
Eastern Region

File Code: 2540/2810

Date: December 09, 2013

James Cefalo
Water Resources Program Manager
Idaho Department of Water Resources
900 North Skyline Drive, Suite A
Idaho Falls, ID 83402-1718

Dear Mr. Cefalo:

We have received your letter of December 2, 2013 noting that further evidence must be supplied to support our request for a forfeiture of water rights #75-14072 and 75-14073.

Attached to this letter is a summarized chronology of actions, correspondence between the Salmon-Challis National Forest and operators Donnie Hudson and Jim Chadwick, holders of WR #75-14072. The correspondence and inspection reports cited in this chronology are also attached. Your letter requests that we provide information to confirm that the Forest Service (FS) has not prevented the water right owner from diverting water for mining purposes. To explain our process in the simplest terms, the FS cannot deny a water right owner from using their water, but we can stipulate terms and conditions for how the water is conveyed and used so that surface resources are protected. This is done through a Plan of Operation, which is approved following environmental analysis and agreement by the operator that they will follow stipulated terms and conditions. The supplied documentation shows that:

1. The operator did not complete the final reclamation that they agreed to in their 2004-2008 Plan of Operation, at which time they no longer had an approved Plan (agreement) with the FS.
2. The operator did not use their water from sometime before the summer of 2006 until present.
3. Non-use of water was at the operators' discretion until 2008, because the SCNF had an agreement in place that allowed their water use, and the operators chose not to.
4. Non-use from 2008 to the present has also been at the operators' discretion because they chose to not respond to repeated requests from the FS for a new plan and subsequent clarification and information to make their plan complete.

It is our understanding that a water right on National Forest System lands is only valid if there is an agreement between the water user and the Forest Service. The SCNF's agreement with operators Hudson, Chadwick, Seymour, and Wright expired in 2008.

The history of use/non-use of this water right by these operators suggests that a permanent water right may not be appropriate on NFS lands; and should the operators wish to pursue further exploration in the area once they have completed their reclamation requirements, we would assume that a temporary water right could be established.



With regard to water right #75-14073, the SCNF was unable to contact operator Ken Seymour, or his partner, Richard Wright, from September 24, through December 21, 2010. No responses were received to letters mailed, and calls to telephone numbers listed for both operators had been disconnected. Therefore,

1. The operators did not complete the final reclamation that they agreed to in their 2004-2008 Plan of Operation, at which time they no longer had an approved Plan (agreement) with the FS. They forfeited their bond in December of 2010 after the FS was unable to contact them, and in the summer of 2013, the Forest Service began reclamation of their site.
2. The operators did not use their water from sometime before the summer of 2006 until present.
3. Non-use of water was at the operators' discretion until 2008, because the SCNF had an agreement in place that allowed water use and the operators chose not to.
4. Non-use from 2008 to the present has also been at the operators' discretion because they have had no contact with the SCNF during which a new Plan (agreement) could be submitted, finalized, and approved.

If you still require further information or supporting documentation, please contact Julie Hopkins, Minerals Management Specialist, at 208-756-5279, or by email at juliehopkins@fs.fed.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay T. Winfield", is written over a horizontal blue line.

JAY WINFIELD
District Ranger

cc: Donnie Hudson, Jim Chadwick

Enclosures

Chronology of Events, Hudson/Chadwick and Seymour/Wright Claims

May 14, 2004: Plans of Operation approved for Donnie Hudson on the Blue Moon claim, and for Ken Seymour on the Paradise claim, Rabbit Creek, Lemhi County, Idaho. Plans were approved for the period from 2004-2008, and stipulated that following mining, site reclamation needed to be completed.

July 6, 2006: An inspection conducted by Forest Service Minerals Administrator Dave Sabo indicated that it occurred that no activity had occurred for 1-2 years on either claim (Hudson or Seymour). The report recommended that the operators be contacted regarding their future plans and that reclamation work should begin immediately.

9/16/2010: An inspection conducted by Forest Service Minerals Management Specialist Julie Hopkins indicated that no activity had taken place at the site for the past several years.

9/24/2010: A letter from District Ranger Kimberly Nelson was mailed to Donnie Hudson and Ken Seymour notifying the operators to contact the Forest Service regarding their plans for completing reclamation on the site, and to set a date for when reclamation would be complete.

9/30/2010: Julie Hopkins was contacted via phone by Jim Chadwick (partner of Donnie Hudson), who informed her that they wished to continue operating at the site. Minerals Program Manager, Russ Bjorklund, and Ms. Hopkins informed Mr. Chadwick that the previous Plan had expired and a new Plan would be required, along with a revised bond.

12/21/2010: Letters sent by the FS to Ken Seymour and Richard Wright were never responded to. Attempts to reach both operators by phone revealed that phone numbers provided by the operator in their original Plan had been disconnected. At this point, the FS had no contact from operators Seymour and Wright for over four years. Their bond was forfeited, and the FS has subsequently begun reclamation of the site.

May 19, 2011: District Ranger Nelson sent a letter to Donnie Hudson notifying him that the Forest Service had still not received a new Plan. She requested that final reclamation be completed by September 1, 2011.

June 7, 2011: Mr. Chadwick sent a letter to the Forest Service again asking to continue their 2004-2008 Plan of Operation. He indicated they would be cleaning up the area, and filling and seeding areas that had been worked.

June 21, 2011: Minerals Management Specialist Julie Hopkins sent the operators a letter noting that a Plan, once expired, cannot be "continued." She sent the operators a blank Plan of Operations form, and notified them that until a new Plan is approved, only reclamation activities would be approved at the site.

July 29, 2011: The operators finally submit a new Plan of Operation, approximately 10 months after being notified that one was required.

August 2, 2011: District Ranger Nelson acknowledged receipt of the new Plan of Operation.

September 9, 2011: District Ranger Nelson sends a letter Donnie Hudson (cc to Jim Chadwick) informing them that a field review was conducted of their site and new Plan proposal. She noted that the interdisciplinary team recommended that some site reclamation, primarily in the form of cleaning up trash, be conducted prior to the initiation of a new environmental analysis.

April 16, 2012: Julie Hopkins called Jim Chadwick and asked if he and Mr. Hudson would set a date by which they would complete the required reclamation and site clean-up requirements. Mr. Chadwick told her that clean-up would occur in late spring of 2012.

July 30, 2012: Julie Hopkins visited Mr. Hudson's/Mr. Chadwick's site to determine if any site clean-up or reclamation had occurred. No work had been done, and the wooden floor of the footbridge (crossing Napias Creek) constructed by the operators was rotten and unsafe.

August 2, 2012: District Ranger Jay Winfield sent the operators a Notice of Noncompliance for failure to complete reclamation requirements of their 2004-2008 Plan of Operation, nearly two years after the Forest Service had first requested final reclamation. Ample opportunity had been given the operator to clean up their site. The Notice of Noncompliance required that because of the operators' failure to complete reclamation in a timely manner and to work with the FS Minerals Administrator to set and meet deadlines, final reclamation was required to be completed by September 1, 2012.

August 6, 2012: Jim Chadwick telephoned Julie Hopkins and indicated that he had been to the site on the previous weekend and hauled out two wheelbarrow loads of trash.

August 8, 2012: Julie Hopkins visited the site and found that no clean-up had occurred. The bridge was likely unable to take the weight of a fully loaded wheelbarrow. Pictures attached to the inspection report show trash that has still not been removed.

August 18, 2012: Ms. Hopkins, on a visit to an adjacent operation, chanced upon Jim Chadwick and five other people unloading plywood and sacks of concrete at the site. In the inspection report for this visit, Ms. Hopkins approves only the repair of the bridge and clean-up activities – no excavation. Without an approved Plan of Operation, these activities were prohibited.

September 4, 2012: Donnie Hudson's Notice of Noncompliance, sent via certified mail, was returned after two attempts to deliver it. Julie Hopkins was unable to reach Mr. Hudson at the telephone number listed on the most current Plan of Operation, and finally called a cell number listed on the old Plan. Mr. Hudson had been in Arizona for a series of operations. He indicated that if the cleanup of the site on 8/18/12 was not sufficient, the FS should let them know and they would return to fix anything deemed insufficient.

September 25, 2012: Julie Hopkins inspected the site. Noted that the bridge had been repaired and some trash had been removed from the site.

January 8, 2013: Ms. Hopkins sent the operators a letter thanking them for clean-up of the site and a written description of their new proposal to serve as the Proposed Action for environmental analysis. She asked the operators to please contact her and let her know if the written description was accurate.

March 7, 2013: District Ranger Jay Winfield sent the operators a letter reminding them that the Forest Service had requested their feedback on whether the written description of their proposal was accurate. He noted that it is standard agency advice to operators that it may take up to one year to get permitted. Further, he noted that although they had submitted a plan in July of 2012, circumstances delayed initiation of the environmental analysis of their proposal, including:

- Failure of the operators to complete clean-up of their previous operation in a timely manner, and
- Failure of the operators to notify the Forest Service that the description of their proposal is accurate.

August 22, 2013: Julie Hopkins conducted an inspection of the site and found that no activity had occurred at the site and the operators' broken and punctured pipe, pond liner, tarps, and wash plant are still evident on the site.

November 5, 2013: District Ranger Winfield sends a letter to IDWR requesting forfeiture of water rights #75-14072 and 75-14073, as the holders of these rights have failed to maintain an approved Plan of Operation (agreement) with the Forest Service and for non-use of the water rights.

December 9, 2013: District Ranger Winfield sends the operators another Notice of Noncompliance for failure to complete reclamation.

FOREST SERVICE EVALUATION

File No 2810-5095

Plan No. 2004 - 2008

This Plan adequately protects the surface resources affected and no additional operations or reclamation measures are needed? YES NO

This Plan does not adequately protect the surface resources and the following modifications are required for approval: YES NO

Reference the Environmental Assessment for Mr. Hudson's operation and the associated Decision Notice, signed May 14, 2004, for measures to be incorporated into his 2004 - 2008 plan of operations.

The operator agrees that he has no need for vehicle access on Forest Roads #61007 And 61008. The operator agrees that he does not need ATV access to his claims.

A bond in the amount of \$500 is required prior to commencing operations. The purpose of the bond is to assure reclamation of activities approved under the 2004 - 2008 plan. The operator has already posted a \$300.00 bond for previous activities so an additional \$200.00 bond is due.

This Plan of Operations, including all provisions made herein and attachments thereto, meeting requirements under 36 CFR 228.4, are approved and mutually agreed upon by the UNITED STATES OF AMERICA, acting through the USDA-FOREST SERVICE, Salmon and Challis National Forests, Salmon-Cobalt Ranger District, and MINING CLAIMANTS/OPERATORS:

Donnie Ray Hudson, 710 9th Street, Idaho Falls, ID 83404

Approval of this operating plan does not constitute recognition or certification of ownership by any person named as owner herein.

Approval of this operating plan does not constitute now or in the future recognition or certification of the validity of any mining claim to which it may relate or to the mineral character of the land on which it lies.

UNITED STATES OF AMERICA

MINING CLAIMANT/OPERATOR



WILLIAM A. SCHUCKERT
Salmon-Cobalt Acting District Ranger


AUTHORIZED REPRESENTATIVE

**DECISION NOTICE
FINDING OF NO SIGNIFICANT IMPACT
for
Donnie Hudson's and Ken Seymour's 2004 – 2008
Exploration and Mining Plans of Operation**

**USDA – Forest Service
Salmon-Challis National Forest
Salmon/Cobalt Ranger District
Lemhi County, Idaho**

I DECISION AND REASONS FOR THE DECISION

The Salmon/Cobalt Ranger District has completed an Environmental Assessment (EA) for Donnie Hudson's and Ken Seymour's 2004 – 2008 Exploration and Mining Plans of Operation. I have reviewed the analysis presented in the EA for Mr. Hudson's and Mr. Seymour's (the Operators) proposals. I have also discussed the anticipated effects of implementing this decision with the interdisciplinary team. As a result, I have decided to approve Alternative B. Approving this alternative will allow the Operators to conduct small-scale placer operations subject to the mitigation measures listed in the EA. The Operators will be required to amend their plans to reflect these mitigation measures and post a reclamation bond before I authorize approval of the plans. A full description of Alternative B and the associated mitigation measures can be found in the EA on pages 5-8.

In approving Alternative B, I considered the following factors:

A. *Laws, regulations & policies.*

Mining Law and Forest Service Regulations.

The Operators plans, as amended by the management requirements noted on pages 7-8 of the EA, minimize the opportunity for significant impacts on surface resources. As such, the Forest Service has met its responsibility to evaluate the proposal in an attempt to minimize or prevent significant environmental impacts.

Consistency with the Forest Plan

The proposals are located in an area in which management emphasis is on producing long-term timber outputs. Forest goals encourage the legitimate exploration and extraction of locatable minerals from NF lands while maintaining or improving other resource values (FLRMP IV-3).

The plans, as amended by the management requirements noted on pages 7-8 of the EA, are consistent with this direction. The design, location, and scope of the projects are such that there will be no effect to water quality or fisheries.

Endangered Species Act: Biological assessments (BA) and biological evaluations (BE) have been completed for threatened, endangered, proposed and sensitive wildlife, fish and plant species that may inhabit the project area. The analysis resulted in a **No Effect** determination for all species of concern.

National Historical Preservation Act: The project area has been surveyed for heritage resources. A number of historic features are present in the general vicinity and have been identified for avoidance. Activities will be adjusted, where necessary, if other significant cultural sites are discovered during the operation.

Tribal Consultation: On January 16, 2004, a letter explaining the proposals and requesting comments was sent to the chairman of the Shoshone Bannock tribe. No comments from the Tribe have been received to date.

B. *Issues*

There were no public comments received during the scoping period or the 30-day notice and comment period. No significant issues were identified as a result of the Forest Service review of the proposals, however, a number of mitigation measures were identified that are necessary to ensure adequate resource protection. These are listed on pages 7-8 of the EA.

II ALTERNATIVES CONSIDERED

A. *No Action*

This alternative would be to deny the plans of operation. This alternative provides a baseline to compare the amount and rate of change due to the proposed plan. United States mining laws confer a statutory right to the public for entry upon the public lands to search for minerals. Except in special instances involving mineral withdrawal and validity contests, the Forest Service does not have discretionary authority to deny a plan of operation. The Forest Service may, however, require the operator to consider the use of other options in order to avoid unnecessary and unreasonable resource impacts.

B. *Mining as Proposed by the Operators'*

Both Operators are proposing to conduct small-scale placer operations. An estimated 4-10 cubic yards of material will be excavated annually by means of a pick and shovel. Excavated material will be processed in a sluice box. Less than one fifth of an acre will be disturbed. At the conclusion of mining excavated areas will be re-shaped to approximate the natural contour. The Forest Service will require a bond in order to ensure that all reclamation work is completed.

C. Other Alternatives Considered

Resource specialists from the Forest Service have reviewed the Operators proposals. Those included in the reviews were an Archeologist, District Ranger, Fisheries Biologist, Hydrologist, Minerals Specialist, and Wildlife Biologist. No significant issues were identified which would warrant the consideration of additional alternatives in order to adequately protect surface resources.

III PUBLIC INVOLVEMENT

A. Public Scoping and Comments on the EA

Notice of the operator's exploration plan was listed in the Forests quarterly projects list during October 2003, January 2004 and April 2004. This list identifies new projects and the planning stage of ongoing projects for the Forest. The list includes a contact person for each project and describes how interested members of the public may comment or receive information about the project.

A legal notice describing the Operator's proposal and inviting public comment was published in the February 12, 2004 Recorder-Herald, Salmon Idaho. A scoping letter, describing the project and inviting comment, was sent to the Shoshone-Bannock Tribe. To date no comments from the public or the Tribe have been received.

The EA was made available to the public for a 30-day notice and comment period on April 8, 2004. No comments were received.

IV FINDING OF NO SIGNIFICANT IMPACT

Based on my review of the effects of the proposed action disclosed in the EA, I have determined that this decision is not a major Federal action that will significantly affect the quality of the human environment, either individually or cumulatively. Preparation of an Environmental Impact Statement is not required. This finding is based on the following factors:

1. *My decision will not result in any significant beneficial or adverse effects.*

The analysis documented in the EA did not identify any significant short or long-term impacts resulting from the implementation of Alternative B. There will be no unusual or significant environmental impacts from the project because:

- There is no new road construction or reconstruction.

- Biological assessments and evaluations indicate the project will have no effects to threatened, endangered, proposed, or listed animal, fish, or plant species.
- Forest Plan standards and guidelines will be followed.

2. Implementation of Alternative B will not result in substantive effects to public health or safety.

Alternative B will have little or no effect on public health and safety. When on-site the Operators' vehicles and equipment will be parked or placed in selected locations so as not to interfere with other traffic using the Napias Creek road.

3. My decision would not result in any significant effects on any unique characteristics of the geographic area, historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

There are no parklands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas in the project area.

A number of historic features are present in the general vicinity and have been identified for avoidance. Activities will be adjusted, where necessary, if other significant cultural sites are discovered during the operation.

4. My approval of Alternative B will not result in any effects that are highly controversial.

Controversy in this context refers to situations where there is substantial dispute as to the size, nature, or effect of the action, rather than opposition to its implementation. As discussed previously there were no significant issues and concerns raised during internal and public scoping efforts or the 30-day notice and comment period for the EA.

5. The effects associated with Alternative B will not result in any highly uncertain, unique, or unknown risks.

The site has been mined previously using a nearly identical method. There has been no apparent short term or long-term erosion associated with the previous operation. Presently the site is in a stable condition.

The management activities associated with this proposal are typical of those successfully implemented in the past on the Salmon-Challis National Forest.

6. My decision does not establish a precedent for future actions with significant effects nor does it represent a decision in principle about a future consideration.

At this point, the plan submitted involves a decision regarding pick and shovel mining only. There is no proposal for future use of mechanized equipment under consideration at this time.

The operator does have the option of submitting a new plan of operation for exploration activities or additional mining. In the event a new proposal is received, all appropriate resources will be re-analyzed. The type of decision document utilized i.e. Decision Memo, Environmental Assessment, etc. will depend upon the scope of the proposal and the associated issues.

7. The analysis documented in the EA discloses that my decision would not result in any significant short-term, long-term, or cumulative effects

Chapter 4 of the EA and the BA/BE's (attached to the EA as Appendix C) disclose the environmental consequences for the fisheries and wildlife resources. These documents find that there will be no significant direct, indirect, and cumulative effects for the following reasons.

- **The limited scope of this activity.** Approximately .2 acres may be disturbed as a result of the proposals. Average annual production is estimated to impact approximately .04 acres and excavate 10 cubic yards of material.
- **The amount of water diverted from Rabbit Creek will decrease.** The installation of the proposed headgate will allow the claim holders to return flow to Rabbit Creek and subsequently Napias Creek during the period of non-use (November 1 and May 1). During this period flows in Napias Creek below Rabbit Creek will increase by an estimated seven percent. This is an improvement from the current situation.
- **There are no other active water rights (withdrawals) on Napias Creek located above Rabbit Creek.** There are no known projects or proposed projects either on private or public land within the analysis area that would cumulatively affect stream flow.
- **The low probability for long-term sediment delivery to the creek.** The proposed excavation of material will not occur in or near any wet areas, intermittent streams, or perennial streams. All proposed test holes and pits are greater than 300 feet from live water. At the cessation of mining disturbed areas will be reclaimed and revegetated. Barring a catastrophic rainfall event, the reclaimed sites will have no potential to contribute sediment to Napias Creek.
- **With the exception of obtaining water from Rabbit Creek Creek, mining activities will be conducted outside of riparian habitat.** The excavation areas are located on hill slopes that never supported riparian vegetation. As such the proposals will not affect any existing or potential riparian habitat.
- **Reasonably Foreseeable Future Actions.** There is no Forest Service prescribed burning proposals currently planned in the Napias Creek drainage. In 2006 the Forest Service is planning to sell the Goldbug Timber Sale. This 250-acre sale is comprised of deadwood only and involves no road building.

The operator has the option of submitting a new plan of operation for additional exploration activities or mining. In the event a new proposal is received all appropriate resources will be re-analyzed. The type of decision document utilized i.e. Decision Memo, Environmental Assessment, etc. will depend upon the scope of the proposal and the associated issues.

8. *My decision would not adversely affect sites or objects listed or eligible for listing in the National Register of Historic Places, nor would it cause the loss or destruction of significant scientific, cultural, or historic resources.*

See page 2, paragraph 3, **National Historic Preservation Act.**

9. *My decision would not adversely affect threatened or endangered species or their habitats.*

See page 2, paragraph 2, **Endangered Species Act.**

10. *My decision is consistent with Federal, State and local laws and requirements imposed for the protection of the environment.*

Alternative B is consistent with Federal, State, and local laws and requirements, as well as with Forest Plan standards and guidelines for the protection of the environment, as documented in the Decision Notice and the EA.

V ADMINISTRATIVE REVIEW, APPEAL RIGHTS and IMPLEMENTATION DATE

Pursuant to 36 CFR 215.8(a)(3), this decision is not subject to appeal. Because no expression of interest has been received during the notice and comment period and there is no change from the proposed action, implementation may occur immediately upon publication of the notice of decision. As indicated previously, the Operators will be required to submit a supplement to his Plan of Operations (to reflect required mitigation measures) and post a reclamation bond before their Plans of Operation are approved.

VI CONTACT PERSON

For further information on this decision, contact Bill Schuckert, Acting District Ranger, Salmon/Cobalt Fork Ranger District, 756-5247 or Russ Bjorklund, Minerals Management Specialist, Salmon-Challis NF Headquarters, 756-5283.


WILLIAM A. SCHUCKERT
Acting District Ranger

MAY 14, 2004
Date

SEGMENT OF EA-RECUAN.

- The effects of the proposal on Threatened, Endangered, Proposed and Forest Service designated sensitive (TE&S) fish, wildlife, plants and management indicator species (MIS) species.
- Cumulative effects.
- The potential for the proposal to impact heritage resources.
- The potential for the proposal to impact the roadless resource.

Chapter IV discloses the effects of the proposal on the concerns noted above.

II ALTERNATIVES

A. *No Action*

This alternative, required by NEPA, would be to deny the plans of operation. This alternative provides a baseline to compare the amount and rate of change due to the proposed plan. As mentioned previously, except in special instances the Forest Service may not deny a plan of operation. The Forest Service may, however, require the operator to consider the use of other options in order to avoid unnecessary and unreasonable resource impacts.

B. *Mining as proposed by the Operators*

The Operators are proposing to continue their small scale placer operations. The plans include both exploration and mining. The Operators have proposed to continue to access their claims by the use of Forest Service roads # 007 and # 008 as well as a foot bridge that crosses Napias Creek. Vehicles to be used include all terrain vehicles (ATV's) and pickup trucks. The foot bridge will be used for general access while the the ATV's will be used to transport people and equipment from the end of road 008 to the placer sites. Reference the general location map on page nine.

Area 1 – Donnie Hudson

The mining phase will occur in a cutbank immediately adjacent to existing tailings approximately 300 feet from Napias Creek. This prospect is approximately 20 ft. wide by 60 ft. long by 8 ft. deep. An estimated 1-4 cubic yards of material will be excavated annually by means of a pick and shovel. There will be no clearing of live trees. Excavated material will be processed in a sluice box. The Operator has been conducting intermittent exploration activities in this prospect since 1997 with positive results.

Exploration will occur in a second prospect that is located several hundred feet north of the first site. This undisturbed "island" in the midst of existing placer tailings has an approximate radius of 30 feet. Up to five test holes may be dug here.

7. The use of roads 61007 and 61008 will be restricted to dry conditions. Use of these roads will be authorized by means of a road use permit.
8. During final reclamation of the site the Operator will be responsible for the following: over-hanging banks created as a result of mining will be laid back to prevent sloughing; left-over waste material will be placed in excavated areas; disturbed areas will be reshaped to the extent feasible and seeded; the settling ponds will be reclaimed; and all equipment will be removed. Reclamation of the settling pond includes removal and disposal of the filter fabric and plastic, spreading of the old straw, and removal of other associated debris. The Forest Service will determine whether to remove all the sediment from the ponds and place at the excavation sites, or whether some should be left in place as growth media.
9. The bond for this operation must be posted prior to commencing any mining related activities.

Appendix B contains a comprehensive list of mitigation measure that will be required as modifications of the operator's plan. These mitigation measures are contained in the FLRMP (IV-51 item 1a and Appendix C VII-C-pg. 1-14). They are the standards and guidelines for locatable minerals operations that occur on the Forest.

III AFFECTED ENVIRONMENT

A. *Rabbit Creek Diversion and Water Flows*

Water is diverted year-round from Rabbit Creek by an existing historical ditch. The ditch is designed so that water flows into it without requiring an in-stream structure in order to divert it.

The water follows the ditch for several hundred yards before it is diverted down an existing spillway through historical tailings. The water appears to have been running from the ditch into the spillway since when the area was historically mined. The water flows down slope, percolating through the placer tailings, before backing up near Napias Creek due to lack of gradient. The water eventually makes it way slowly back into Napias Creek approximately 100 yards downstream from the mouth of Rabbit Creek.

The operators have been obtaining water from the ditch by blocking the diversion to the spillway and then piping the water to their operations.

The water diversion off of Rabbit Creek is recognized in the Idaho Department of Water Resources (IDWR) database. The point of diversion (POD) is located approximately 230 yards upstream from the mouth of Rabbit Creek. The water rights claim for this POD total 2.0 cubic feet per second (cfs) with each operator having a claim for one cfs. The season of use is from May 1 to November 1.

The POD currently diverts approximately 0.5 cfs of water, as the ditch is not large enough to transport the full amount (2.0 cfs) that is dedicated in the water rights claim.

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION
Ref. FSM 2810**

Forest Salmon-Challis District Salmon/Cobalt Inspection Date 7/6/06 10:00 AM

Name of Claim of Mining Operation Rabbit Placer & Paradise Placer Name of Claimant Donnie Hudson - Rabbit Pl
of Operator Ken Seymour / Dick Wright - Paradise Place

		YES	NO			YES	NO
1.	Mining or exploration work following approved operating plan?			3.	Timber removal in accordance with operating plan?		
a.	Erosion control measures satisfactory?			4.	Public safety and fire prevention in accordance with operating plan?		
b.	Erosion control measures satisfactory?			5.	State or other Federal Agency contract needed?		
c.	Stream protection adequate?			6.	Is any follow-up action required? (If yes, describe under "Remarks" section.)		
d.	Water quality satisfactory?						
e.	Reclamation work adequate and timely?						
f.	Bond adequate for level of operation?						
2.	Road construction in accordance with plan?						
a.	Maintenance adequate?						

Remarks (Describe any deficiencies or items needing attention.)

No one on the site during time of the inspection. No Activity was noted in either claim area. It appeared that No Activity has occurred for 1-2 years.

The headgate on Rabbit Creek is fully functional. No water was going through either claim area.

The next course of action is to contact Mr. Hudson, Mr. Seymour & Mr. Wright as to their future plans. If exploration is complete, reclamation should begin immediately.

INSPECTOR

TITLE

OPERATOR

DATE

DATE

WHITE - DISTRICT
YELLOW - OPERATOR
PINK - SUPERVISOR'S OFFICE

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION**
Ref. FSM 2810

Forest Salmon-Challis District Salmon-Challis Inspection Date 1/16/2010

Name of Claim of Mining Operation Probit/Dominion Name of Claimant of Operator Hudson/Seymour

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?		☒	3. Timber removal in accordance with operating plan?	<u>N/A</u>	<u>A</u>
a. Erosion control measures satisfactory?	☒		4. Public safety and fire prevention in accordance with operating plan?	<u>N/A</u>	<u>A</u>
b. Erosion control measures satisfactory?	☒		5. State or other Federal Agency contract needed?	<u>N/A</u>	<u>A</u>
c. Stream protection adequate?	☒		6. Is any follow-up action required? (If yes, describe under "Remarks" section.)	☒	
d. Water quality satisfactory?	☒				
e. Reclamation work adequate and timely?		☒			
f. Bond adequate for level of operation?		☒			
2. Road construction in accordance with plan? <u>N/A</u>					
a. Maintenance adequate? <u>"</u>					

Remarks (Describe any deficiencies or items needing attention.)

No operations have taken place over the last several years. Pipe, trash, and segments of pond liner along the diversion ditch need to be removed, as well as sluice boxes, on both claims. Inspection in 2006 revealed no current work & recommended reclamation begin immediately. Letters have been drafted to Mr. Hudson and Seymour's partner, Richard Wright, requesting reclamation be completed by sometime in FY2011.

INSPECTOR Julia Hopkins DATE 9/16/2010
TITLE Mineral Mgt. Specialist
OPERATOR _____ DATE _____



United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

File Code: 2810

Date: September 24, 2010

Donnie Ray Hudson
710 9th Street
Idaho Falls, ID 83404

Dear Mr. Hudson:

This letter is to notify you that the final reclamation measures for your 2004-2008 plan of operations at the Rabbit Placer claim need to be completed.

The reclamation includes removal of all piping, sluice boxes, sections of impermeable liner in the historic ditch, and miscellaneous trash left on the claim site.

Reclamation was to have been completed during the fall of the year following expiration of your plan (2008). Inspection reports filed in 2003, 2006, and last week indicated no recent activity on your operation.

Please contact us to propose a date for completing reclamation. In the event that you are unable to complete the required reclamation, the Forest Service will plan to use the reclamation bond to complete the work.

For further information please contact Julie Hopkins, Minerals Management Specialist, at 208-756-5279.

Sincerely,


KIMBERLY D. NELSON
District Ranger



CONVERSATION RECORD

TIME

13: 3

DATE

9/30/2010

TYPE

☐ VISIT☐ CONFERENCE☒ TELEPHONE☒ INCOMING
☐ OUTGOING

ROUTING

NAME/SYMBOL INT

Location of Visit / Conference:

NAME OF PERSON(S) CONTACTED OR IN CONTACT
WITH YOU

Jim Chadwick

ORGANIZATION (Office, dept., bureau,

TELEPHONE NO.

SUBJECT

Rabbit Placer

SUMMARY

Jim notified us that he and Partner Donnie Hudson wished to continue operating at the site.

Russ Bjorklund happened to be in my office when the call came in, so he joined in.

We informed Mr. Chadwick that the date of their previous Plan (agreement) had expired, and a new Plan and revised bond would be necessary.

Mr. Chadwick agreed to submit the necessary paper work.

ACTION REQUIRED

None

NAME OF PERSON DOCUMENTING CONVERSATION

Julie Hopkins

SIGNATURE

Julie Hopkins

DATE

9/30/10

ACTION TAKEN

SIGNATURE

TITLE

DATE

Note to file, 12/21/2010:

Unable to locate either L.K. Seymour or Richard Wright. Received no responses to letters mailed, and telephone numbers have been disconnected. Ken Seymour's bond of \$150.00 was returned to the Treasury when we could not successfully get a tax identification number.

Clean-up of Paradise Placer operation needs to occur. May attempt to accomplish w/ YEP or YCC in summer 2011

**DECISION NOTICE
FINDING OF NO SIGNIFICANT IMPACT**

for

**Donnie Hudson's and Ken Seymour's 2004 – 2008
Exploration and Mining Plans of Operation**

**USDA – Forest Service
Salmon-Challis National Forest
Salmon/Cobalt Ranger District
Lemhi County, Idaho**

I DECISION AND REASONS FOR THE DECISION

The Salmon/Cobalt Ranger District has completed an Environmental Assessment (EA) for Donnie Hudson's and Ken Seymour's 2004 – 2008 Exploration and Mining Plans of Operation. I have reviewed the analysis presented in the EA for Mr. Hudson's and Mr. Seymour's (the Operators) proposals. I have also discussed the anticipated effects of implementing this decision with the interdisciplinary team. As a result, I have decided to approve Alternative B. Approving this alternative will allow the Operators to conduct small-scale placer operations subject to the mitigation measures listed in the EA. The Operators will be required to amend their plans to reflect these mitigation measures and post a reclamation bond before I authorize approval of the plans. A full description of Alternative B and the associated mitigation measures can be found in the EA on pages 5-8.

In approving Alternative B, I considered the following factors:

A. *Laws, regulations & policies.*

Mining Law and Forest Service Regulations.

The Operators plans, as amended by the management requirements noted on pages 7-8 of the EA, minimize the opportunity for significant impacts on surface resources. As such, the Forest Service has met its responsibility to evaluate the proposal in an attempt to minimize or prevent significant environmental impacts.

Consistency with the Forest Plan

The proposals are located in an area in which management emphasis is on producing long-term timber outputs. Forest goals encourage the legitimate exploration and extraction of locatable minerals from NF lands while maintaining or improving other resource values (FLRMP IV-3).

The plans, as amended by the management requirements noted on pages 7-8 of the EA, are consistent with this direction. The design, location, and scope of the projects are such that there will be no effect to water quality or fisheries.

Endangered Species Act: Biological assessments (BA) and biological evaluations (BE) have been completed for threatened, endangered, proposed and sensitive wildlife, fish and plant species that may inhabit the project area. The analysis resulted in a **No Effect** determination for all species of concern.

National Historical Preservation Act: The project area has been surveyed for heritage resources. A number of historic features are present in the general vicinity and have been identified for avoidance. Activities will be adjusted, where necessary, if other significant cultural sites are discovered during the operation.

Tribal Consultation: On January 16, 2004, a letter explaining the proposals and requesting comments was sent to the chairman of the Shoshone Bannock tribe. No comments from the Tribe have been received to date.

B. Issues

There were no public comments received during the scoping period or the 30-day notice and comment period. No significant issues were identified as a result of the Forest Service review of the proposals, however, a number of mitigation measures were identified that are necessary to ensure adequate resource protection. These are listed on pages 7-8 of the EA.

II ALTERNATIVES CONSIDERED

A. No Action

This alternative would be to deny the plans of operation. This alternative provides a baseline to compare the amount and rate of change due to the proposed plan. United States mining laws confer a statutory right to the public for entry upon the public lands to search for minerals. Except in special instances involving mineral withdrawal and validity contests, the Forest Service does not have discretionary authority to deny a plan of operation. The Forest Service may, however, require the operator to consider the use of other options in order to avoid unnecessary and unreasonable resource impacts.

B. Mining as Proposed by the Operators'

Both Operators are proposing to conduct small-scale placer operations. An estimated 4-10 cubic yards of material will be excavated annually by means of a pick and shovel. Excavated material will be processed in a sluice box. Less than one fifth of an acre will be disturbed. At the conclusion of mining excavated areas will be re-shaped to approximate the natural contour. The Forest Service will require a bond in order to ensure that all reclamation work is completed.

C. Other Alternatives Considered

Resource specialists from the Forest Service have reviewed the Operators proposals. Those included in the reviews were an Archeologist, District Ranger, Fisheries Biologist, Hydrologist, Minerals Specialist, and Wildlife Biologist. No significant issues were identified which would warrant the consideration of additional alternatives in order to adequately protect surface resources.

III PUBLIC INVOLVEMENT

A. Public Scoping and Comments on the EA

Notice of the operator's exploration plan was listed in the Forests quarterly projects list during October 2003, January 2004 and April 2004. This list identifies new projects and the planning stage of ongoing projects for the Forest. The list includes a contact person for each project and describes how interested members of the public may comment or receive information about the project.

A legal notice describing the Operator's proposal and inviting public comment was published in the February 12, 2004 Recorder-Herald, Salmon Idaho. A scoping letter, describing the project and inviting comment, was sent to the Shoshone-Bannock Tribe. To date no comments from the public or the Tribe have been received.

The EA was made available to the public for a 30-day notice and comment period on April 8, 2004. No comments were received.

IV FINDING OF NO SIGNIFICANT IMPACT

Based on my review of the effects of the proposed action disclosed in the EA, I have determined that this decision is not a major Federal action that will significantly affect the quality of the human environment, either individually or cumulatively. Preparation of an Environmental Impact Statement is not required. This finding is based on the following factors:

1. *My decision will not result in any significant beneficial or adverse effects.*

The analysis documented in the EA did not identify any significant short or long-term impacts resulting from the implementation of Alternative B. There will be no unusual or significant environmental impacts from the project because:

- There is no new road construction or reconstruction.

- Biological assessments and evaluations indicate the project will have no effects to threatened, endangered, proposed, or listed animal, fish, or plant species.
- Forest Plan standards and guidelines will be followed.

2. Implementation of Alternative B will not result in substantive effects to public health or safety.

Alternative B will have little or no effect on public health and safety. When on-site the Operators' vehicles and equipment will be parked or placed in selected locations so as not to interfere with other traffic using the Napias Creek road.

3. My decision would not result in any significant effects on any unique characteristics of the geographic area, historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

There are no parklands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas in the project area.

A number of historic features are present in the general vicinity and have been identified for avoidance. Activities will be adjusted, where necessary, if other significant cultural sites are discovered during the operation.

4. My approval of Alternative B will not result in any effects that are highly controversial.

Controversy in this context refers to situations where there is substantial dispute as to the size, nature, or effect of the action, rather than opposition to its implementation. As discussed previously there were no significant issues and concerns raised during internal and public scoping efforts or the 30-day notice and comment period for the EA.

5. The effects associated with Alternative B will not result in any highly uncertain, unique, or unknown risks.

The site has been mined previously using a nearly identical method. There has been no apparent short term or long-term erosion associated with the previous operation. Presently the site is in a stable condition.

The management activities associated with this proposal are typical of those successfully implemented in the past on the Salmon-Challis National Forest.

6. My decision does not establish a precedent for future actions with significant effects nor does it represent a decision in principle about a future consideration.

At this point, the plan submitted involves a decision regarding pick and shovel mining only. There is no proposal for future use of mechanized equipment under consideration at this time.

The operator does have the option of submitting a new plan of operation for exploration activities or additional mining. In the event a new proposal is received, all appropriate resources will be re-analyzed. The type of decision document utilized i.e. Decision Memo, Environmental Assessment, etc. will depend upon the scope of the proposal and the associated issues.

7. The analysis documented in the EA discloses that my decision would not result in any significant short-term, long-term, or cumulative effects

Chapter 4 of the EA and the BA/BE's (attached to the EA as Appendix C) disclose the environmental consequences for the fisheries and wildlife resources. These documents find that there will be no significant direct, indirect, and cumulative effects for the following reasons.

- **The limited scope of this activity.** Approximately .2 acres may be disturbed as a result of the proposals. Average annual production is estimated to impact approximately .04 acres and excavate 10 cubic yards of material.
- **The amount of water diverted from Rabbit Creek will decrease.** The installation of the proposed headgate will allow the claim holders to return flow to Rabbit Creek and subsequently Napias Creek during the period of non-use (November 1 and May 1). During this period flows in Napias Creek below Rabbit Creek will increase by an estimated seven percent. This is an improvement from the current situation.
- **There are no other active water rights (withdrawals) on Napias Creek located above Rabbit Creek.** There are no known projects or proposed projects either on private or public land within the analysis area that would cumulatively affect stream flow.
- **The low probability for long-term sediment delivery to the creek.** The proposed excavation of material will not occur in or near any wet areas, intermittent streams, or perennial streams. All proposed test holes and pits are greater than 300 feet from live water. At the cessation of mining disturbed areas will be reclaimed and revegetated. Barring a catastrophic rainfall event, the reclaimed sites will have no potential to contribute sediment to Napias Creek.
- **With the exception of obtaining water from Rabbit Creek Creek, mining activities will be conducted outside of riparian habitat.** The excavation areas are located on hill slopes that never supported riparian vegetation. As such the proposals will not affect any existing or potential riparian habitat.
- **Reasonably Foreseeable Future Actions.** There is no Forest Service prescribed burning proposals currently planned in the Napias Creek drainage. In 2006 the Forest Service is planning to sell the Goldbug Timber Sale. This 250-acre sale is comprised of deadwood only and involves no road building.

The operator has the option of submitting a new plan of operation for additional exploration activities or mining. In the event a new proposal is received all appropriate resources will be re-analyzed. The type of decision document utilized i.e. Decision Memo, Environmental Assessment, etc. will depend upon the scope of the proposal and the associated issues.

8. *My decision would not adversely affect sites or objects listed or eligible for listing in the National Register of Historic Places, nor would it cause the loss or destruction of significant scientific, cultural, or historic resources.*

See page 2, paragraph 3, **National Historic Preservation Act.**

9. *My decision would not adversely affect threatened or endangered species or their habitats.*

See page 2, paragraph 2, **Endangered Species Act.**

10. *My decision is consistent with Federal, State and local laws and requirements imposed for the protection of the environment.*

Alternative B is consistent with Federal, State, and local laws and requirements, as well as with Forest Plan standards and guidelines for the protection of the environment, as documented in the Decision Notice and the EA.

V ADMINISTRATIVE REVIEW, APPEAL RIGHTS and IMPLEMENTATION DATE

Pursuant to 36 CFR 215.8(a)(3), this decision is not subject to appeal. Because no expression of interest has been received during the notice and comment period and there is no change from the proposed action, implementation may occur immediately upon publication of the notice of decision. As indicated previously, the Operators will be required to submit a supplement to his Plan of Operations (to reflect required mitigation measures) and post a reclamation bond before their Plans of Operation are approved.

VI CONTACT PERSON

For further information on this decision, contact Bill Schuckert, Acting District Ranger, Salmon/Cobalt Fork Ranger District, 756-5247 or Russ Bjorklund, Minerals Management Specialist, Salmon-Challis NF Headquarters, 756-5283.


WILLIAM A. SCHUCKERT
Acting District Ranger

MAY 14, 2004
Date

SEGMENT OF EA-RECUM.

- The effects of the proposal on Threatened, Endangered, Proposed and Forest Service designated sensitive (TE&S) fish, wildlife, plants and management indicator species (MIS) species.
- Cumulative effects.
- The potential for the proposal to impact heritage resources.
- The potential for the proposal to impact the roadless resource.

Chapter IV discloses the effects of the proposal on the concerns noted above.

II ALTERNATIVES

A. *No Action*

This alternative, required by NEPA, would be to deny the plans of operation. This alternative provides a baseline to compare the amount and rate of change due to the proposed plan. As mentioned previously, except in special instances the Forest Service may not deny a plan of operation. The Forest Service may, however, require the operator to consider the use of other options in order to avoid unnecessary and unreasonable resource impacts.

B. *Mining as proposed by the Operators*

The Operators are proposing to continue their small scale placer operations. The plans include both exploration and mining. The Operators have proposed to continue to access their claims by the use of Forest Service roads # 007 and # 008 as well as a foot bridge that crosses Napias Creek. Vehicles to be used include all terrain vehicles (ATV's) and pickup trucks. The foot bridge will be used for general access while the the ATV's will be used to transport people and equipment from the end of road 008 to the placer sites. Reference the general location map on page nine.

Area 1 – Donnie Hudson

The mining phase will occur in a cutbank immediately adjacent to existing tailings approximately 300 feet from Napias Creek. This prospect is approximately 20 ft. wide by 60 ft. long by 8 ft. deep. An estimated 1-4 cubic yards of material will be excavated annually by means of a pick and shovel. There will be no clearing of live trees. Excavated material will be processed in a sluice box. The Operator has been conducting intermittent exploration activities in this prospect since 1997 with positive results.

Exploration will occur in a second prospect that is located several hundred feet north of the first site. This undisturbed "island" in the midst of existing placer tailings has an approximate radius of 30 feet. Up to five test holes may be dug here.

22-10-1982
RECEIVED
Maximum test-hole size will not exceed 4 ft. wide by 4 ft. long and 3 ft. deep. Excavated material will be carried in five gallon buckets to the sluice box where it will be washed. If test results are not favorable, waste material will be back-filled into the test-holes.

Over the five-year period the total disturbance is estimated to be less than one tenth of one acre.

Water needed for sluicing will be obtained from an existing ditch that is fed year-round by Rabbit Creek. As per the Operator's water right, water may be utilized from May 1 until November 1. A head gate will be installed near the beginning of the ditch in order to divert the water back into Rabbit Creek from November 1 until May 1.

Water will be transported from the ditch to the sluice box by PVC pipe. During periods of inactivity (from May through November) the Operator will be required to "turn off" the water. He will have the option of either shutting the head gate next to Rabbit Creek or installing a second head gate in order to divert the water back into an existing historical spillway. Both the ditch and spillway were constructed during early-day mining and water appears to have been running from the ditch into the spillway since their construction.

An existing settling pond, used during the Operator's previous exploration efforts, will be abandoned and reclaimed. The processing facilities will be moved approximately 30 ft. to the southwest to a previously dredged area of large rocks (placer tailings) to eliminate the risk of sediment entering the historic spillway.

A new plastic-lined settling pond will be constructed to allow sediments to drop out of the process water. The discharge point of the pond will be designed to include straw bales lined with filter cloth. The filtered water will be discharged into a previously dredged area where it will percolate through the tailings. No direct discharge into surface waters will occur as a result of this activity.

Following mining, any over-hanging cut banks will be laid back to prevent sloughing, left-over waste material will be placed in excavated areas, disturbed areas will be reshaped to the extent feasible and seeded, the settling ponds will be reclaimed and all equipment will be removed. Reclamation of the settling pond includes removal and disposal of the filter fabric and plastic, spreading of the old straw, and removal of other associated debris. The Forest Service will determine whether to remove all the sediment from the ponds and place at the excavation sites, or whether it should be left in place as growth media.

Area 2 – Ken Seymour

Mr. Seymour's operation is located several hundred feet to the south of Mr. Hudsons. The site is characterized by gentle slopes that support a lodgepole pine forest type. The site is over three hundred feet from Napias Creek.

The operator is proposing to continue to explore for gold by excavating approximately 1-6 cubic yards of material annually by means of a pick and shovel. Test holes will be constructed by hand that are approximately 4 ft. by 4 ft. wide with a depth of 5 or 6 ft. There will be no clearing of live trees.

Over the five-year period the total disturbance is estimated to be less than one tenth of one acre.

The processing method will be nearly identical to that described for Mr. Hudson. Excavated material will be processed in a sluice box. Excavated material will be carried in five gallon buckets to the sluice box where it will be washed. Water needed for sluicing will be obtained from an existing ditch that is fed by Rabbit Creek. Water will be transported from the ditch to the sluice box by PVC pipe. The Operator will use the same head gates that Mr. Hudson uses to divert water back into Rabbit Creek or the spillway when the operation is inactive. In order to treat process water, the Operator will use an existing settling pond such as that described for Mr. Hudson.

D. *Management Requirements and Constraints to be Incorporated into the Plans of Operation.*

1. Prior to commencing activities the FS Administrator and Operator's shall review the design and location of the headgate and settling ponds.
2. Only one sluice box per operation will be allowed.
3. Prior to commencing mining Mr. Hudson will reclaim his existing settling pond. The new settling pond will be constructed approximately 30 ft. southwest of the original one. **(HUDSON ONLY).**
4. The FS Administrator will monitor the effectiveness of the settling ponds during sluicing operations. If additional filtering capacity or effectiveness is determined necessary, the Operator will be requested to implement the measures needed to ensure that process water is adequately filtered and dissipated in a manner so as to not cause erosion. This may include modification of the settling pond; use of discharge hoses or perforated pipes that will distribute the water in such a manner so as to prohibit erosion; construction of a second settling pond; or installation of silt fence and straw bales directly below the sluicing site etc.
5. A head gate will be installed near the beginning of the ditch in order to divert the water back into Rabbit Creek from November 1 until May 1.
6. During periods of inactivity (May 1 – November 1) water running through the PVC pipe to the sluice sites will be shut off and re-directed to either the spillway or Rabbit Creek.

7. The use of roads 61007 and 61008 will be restricted to dry conditions. Use of these roads will be authorized by means of a road use permit.
8. During final reclamation of the site the Operator will be responsible for the following: over-hanging banks created as a result of mining will be laid back to prevent sloughing; left-over waste material will be placed in excavated areas; disturbed areas will be reshaped to the extent feasible and seeded; the settling ponds will be reclaimed; and all equipment will be removed. Reclamation of the settling pond includes removal and disposal of the filter fabric and plastic, spreading of the old straw, and removal of other associated debris. The Forest Service will determine whether to remove all the sediment from the ponds and place at the excavation sites, or whether some should be left in place as growth media.
9. The bond for this operation must be posted prior to commencing any mining related activities.

Appendix B contains a comprehensive list of mitigation measure that will be required as modifications of the operator's plan. These mitigation measures are contained in the FLRMP (IV-51 item 1a and Appendix C VII-C-pg. 1-14). They are the standards and guidelines for locatable minerals operations that occur on the Forest.

III AFFECTED ENVIRONMENT

A. *Rabbit Creek Diversion and Water Flows*

Water is diverted year-round from Rabbit Creek by an existing historical ditch. The ditch is designed so that water flows into it without requiring an in-stream structure in order to divert it.

The water follows the ditch for several hundred yards before it is diverted down an existing spillway through historical tailings. The water appears to have been running from the ditch into the spillway since when the area was historically mined. The water flows down slope, percolating through the placer tailings, before backing up near Napias Creek due to lack of gradient. The water eventually makes it way slowly back into Napias Creek approximately 100 yards downstream from the mouth of Rabbit Creek.

The operators have been obtaining water from the ditch by blocking the diversion to the spillway and then piping the water to their operations.

The water diversion off of Rabbit Creek is recognized in the Idaho Department of Water Resources (IDWR) database. The point of diversion (POD) is located approximately 230 yards upstream from the mouth of Rabbit Creek. The water rights claim for this POD total 2.0 cubic feet per second (cfs) with each operator having a claim for one cfs. The season of use is from May 1 to November 1.

The POD currently diverts approximately 0.5 cfs of water, as the ditch is not large enough to transport the full amount (2.0 cfs) that is dedicated in the water rights claim.

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION**
Ref. FSM 2810

Forest Salmon-Challis District Salmon/Cobalt Inspection Date 7/6/06 10:00 AM
 Name of Claim of Mining Operation Rabbit Placer & Paradise Placer Name of Claimant Donnie Hudson - Rabbit Placer
 of Operator Ken Seymour / Dick Wright - Paradise Placer

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?	☒	☐	3. Timber removal in accordance with operating plan?	☐	☐
a. Erosion control measures satisfactory?	☐	☐	4. Public safety and fire prevention in accordance with operating plan?	☐	☐
b. Erosion control measures satisfactory?	☐	☐	5. State or other Federal Agency contract needed?	☐	☐
c. Stream protection adequate?	☐	☐	6. Is any follow-up action required? (If yes, describe under "Remarks" section.)	☐	☐
d. Water quality satisfactory?	☐	☐			
e. Reclamation work adequate and timely?	☐	☐			
f. Bond adequate for level of operation?	☐	☐			
2. Road construction in accordance with plan?	☐	☐			
a. Maintenance adequate?	☐	☐			

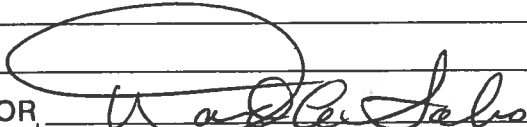
Remarks (Describe any deficiencies or items needing attention.)

No one on the site during time of the inspection. No Activity was noted in either claim area. It appeared that No Activity has occurred for 1-2 years.

The headgate on Rabbit Creek is fully functional. No water was going through either claim area.

The next course of action is to contact Mr. Hudson, Mr. Seymour & Mr. Wright as to their future plans. If exploration is complete, reclamation should begin immediately.

INSPECTOR


DATE 7/6/06

TITLE

Minerals Mgmt Spec.

OPERATOR

DATE

WHITE - DISTRICT
YELLOW - OPERATOR
PINK - SUPERVISOR'S OFFICE

Chronology of Events, Hudson/Chadwick and Seymour/Wright Claims

May 14, 2004: Plans of Operation approved for Donnie Hudson on the Blue Moon claim, and for Ken Seymour on the Paradise claim, Rabbit Creek, Lemhi County, Idaho. Plans were approved for the period from 2004-2008, and stipulated that following mining, site reclamation needed to be completed.

July 6, 2006: An inspection conducted by Forest Service Minerals Administrator Dave Sabo indicated that it occurred that no activity had occurred for 1-2 years on either claim (Hudson or Seymour). The report recommended that the operators be contacted regarding their future plans and that reclamation work should begin immediately.

9/16/2010: An inspection conducted by Forest Service Minerals Management Specialist Julie Hopkins indicated that no activity had taken place at the site for the past several years.

9/24/2010: A letter from District Ranger Kimberly Nelson was mailed to Donnie Hudson and Ken Seymour notifying the operators to contact the Forest Service regarding their plans for completing reclamation on the site, and to set a date for when reclamation would be complete.

9/30/2010: Julie Hopkins was contacted via phone by Jim Chadwick (partner of Donnie Hudson), who informed her that they wished to continue operating at the site. Minerals Program Manager, Russ Bjorklund, and Ms. Hopkins informed Mr. Chadwick that the previous Plan had expired and a new Plan would be required, along with a revised bond.

12/21/2010: Letters sent by the FS to Ken Seymour and Richard Wright were never responded to. Attempts to reach both operators by phone revealed that phone numbers provided by the operator in their original Plan had been disconnected. At this point, the FS had no contact from operators Seymour and Wright for over four years. Their bond was forfeited, and the FS has subsequently begun reclamation of the site.

May 19, 2011: District Ranger Nelson sent a letter to Donnie Hudson notifying him that the Forest Service had still not received a new Plan. She requested that final reclamation be completed by September 1, 2011.

June 7, 2011: Mr. Chadwick sent a letter to the Forest Service again asking to continue their 2004-2008 Plan of Operation. He indicated they would be cleaning up the area, and filling and seeding areas that had been worked.

June 21, 2011: Minerals Management Specialist Julie Hopkins sent the operators a letter noting that a Plan, once expired, cannot be "continued." She sent the operators a blank Plan of Operations form, and notified them that until a new Plan is approved, only reclamation activities would be approved at the site.

July 29, 2011: The operators finally submit a new Plan of Operation, approximately 10 months after being notified that one was required.

August 2, 2011: District Ranger Nelson acknowledged receipt of the new Plan of Operation.

September 9, 2011: District Ranger Nelson sends a letter Donnie Hudson (cc to Jim Chadwick) informing them that a field review was conducted of their site and new Plan proposal. She noted that the interdisciplinary team recommended that some site reclamation, primarily in the form of cleaning up trash, be conducted prior to the initiation of a new environmental analysis.

April 16, 2012: Julie Hopkins called Jim Chadwick and asked if he and Mr. Hudson would set a date by which they would complete the required reclamation and site clean-up requirements. Mr. Chadwick told her that clean-up would occur in late spring of 2012.

July 30, 2012: Julie Hopkins visited Mr. Hudson's/Mr. Chadwick's site to determine if any site clean-up or reclamation had occurred. No work had been done, and the wooden floor of the footbridge (crossing Napias Creek) constructed by the operators was rotten and unsafe.

August 2, 2012: District Ranger Jay Winfield sent the operators a Notice of Noncompliance for failure to complete reclamation requirements of their 2004-2008 Plan of Operation, nearly two years after the Forest Service had first requested final reclamation. Ample opportunity had been given the operator to clean up their site. The Notice of Noncompliance required that because of the operators' failure to complete reclamation in a timely manner and to work with the FS Minerals Administrator to set and meet deadlines, final reclamation was required to be completed by September 1, 2012.

August 6, 2012: Jim Chadwick telephoned Julie Hopkins and indicated that he had been to the site on the previous weekend and hauled out two wheelbarrow loads of trash.

August 8, 2012: Julie Hopkins visited the site and found that no clean-up had occurred. The bridge was likely unable to take the weight of a fully loaded wheelbarrow. Pictures attached to the inspection report show trash that has still not been removed.

August 18, 2012: Ms. Hopkins, on a visit to an adjacent operation, chanced upon Jim Chadwick and five other people unloading plywood and sacks of concrete at the site. In the inspection report for this visit, Ms. Hopkins approves only the repair of the bridge and clean-up activities – no excavation. Without an approved Plan of Operation, these activities were prohibited.

September 4, 2012: Donnie Hudson's Notice of Noncompliance, sent via certified mail, was returned after two attempts to deliver it. Julie Hopkins was unable to reach Mr. Hudson at the telephone number listed on the most current Plan of Operation, and finally called a cell number listed on the old Plan. Mr. Hudson had been in Arizona for a series of operations. He indicated that if the cleanup of the site on 8/18/12 was not sufficient, the FS should let them know and they would return to fix anything deemed insufficient.

September 25, 2012: Julie Hopkins inspected the site. Noted that the bridge had been repaired and some trash had been removed from the site.

January 8, 2013: Ms. Hopkins sent the operators a letter thanking them for clean-up of the site and a written description of their new proposal to serve as the Proposed Action for environmental analysis. She asked the operators to please contact her and let her know if the written description was accurate.

March 7, 2013: District Ranger Jay Winfield sent the operators a letter reminding them that the Forest Service had requested their feedback on whether the written description of their proposal was accurate. He noted that it is standard agency advice to operators that it may take up to one year to get permitted. Further, he noted that although they had submitted a plan in July of 2012, circumstances delayed initiation of the environmental analysis of their proposal, including:

- Failure of the operators to complete clean-up of their previous operation in a timely manner, and
- Failure of the operators to notify the Forest Service that the description of their proposal is accurate.

August 22, 2013: Julie Hopkins conducted an inspection of the site and found that no activity had occurred at the site and the operators' broken and punctured pipe, pond liner, tarps, and wash plant are still evident on the site.

November 5, 2013: District Ranger Winfield sends a letter to IDWR requesting forfeiture of water rights #75-14072 and 75-14073, as the holders of these rights have failed to maintain an approved Plan of Operation (agreement) with the Forest Service and for non-use of the water rights.

December 9, 2013: District Ranger Winfield sends the operators another Notice of Noncompliance for failure to complete reclamation.

FOREST SERVICE EVALUATION

File No 2810-5095

Plan No. 2004 - 2008

This Plan adequately protects the surface resources affected and no additional operations or reclamation measures are needed? YES NO

This Plan does not adequately protect the surface resources and the following modifications are required for approval: YES NO

Reference the Environmental Assessment for Mr. Hudson's operation and the associated Decision Notice, signed May 14, 2004, for measures to be incorporated into his 2004 - 2008 plan of operations.

The operator agrees that he has no need for vehicle access on Forest Roads #61007 And 61008. The operator agrees that he does not need ATV access to his claims.

A bond in the amount of \$500 is required prior to commencing operations. The purpose of the bond is to assure reclamation of activities approved under the 2004 - 2008 plan. The operator has already posted a \$300.00 bond for previous activities so an additional \$200.00 bond is due.

This Plan of Operations, including all provisions made herein and attachments thereto, meeting requirements under 36 CFR 228.4, are approved and mutually agreed upon by the UNITED STATES OF AMERICA, acting through the USDA-FOREST SERVICE, Salmon and Challis National Forests, Salmon-Cobalt Ranger District, and MINING CLAIMANTS/OPERATORS:

Donnie Ray Hudson, 710 9th Street, Idaho Falls, ID 83404

Approval of this operating plan does not constitute recognition or certification of ownership by any person named as owner herein.

Approval of this operating plan does not constitute now or in the future recognition or certification of the validity of any mining claim to which it may relate or to the mineral character of the land on which it lies.

UNITED STATES OF AMERICA

MINING CLAIMANT/OPERATOR



WILLIAM A. SCHUCKERT
Salmon-Cobalt Acting District Ranger



AUTHORIZED REPRESENTATIVE

FOREST SERVICE

I am writting this Request for Donnie Hudson and my self.

WE would like to continue are plan of operation that was submitted for 2004 - 2008. If anything needs to be changed please notify use of that change.

Donnie has had back operation and won't be able to mine untill later this month or sometime next. Myself I will be going up on days that I'm able. We plan just to explore areas with shovels and have one wash plant and shice box. No heavy equipment.

WE will start cleanning up the area that we have left stuff not in use. WE will need to leave plastic in ditch or we can't get water. Any holes that we have dug that we are no longer working we will fill in and seed.

please send response to myself and Donnie Hudson.

Jim Chadwick

291 E 20th St

Idaho Falls, Idaho

83404

Thank you Jim
Chadwick

Donnie Hudson

710 9th St

Idaho Falls, ID

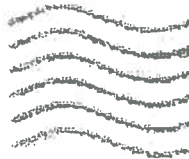
83401



James Chadwick
291 E. 20th St.
Idaho Falls, ID 83404-6025

FOCATELLO ID 832

07 JUN 2011 PM 1 T



FOREST STERLICK
311 McPherson St.
Salmon, ID 83467

83467+4652





United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Supervisor's Office

1206 S. Challis
Salmon, ID 83467
208 756-5100

File Code: 2810

Date: June 21, 2011

Donnie Hudson
710 9th Street
Idaho Falls, ID 83401

Dear Mr. Hudson:

Thank you for your letter of June 7, 2011, in which you request to continue your Plan of Operation approved for 2004-2008. As your previous plan was valid only through 2008, it can not be "continued," and a new Plan of Operations must be filed. I have attached a Plan of Operations form for you to complete. You should include much of the information contained in your recent letter on this form.

As your old plan is no longer valid, we may also need to convene a team of specialists and complete a new environmental analysis for any new plan you may submit. At the very least, we will need to complete a supplemental information report and recalculate the reclamation bond for a new plan. Until a new plan is in place, the only activities you may conduct at the site are reclamation activities. Exploration activities (pick and shovel, use of wash plant, etc.) are not authorized.

If Mr. Chadwick is going to be part of your operation, please include his contact information on the Plan of Operation form.

Please contact me at 208-756-5279 if you need further assistance.

Sincerely,

Julie A. Hopkins
Minerals Management Specialist

Enclosures
cc: Jim Chadwick



PLAN OF OPERATIONS FOR MINING ACTIVITIES ON NATIONAL FOREST SYSTEM LANDS

RECEIVED
JUL 29 2011

FS-2800-5 (Rev. 12/11)
OMB No. 0596-0022

USE OF THIS FORM IS OPTIONAL! 1st TIME USERS SHOULD DIRECT QUESTIONS REGARDING THIS FORM OR REGULATIONS (36 CFR 228A) TO THE FOREST SERVICE DISTRICT OFFICE NEAREST YOUR AREA OF INTEREST.

Submitted by:

Jim Chadwick
Signature
Donnie Hudson
Signature

operator
Title
operator
Title

9-26-11

Date
(mm/dd/yy)

7-26-12

Date
(mm/dd/yy)

Plan Received by:

Julie A. Hopkins
Signature
Min. Mgt. Spec
Title

7-29-11

Date
(mm/dd/yy)

I. GENERAL INFORMATION

- A. Name of Mine/Project: _____
- B. Type of Operation: exploration
(lode, placer, mill, exploration, development, production, other)
- C. Is this a (☐ new/☒ continuing) operation? (check one).
If continuing a previous operation, this plan (☐ replaces/☐ modifies/☒ supplements) a previous plan of operations. (check one)
- D. Proposed start-up date (mm/dd/yy) of operation: Sept. 1st 2011
- E. Expected total duration of this operation: 5 years
- F. If seasonal, expected date (mm/dd/yy) of annual reclamation/stabilization close out: Oct 1st
- G. Expected date (mm/dd/yy) for completion of all required reclamation: Oct 1st 2016

II. PRINCIPALS

- A. Name, address and phone number of operator:
Jim Chadwick 291 E 20th St Idaho Falls, ID (208) 589-4965
- B. Name, address, and phone number of authorized field representative (if other than the operator).
Attach authorization to act on behalf of operator.
Donnie Hudson 710 9th St Idaho Falls ID (208) 687-6821
- C. Name, address and phone number of owners of the claims (if different than the operator):
David Gietzen 3261 Chaparral Cir. Saint George UT. 81770
Steve Wackenh 100 Box 50857, Idaho Falls, ID 83405

(If more space is needed to fill out a block of information, use additional sheets and attach form)

- D. Name, address and phone number of any other lessees, assigns, agents, etc., and briefly describe their involvement with the operation, if applicable:

III. PROPERTY OR AREA

(Name of claim, if applicable, and the legal land description where the operation will be located.)

MC#	Name	Section	Township	Range
179209	Smith Placer	N-W $\frac{1}{4}$ 32	22 N	20 E
179210	Blue Moon	N-W $\frac{1}{4}$ 32	22 N	20 E

IV. DESCRIPTION OF THE OPERATION

- A. **Access.** Show on a map (USGS quadrangle map or a National Forest map, for example) the claim boundaries, if applicable, and all access needs such as roads and trails, on and off the claim. Specify which Forest Service roads will be used, where maintenance or reconstruction is proposed, and where new construction is necessary. For new construction, include construction specifications such as widths, grades, etc., location and size of culverts, describe maintenance plans, and the type and size of vehicles and equipment that will use the access routes.

WE USE TO USE forest service roads but put a bridge across rapids creek and started walking in. We don't disturb a lot of area maybe in a one summer area we may move a couple yards of material. Its just a hobby for us and we enjoy doing it.

- B. **Map, Sketch or Drawing.** Show location and layout of the area of operation. Identify any streams, creeks or springs if known. Show the size and kind of all surface disturbances such as trenches, pits, settling ponds, stream channels and run-off diversions, waste dumps, drill pads, timber disposal or clearance, etc. Include sizes, capacities, acreage, amounts, locations, materials involved, etc.

(If more space is needed to fill out a block of information, use additional sheets and attach form)

- C. **Project Description.** Describe all aspects of the operation including mining, milling, and exploration methods, materials, equipment, workforce, construction and operation schedule, power requirements, how clearing will be accomplished, topsoil stockpile, waste rock placement, tailings disposal, proposed number of drillholes and depth, depth of proposed suction dredging, and how gravels will be replaced, etc. Calculate production rates of ore. Include justification and calculations for settling pond capacities, and the size of runoff diversion channels.

wash plant for washing material - shovel and pick
buckets for shoveling material - after completion of
working hole will replace with rock and dirt
we took out.

- D. **Equipment and Vehicles.** Describe that which is proposed for use in your operation (Examples: drill, dozer, wash plant, mill, etc.). Include: sizes, capacity, frequency of use, etc.

wash plant small $\frac{1}{4}$ yard capacity will maybe be
using 4 to 8 days a month.

- E. **Structures.** Include information about fixed or portable structures or facilities planned for the operation. Show locations on the map. Include such things as living quarters, storage sheds, mill buildings, thickener tanks, fuel storage, powder magazines, pipelines, water diversions, trailers, sanitation facilities including sewage disposal, etc. Include engineering design and geotechnical information for project facilities, justification and calculations for sizing of tanks, pipelines and water diversions, etc.

Pipeline running from ditch that is diverted out of
Rabbit creek.

V. ENVIRONMENTAL PROTECTION MEASURES (SEE 36 CFR 228.8)

- A. **Air Quality.** Describe measures proposed to minimize impacts on air quality such as obtaining a burning permit for slash disposal or dust abatement on roads.

NA

B. Water Quality. State how applicable state and federal water quality standards will be met. Describe measures or management practices to be used to minimize water quality impacts and meet applicable standards.

1. State whether water is to be used in the operation, and describe the quantity, source, methods and design of diversions, storage, use, disposal, and treatment facilities. Include assumptions for sizing water conveyance or storage facilities.
2. Describe methods to control erosion and surface water runoff from all disturbed areas, including waste and tailings dumps.
3. Describe proposed surface water and groundwater quality monitoring, if required, to demonstrate compliance with federal or state water quality standards.
4. Describe the measures to be used to minimize potential water quality impacts during seasonal closures, or for a temporary cessation of operations.
5. If land application is proposed for waste water disposal, the location and operation of the land application system must be described. Also describe how vegetation, soil, and surface and groundwater quality will be protected if land application is used.

minimal use will have settling pond constructed
~~water~~ where and how you instruct us to.

C. Solid Wastes. Describe the quantity and the physical and chemical characteristics of solid waste produced by the operation. Describe how the wastes will be disposed of including location and design of facilities, or treated so as to minimize adverse impacts.

NA

D. Scenic Values. Describe protection of scenic values such as screening, slash disposal, or timely reclamation.

will fill everything back to same when completed

(If more space is needed to fill out a block of information, use additional sheets and attach form)

- E. **Fish and Wildlife.** Describe measures to maintain and protect fisheries and wildlife, and their habitat (includes threatened, endangered, and sensitive species) affected by the operations.

NO impact that we can see

-
- F. **Cultural Resources.** Describe measures for protecting known historic and archeological values, or new sites in the project area.

NA

-
- G. **Hazardous Substances.**

1. Identify the type and volume of all hazardous materials and toxic substances which will be used or generated in the operations including cyanide, solvents, petroleum products, mill, process and laboratory reagents.

NONE

-
2. For each material or substance, describe the methods, volume, and frequency of transport (include type of containers and vehicles), procedures for use of materials or substances, methods, volume, and containers for disposal of materials and substances, security (fencing), identification (signing/labeling), or other special operations requirements necessary to conduct the proposed operations.

NA

-
3. Describe the measures to be taken for release of a reportable quantity of a hazardous material or the release of a toxic substance. This includes plans for spill prevention, containment, notification, and cleanup.

NA

- H. **Reclamation.** Describe the annual and final reclamation standards based on the anticipated schedule for construction, operations, and project closure. Include such items as the removal of structures and facilities including bridges and culverts, a revegetation plan, permanent containment of mine tailings, waste, or sludges which pose a threat of a release into the environment, closing ponds and eliminating standing water, a final surface shaping plan, and post operations monitoring and maintenance plans.

fill in holes with rocks and dirt
we take out and RESEED with Recommended
SEED mixture

VI. FOREST SERVICE EVALUATION OF PLAN OF OPERATIONS

- A. Required changes/modifications/special mitigation for plan of operations:

- B. **Bond.** Reclamation of all disturbances connected with this plan of operations is covered by Reclamation Performance Bond No. _____, dated (mm/dd/yy) _____, signed by _____ (Principal) and _____ (Surety), for the penal sum of _____. This Reclamation Performance Bond is a guarantee of faithful performance with the terms and conditions listed below, and with the reclamation requirements agreed upon in the plan of operations. This Reclamation Performance Bond also extends to and includes any unauthorized activities conducted in connection with this operation.

The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet. The bond amount may be adjusted during the term of this proposed plan of operations in response to changes in the operations or to changes in the economy. Both the Reclamation Performance Bond and the bond calculation worksheet are attached to and made part of this plan of operations. Acceptable bond securities (subject to change) include:

1. Negotiable Treasury bills and notes which are unconditionally guaranteed as to both principle and interest in an amount equal at their par value to the penal sum of the bond; or
2. Certified or cashier's check, bank draft, Post Office money order, cash, assigned certificate of deposit, assigned savings account, blanket bond, or an irrevocable letter of credit equal to the penal sum of the bond.

(If more space is needed to fill out a block of information, use additional sheets and attach form)

VII. TERMS AND CONDITIONS

- A. If a bond is required, it must be furnished before approval of the plan of operations.
- B. Information provided with this plan marked confidential will be treated in accordance with the agency's laws, rules, and regulations.
- C. Approval of this plan does not constitute certification of ownership to any person named herein and/or recognition of the validity of any mining claim named herein.
- D. Approval of this plan does not relieve me of my responsibility to comply with other applicable state or federal laws, rules, or regulations.
- E. If previously undiscovered cultural resources (historic or prehistoric objects, artifacts, or sites) are exposed as a result of operations, those operations will not proceed until notification is received from the Authorized Officer that provisions for mitigating unforeseen impacts as required by 36 CFR 228.4(e) and 36 CFR 800 have been complied with.
- F. This plan of operations has been approved for a period of _____ or until (mm/dd/yy) _____. A new or revised plan must be submitted in accordance with 36 CFR part 228, subpart A, if operations are to be continued after that time period.

VIII. OPERATING PLAN ACCEPTANCE

☐ I/We have reviewed and agreed to comply with all conditions in this plan of operations including the required changes, modifications, special mitigation, and reclamation requirements.

☐ I/We understand that the bond will not be released until the Authorized Officer in charge gives written approval.

Signature of ☐ Operator (or ☐ Authorized Representative)

(Date)
(mm/dd/yy)

IX. OPERATING PLAN APPROVAL

(Name)

(Title)

Signature of (Authorized Officer)

(Date)
(mm/dd/yy)

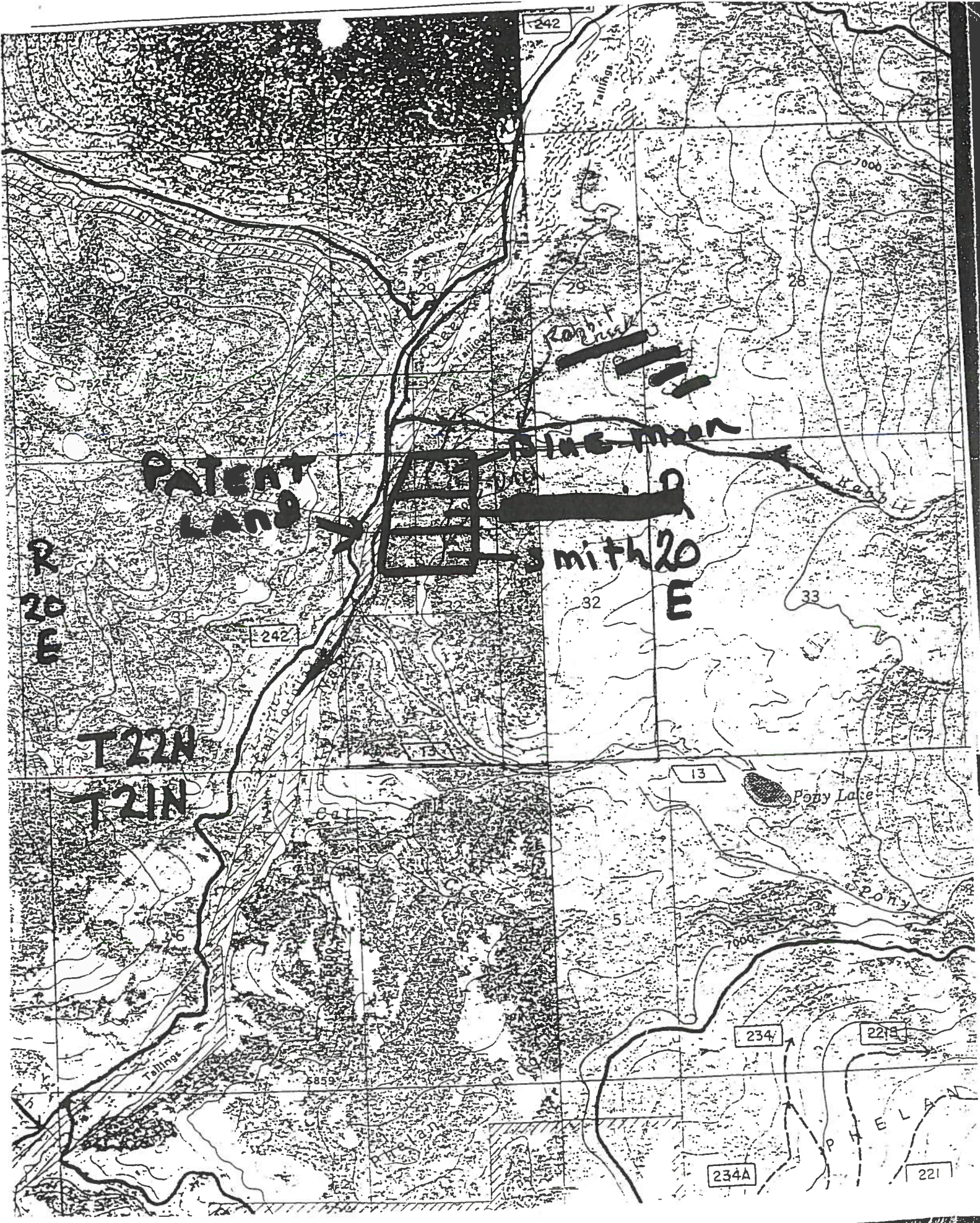
Burden and Non-Discrimination Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0022. The time required to complete this information collection is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

(If more space is needed to fill out a block of information, use additional sheets and attach form)





United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

File Code: 2810

Date: August 2, 2011

Jim Chadwick
291 East 20th Street
Idaho Falls, ID 83404

Dear Mr. Chadwick:

This letter acknowledges receipt of your Plan of Operation for exploration on the Rabbit Placer claim on the Salmon-Cobalt Ranger District. Your plan proposes continuing operations similar to those approved from 2004-2008. Based on the information you have provided, we will need to conduct some level of environmental analysis prior to approving your plan and allowing operations to begin. The type of analysis depends on the issues that are generated. Generally, for projects of this nature, a decision memo or environmental assessment (EA) will be necessary. A decision memo takes approximately two months to complete, while an EA may take six months to one year. A field review of your proposal may be necessary before I determine the level of environmental analysis required. Additionally, a recalculation of the bond will be necessary.

Our Minerals Program staff will notify you of the next steps in the process once the level of analysis has been determined. If you have any questions about this letter, please contact Julie Hopkins at 208-756-5279.

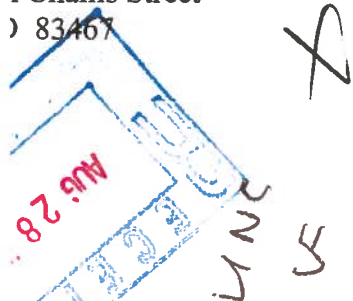
Sincerely,

KIMBERLY D. NELSON
District Ranger

Cc: Donnie Hudson
710 9th Street
Idaho Falls, ID 83401



allis National Forest
1 Challis Street
83467



Donnie Hudson
710 9th Street
Idaho Falls, ID 83402

CERTIFIED MAIL



9171 9690 0935 0004 8123 92
9171 9690 0935 0004 8123 92

Hasler
08/03/2012
US POSTAGE

FIRST-CLASS MAIL
\$05.75⁰



ZIP 83467
011D11623783

NIXIE 841 DE 1 00 08/25/12
RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD
BC: 83467544206 *2936-08007-03-41

83467 05447
8340433072 CO



United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

File Code: 2810

Date: September 9, 2011

Donnie Hudson
710 9th Street
Idaho Falls, ID 83401

Dear Mr. Hudson:

A field review of your Plan of Operation (2004-2008) and claim near Rabbit Creek on the Salmon-Cobalt Ranger District was conducted on September 6, 2011. The review team included the Forest wildlife biologist, fishery biologist, archaeologist, hydrologist, and minerals management specialist. The team also reviewed Jim Chadwick's proposed Plan of Operation #09-28-2011 for Rabbit Placer.

It appears there has been no activity on the claim for quite some time. The team recommends that prior to beginning analysis of the new proposed Plan of Operation, two reclamation items should first be addressed. These are:

1. Remove all trash on the site. This includes plastic lawn chairs, old shoes, aluminum cans, plastic bottles or containers, or other trash.
2. Remove non-working water diversion or control structures, including rotted poly tarps, pipe with holes in it, and torn silt fence.

Pipe that might be used for the new operation may remain in place if the new plan is approved and the pipe will be used to bring water to the wash plant area. The foot bridge across Napias Creek is a safety hazard until you replace the wood decking, which you may wait to do until the new Plan is approved, or reclamation is ordered.

Additionally, I have enclosed a DRAFT reclamation bond calculation in the amount of \$1,400.00 for your proposed new Plan of Operation. The bond posted for your previous operation (\$369.00) is inadequate to cover the cost of reclamation for either the previous or proposed operations. The Forest Service periodically reviews a bond and may adjust the amount to reflect current costs. Your bond could conceivably change again when your Plan of Operation is approved or over the course of your proposed new operation.



CONVERSATION RECORD

TIME

2:42 m

DATE

4/16/2012

TYPE

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

ROUTING

NAME/SYMBOL

INT

Location of Visit / Conference:

NAME OF PERSON(S) CONTACTED OR IN CONTACT WITH YOU

Jim Chadwick

ORGANIZATION (Office, dept., bureau,

TELEPHONE NO.

(208)
589-4965

SUBJECT

Rabbit Placer

SUMMARY

They are planning to do site clean-up this spring; told Jim about the ditch needing two⁺ sections of major repair due to Rabbit Cr. being high in Spring 2011. I told him to contact me when they come to do cleanup and I will walk the ditch with them to discuss options. Jim agreed to do so.

ACTION REQUIRED

Follow up by mid-June 2012

NAME OF PERSON DOCUMENTING CONVERSATION

Julie A. Hopkins

SIGNATURE

Julie A. Hopkins

DATE

4/16/2012

ACTION TAKEN

SIGNATURE

TITLE

DATE

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION**
Ref. FSM 2810

Forest Salmon-Challis District SCRD Inspection Date 7/30/12

Name of Claim of Mining Operation Blue Moon / Paradise Name of Claimant of Operator (Hudson) (Seymour)

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?		☒	3. Timber removal in accordance with operating plan?	☒	☒
a. Erosion control measures satisfactory?		☒	4. Public safety and fire prevention in accordance with operating plan?	☒	☒
b. Erosion control measures satisfactory?		☒	5. State or other Federal Agency contract needed?		☒
c. Stream protection adequate?	☒		6. Is any follow-up action required? (If yes, describe under "Remarks" section.)	☒	
d. Water quality satisfactory?	☒				
e. Reclamation work adequate and timely?		☒			
f. Bond adequate for level of operation?		☒			
2. Road construction in accordance with plan?	☒	☒			
a. Maintenance adequate?	☒	☒			

Remarks (Describe any deficiencies or items needing attention.)

① Both claims have numerous locations where the ditch has been breached. Recontour & reseed never occurred for either operation.

② Notice needs to be sent to operators that their required cleanup has not occurred and the foot bridge is a safety issue.

INSPECTOR Julie A. Hopkins DATE 7/30/12
TITLE Minerals Mgt Specialist
OPERATOR unavailable for signature DATE _____

WHITE - DISTRICT
YELLOW - OPERATOR
PINK - SUPERVISOR'S OFFICE



United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

File Code: 2810

Date: August 2, 2012

Jim Chadwick
291 East 20th Street
Idaho Falls, ID 83404

NOTICE OF NONCOMPLIANCE
Certified Mail, Return Receipt Requested

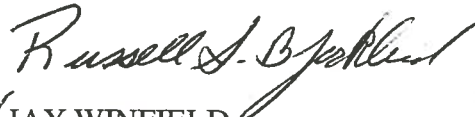
Dear Mr. Chadwick:

On September 24, 2010, we requested that Donnie Hudson and you arrange for a date to complete final reclamation on your placer operation in Rabbit Creek. You indicated that you would be submitting a new Plan of Operation. On May 5, 2011, a new Plan had not been received and we again requested that you complete final reclamation by September 1, 2011. Subsequently, you submitted a new plan in July of 2011. A field review of your operation in September of 2011 revealed that there was clean-up needed of your site, prior to processing of the new Plan. On April 16 of this year, our Minerals staff contacted you to remind you that the clean-up had not yet been completed and you assured them that this would be done this past spring or early summer. A site visit last week revealed no current activity or clean-up at the site.

Your reclamation was to have been completed by 2009. The Forest Service has given you ample opportunity to complete the reclamation and since it has not been done, we find you to be in non-compliance with the terms and conditions stipulated in your plan. All pipe, equipment, impermeable pond liner, old tarps, and any trash must be removed from the site. For a complete detail of the reclamation required, please review pages 6-8 and Appendix B of the Decision Notice authorizing your Plan. If you no longer have a copy of this document, we can provide one for you.

Reclamation of the site must be completed by September 15, 2012, or your bond will be in default and the Forest Service will use that bond to accomplish the required reclamation. If you have any questions, please contact Julie Hopkins at 208-756-5279.

Sincerely,


for JAY WINFIELD
District Ranger

cc: Donnie Hudson



CONVERSATION RECORD

TIME

11:11

DATE

8/6/12

TYPE

☐ VISIT☐ CONFERENCE☐ TELEPHONE

ROUTING

NAME/SYMBOL

INT

Location of Visit / Conference:

☒ INCOMING
☐ OUTGOINGNAME OF PERSON(S) CONTACTED OR IN CONTACT
WITH YOU

Jim Chadwick

ORGANIZATION (Office, dept., bureau,

TELEPHONE NO.

SUBJECT

Rabbit Placer

SUMMARY

Mr. Chadwick called to let me know they had hauled out two wheelbarrow loads of trash. He said if further clean-up is needed to contact them and they would take care of it.

ACTION REQUIRED

Visit Site to determine if required cleanup is done

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Julie A. Hopkins

Julie A. Hopkins

8/6/12

ACTION TAKEN

Visited site on 8/8/12 - see inspection rpt. Bridge unsafe

SIGNATURE

TITLE

DATE

Julie A. Hopkins

Minerals Mgt. Spec.

8/8/12

50271-101

* U.S. G.P.O. 1983-424-378

CONVERSATION RECORD

OPTIONAL FORM 271 (12-76)
DEPARTMENT OF DEFENSE

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION
Ref. FSM 2810**

Forest Salmon-Challis District Salmon-Cobalt Inspection Date 8/2/12
 Name of Claim of Mining Operation Rabbit Placer Name of Claimant of Operator Hudson/Chadwick

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?		☒	3. Timber removal in accordance with operating plan?	<u>N/A</u>	
a. Erosion control measures satisfactory?	☒		4. Public safety and fire prevention in accordance with operating plan?	☒	
b. Erosion control measures satisfactory?	☒		5. State or other Federal Agency contract needed?	☒	
c. Stream protection adequate?	☒		6. Is any follow-up action required? (If yes, describe under "Remarks" section.)	☒	
d. Water quality satisfactory?	☒				
e. Reclamation work adequate and timely?		☒			
f. Bond adequate for level of operation?		☒			
2. Road construction in accordance with plan?	<u>N/A</u>				
a. Maintenance adequate?		☒			

Remarks (Describe any deficiencies or items needing attention.)

① Operating plan expired 2008 - reclamation never completed.

New plan submitted 7/2011. In Sept. 2011, we informed them we would not begin processing new plan until certain clean-up activities were completed.

Per Jim Chadwick on 8/6/12, he was there last week and "hauled out 2 wheelbarrow loads" of debris. Attached photos indicate no activity over last 5-6 yrs.

INSPECTOR Julie A. Thompson DATE 8/8/12
 TITLE Minerals Mgt. Specialist
 OPERATOR _____ DATE _____

WHITE - DISTRICT
 YELLOW - OPERATOR
 PINK - SUPERVISOR'S OFFICE

② Operator was mailed a Notice of Non-Compliance on 8/2/12. Final Reclamation due by 9/15/2012.

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION
Ref. FSM 2810**

Forest Salmon-Challis District Salmon-Challis Inspection Date 8/18/12

Name of Claim of Mining Operation Rabbit Placer Name of Claimant of Operator Hudson/Chadwick

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?			3. Timber removal in accordance with operating plan?		
a. Erosion control measures satisfactory?			4. Public safety and fire prevention in accordance with operating plan?		
b. Erosion control measures satisfactory?			5. State or other Federal Agency contract needed?		
c. Stream protection adequate?			6. Is any follow-up action required? (If yes, describe under "Remarks" section.)		
d. Water quality satisfactory?					
e. Reclamation work adequate and timely?					
f. Bond adequate for level of operation?					
2. Road construction in accordance with plan?					
a. Maintenance adequate?					

Remarks (Describe any deficiencies or items needing attention.)

Operator asked if they could repair & raise bridge to accomplish clean-up. Approved if no excavation.

Notified Mr. Chadwick that ditch supplying water would need repairs & we will discuss that once clean-up has been accomplished.

No excavation approved today - only clean-up of site & repair of bridge.

INSPECTOR Julie A. Heptknecht DATE 8/18/12
TITLE Minerals Mgt. Specialist
OPERATOR _____ DATE _____

WHITE - DISTRICT
YELLOW - OPERATOR
PINK - SUPERVISOR'S OFFICE

CONVERSA

N RECORD

TIME

8:45 m

DATE

9/4/2012

TYPE

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

ROUTING

NAME/SYMBOL

INT

Location of Visit / Conference:

NAME OF PERSON(S) CONTACTED OR IN CONTACT WITH YOU

Donnie Hudson

ORGANIZATION (Office, dept., bureau,

TELEPHONE NO.

cell
681-3053

SUBJECT

Rabbit Placer

SUMMARY

Unable to reach Donnie @ the # on new POO (7-29-11)
So called cell # from old plan. Certified NONG returned
unopened. He's been in Arizona for several
medical operations.

Said they cleaned site on 8/18 and if not
sufficient, let him know and they'd be back.

Need to estimate cleanup of adjacent
Seymour operation to determine bond for
the new Chadwick/Hudson plan.

ACTION REQUIRED

Site visit, bond estimate

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Julie A. Hopkins

Julie A. Hopkins

9/4/12

ACTION TAKEN

SIGNATURE

TITLE

DATE

**DOCUMENTATION OF INSPECTION
OF MINING OPERATION**
Ref. FSM 2810

Forest San Juan District San Juan - Cortez Inspection Date 9-25-12

Name of Claim of Mining Operation Blue Mining, Inc. Name of Claimant of Operator Hudson (Hudson)

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?		N/A	3. Timber removal in accordance with operating plan?		N/A
a. Erosion control measures satisfactory?			4. Public safety and fire prevention in accordance with operating plan?		N/A
b. Erosion control measures satisfactory?			5. State or other Federal Agency contract needed?		N/A
c. Stream protection adequate?			6. Is any follow-up action required? (If yes, describe under "Remarks" section.)		
d. Water quality satisfactory?		✓		✓	
e. Reclamation work adequate and timely?		✓			
f. Bond adequate for level of operation?		✓			
2. Road construction in accordance with plan?		N/A			
a. Maintenance adequate?		✓			

Remarks (Describe any deficiencies or items needing attention.)

1e - Remediation not complete, but operators have cleaned up the site and repaired the bridge.

1f - Bond inadequate for reclamation and will be reviewed and recalculated during analysis of plan submitted July 2011.

6 - Complete Draft Bond estimate and initiate NEPA on newly submitted plan. Incorporate costs for complete reclamation.

INSPECTOR Julie A. Hopkins DATE 9-25-12
TITLE Minerals Mgt. Specialist
OPERATOR Not available for signature DATE _____

WHITE - DISTRICT
YELLOW - OPERATOR
PINK - SUPERVISOR'S OFFICE



United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Supervisor's Office

1206 S. Challis
Salmon, ID 83467
208 756-5100

File Code: 2810

Date: January 8, 2013

Jim Chadwick
291 East 20th Street
Idaho Falls, ID 83404

Donnie Hudson
710 9th Street
Idaho Falls, ID 83402

Dear Mr. Chadwick and Mr. Hudson:

We appreciate the August 2012 removal of debris left at the Rabbit Placer site, and are now able to move forward with preliminary processing of your plan. Enclosed I have provided a written description of your proposed activities near Rabbit Creek, based on the Plan of Operations you submitted in July of 2011.

Please contact me and let me know if the written description is an accurate description of the activities you propose. Based on your proposal to operate over a five year period, an Environmental Assessment (EA) will be necessary. An EA typically takes six months or longer to process, as the Forest must inform potentially interested parties, consider any concerns they may have, and complete an environmental analysis of the proposal.

Additionally, I have enclosed a draft bond calculation, updated to reflect costs anticipated to reclaim your project. When a decision has been signed for your plan, a bill for the bond will be generated, and you will be required to post this bond prior to initiating any surface-disturbing activities.

If I can help answer any further questions, please feel free to contact me at 208-756-5279.

Sincerely,

Julie A. Hopkins
Minerals Management Specialist

Enclosures





United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

File Code: 2810

Date: March 7, 2013

Jim Chadwick
291 East 20th Street
Idaho Falls, ID 83404

Donnie Hudson
710 9th Street
Idaho Falls, ID 83402

Dear Mr. Chadwick and Mr. Hudson:

On January 8, 2013, our Minerals staff provided you with a written description of the activities you are proposing in Rabbit Creek, on the Salmon-Cobalt Ranger District, and asked you to verify that the description was accurate.

Due to the high price of precious metals, we have had numerous exploration and mining proposals submitted to the Forest for processing. Attached is a handout describing the process we follow after we have received a Plan. As stated in the handout "Given that it may take up to one year to get permitted, it is standard agency advice that an operator should submit their plan for USFS review as early as possible during the operating season prior to their desired start up."

Although your new plan was submitted in July of 2012, some circumstances have delayed the initiation of environmental analysis, including:

- Necessary clean-up of your site as required in the reclamation section of your prior plan (2004) was not completed until August of 2013.
- You have not yet notified the Minerals staff that the description of your proposed activities is accurate.

Therefore, it is unlikely that we will be able to complete processing of your plan until the winter of 2013/2014, and implementation of your plan will not be possible during the 2013 operating season.

If you have questions regarding this letter please contact your minerals administrator for further information (Julie Hopkins, juliehopkins@fs.fed.us, 208-756-5279).

Sincerely,

JAY WINFIELD
District Ranger

Enclosure



**DOCUMENTATION OF INSPECTION
OF MINING OPERATION**
Ref. FSM 2810

Forest Salmon-Challis District SCRD Inspection Date 8/22/13
 Name of Claim of Mining Operation Rabbit Placer Name of Claimant of Operator Hudson/Chadwick

	YES	NO		YES	NO
1. Mining or exploration work following approved operating plan?		☒	3. Timber removal in accordance with operating plan?	<u>N/A</u>	
a. Erosion control measures satisfactory?		☒	4. Public safety and fire prevention in accordance with operating plan?	<u>N/A</u>	
b. Erosion control measures satisfactory?		☒	5. State or other Federal Agency contract needed?		☒
c. Stream protection adequate?	☒		6. Is any follow-up action required? (If yes, describe under "Remarks" section.)	☒	
d. Water quality satisfactory?	☒				
e. Reclamation work adequate and timely?		☒			
f. Bond adequate for level of operation?		☒			
2. Road construction in accordance with plan?	<u>N/A</u>				
a. Maintenance adequate?	<u>"</u>	<u>"</u>			

Remarks (Describe any deficiencies or items needing attention.)

Operators have been given ample opportunity to provide information necessary to make their plan "complete" but have failed to do so.

No activity appears to have occurred since site cleanup and construction of the bridge in 2012, which is good because they have no plan.

Broken/punctured pipe still at site, along w/ other refuse.

INSPECTOR Julie A. Hopkins DATE 8/22/13
 TITLE Minerals Mgt. Specialist
 OPERATOR Not available for signature DATE _____



United States
Department of
Agriculture

Forest
Service

Salmon-Challis
National Forest
Salmon/Cobalt Ranger District

311 McPherson St.
Salmon, ID 83467
208 756-5200

File Code: 2810

Date: December 09, 2013

Donnie Hudson
710 9th Street
Idaho Falls, ID 83401

Certified Mail, Return Receipt Requested
9171 9690 0935 0004 8154 61

Jim Chadwick
291 East 20th Street
Idaho Falls, ID 83404

NOTICE OF NONCOMPLIANCE

Dear Mr. Hudson and Mr. Chadwick:

All Plans of Operation (POOs) require final reclamation measures. If further exploration beyond the expired date of a POO is desired by an operator, the Forest may allow some infrastructure from the previous operation to remain in place until a new Plan is submitted and determined to be complete. The new POO must be considered complete before the Forest Service can initiate the environmental analysis. As of this date, you have not provided timely response to the Salmon-Challis National Forest (SCNF) to complete the POO you submitted in July of 2011, and therefore must remove all of the equipment, materials, and supplies left at the site as required under the reclamation portion of your 2008-2004 POO.

Final reclamation of your 2004-2008 POO for exploration in Rabbit Creek on the Salmon-Cobalt Ranger District was to have been completed by the fall of 2009. We contacted you in the fall of 2010 to request that you work with our Minerals staff to accomplish final reclamation. At that time you indicated you wished to continue exploration and were informed that you would need to submit a new plan and new environmental analysis would need to be conducted.

In July of 2011 you submitted a new Plan. A subsequent visit to your site by an interdisciplinary team revealed that no reclamation activities had been conducted and you were advised that prior to initiating the new environmental analysis, some reclamation activities needed to be completed. We allowed you to leave the pond liner and pipe from the ditch to your workings in place, as well as the washing equipment, and requested only that you clean up the garbage.

You failed to complete the requested clean-up of the site until you were issued a Notice of Noncompliance in August of 2012.

When you brought your operation into compliance by conducting clean-up activities at the site, we notified you that we would begin environmental analysis of your new plan and requested your input on the description of activities proposed in the new POO so that we could consider your POO as "complete." As of this date, you have still not responded to our request for a review of your proposal. We believe you have been given ample opportunity to either perform final reclamation or to provide input to us that would complete your plan.

