



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Idaho Falls District Office
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Idaho Falls, Idaho 83401
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In Reply Refer To:
3500
I-26843, I-012890, I-27801

May 3, 2012

Scott Lusty
J.R. Simplot Company
Manager, Smoky Canyon Mine
P.O. Box 1270
Afton, WY 83110

Dear Scott,

This letter provides conditional approval for Simplot's proposal of March 2, 2012, for a minor modification to the approved mine and reclamation plan for Smoky Canyon Mine. The proposal includes Simplot's addendum of May 2, 2012, "Lower Smoky Creek Surface Water Flow Monitoring Plan." A stamped copy of the proposal is enclosed. Please note that a 30-day public appeal period of this decision starts today. Activities can commence on Sunday, June 3, 2012 if no appeals are filed.

The purpose of the modification is for construction of a new culinary well and supporting infrastructure at the mine. The new culinary well, located at the north end of Panel B, would replace the original culinary well that was abandoned in late 2009 to eliminate a pathway for transport of selenium and other constituents of mine overburden to groundwater. The previous culinary well was included in the mine and reclamation plan evaluated by the *Smoky Canyon Phosphate Mine Final Environmental Impact Statement* approved by the US Minerals Management Service and US Forest Service (FS) Records of Decision (RODs) in 1982. Expanded mining in Panels B and C was approved in 2002 by a Bureau of Land Management (BLM) ROD for the *Smoky Canyon Mine, Panels B and C Final Supplemental Environmental Impact Statement*. On November 15, 2011, BLM issued approval for Simplot to drill the pilot hole for test purposes in advance of constructing a new well for culinary use.

The BLM reviewed your proposal carefully and determined the 0.1 acres of new disturbance and 0.8 acres of re-disturbance associated with the proposed action is a negligible amount relative to that already approved under existing mine and reclamation plans. No effects to migratory birds are expected because the only new disturbance would be for the pipeline route. This route would be located alongside existing roads, and these areas lack vegetation for potential nesting habitat for migratory birds.

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Department of Water Resources
Eastern Region

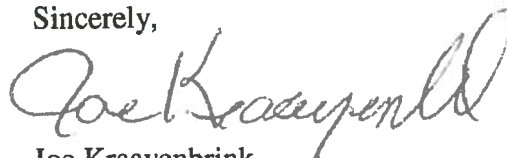
There is concern that the data collected to date and presented by Simplot do not adequately demonstrate pumping will not impact Lower Smoky Spring and the downstream gaining reach of Smoky Creek. Based on drilling and aquifer test data, Simplot states connectivity between the pilot hole and the spring is prevented by subsurface geology. We do not disagree with Simplot's rationale; however, existing geochemical and isotopic data which suggest the pilot hole, spring, and gaining reach of Smoky Creek may all be sourced from the Dinwoody Formation. This would imply pumping from the culinary well may have some degree of impact to the spring and Smoky Creek. As such, Stipulation 1 below requires Simplot monitor for potential impacts and provide results of this monitoring to BLM.

The FS participated in the review and provided no objections. The BLM determined the project is covered under the categorical exclusion for minor mine plan modifications and none of the exemptions apply (DOI-BLM-ID-I020-2012-0032-CX). BLM's approval is conditional on the following stipulations:

- Simplot must monitor possible effects to Lower Smoky Spring and the gaining reach of Smoky Creek as a result of pumping and report results in a timely manner to BLM. Monitoring shall be performed as long as the culinary well is in use. Details of this monitoring are provided in Simplot's proposal addendum, "Lower Smoky Creek Surface Water Flow Monitoring Plan." Simplot will be required to take immediate action, such as altering pumping rates or stopping pumping altogether, as directed by BLM if significant impacts are observed.
- Simplot must obtain approval from the FS for flumes located off-lease and on National Forest System lands.
- Simplot must obtain the appropriate water rights from the State.
- If potential nesting habitat for migratory birds along the pipeline route is encountered, Simplot must contact Devon Green, FS Wildlife Biologist, at 208-547-1116 to discuss bird nest survey requirements.
- Approval of Simplot's request to abandon the pipeline, power cable, and instrumentation wiring in place is deferred at this time. The BLM will work with Simplot and FS to determine final abandonment requirements at the time the well is no longer needed by the mine.
- Simplot must continue to abide by all requirements stipulated in previously approved mine and reclamation plans.

If you have any questions regarding this approval, please contact Jeff Cundick at 208-478-6354.

Sincerely,



Joe Kraayenbrink
District Manager

Enc: Approved mine plan modification

Cc w/enc:

FS CERCLA, Kauffman
FS Soda Springs RD, Isaacs

Cc w/o enc:

IDEQ, Tanner
IDEQ, Winter