



November 30, 2006

Dear Reader:

Ruby Valley Garnet (RVG) of Alder, MT applied on December 5, 2005 for an amendment to their existing Operating Permit 00157 and for a partial bond release for the Alder site. RVG has operated the Red Wash site under a Small Miner's Exclusion Statement (SMES) since 2004 and has disturbed six acres to date. RVG can no longer keep the area disturbed at any one time to less than five acres and must apply for an amendment to their permit. The Red Wash site is located in portions of Sections 22, 23, 24 and 25, Township 6 South, Range 4 West, and Section 30, Township 6 South, Range 3 West, about three miles southeast of Alder, MT.

The DEQ prepared a Draft Checklist Environmental Assessment (CEA) on October 24, 2006 evaluating the potential impacts from the proposed mining of garnets and asking for comments on the proposed operation. The Draft CEA addressed issues and concerns raised during public involvement and from agency scoping. One comment was received from the State Historic Preservation Office (SHPO) concerning a statement in the CEA. The CEA incorrectly stated that "...a number of cultural areas of concern exist in the general area, but not in the area proposed to be disturbed." The CEA should have noted that according to SHPO there have been a few previously recorded sites within the designated search locales.

Based on this information the Department contacted RVG and requested that a cultural resource survey be conducted in the area to be disturbed. RVG has declined to perform this survey. Since the area in question is on private land the DEQ cannot require that a cultural resource survey be conducted.

Approximately 58 acres will be partially released from the existing bond based on the 2005 Annual Report and site inspections at the Alder site. Those areas released from bond include approval to leave some buildings and ponds, and where regrading and soil placement has been completed. However, even with a partial bond release the required bond at the Alder site has increased by \$37,267. The DEQ has decided to approve the amendment as proposed contingent on posting additional reclamation bond in the amount of \$76,890. Following are the approved permit conditions:

Current permitted conditions at Alder:

Permit Area:	505.6 acres
Permitted Disturbance:	362 acres
Current Disturbance:	70.6 acres
Bonded Disturbance:	70.6 acres
Bond Release Acres:	57.6 acres
Alder Reclamation Bond:	\$169,452
Obligated Bond:	\$132,185
Shortfall:	\$37,267

Red Wash Amendment:	
Proposed Area:	158 acres
Proposed Disturbance:	45 acres
Bonded Disturbance:	36 acres
Existing SMES bond:	\$10,000
Red Wash Bond:	\$49,623

Total Required Reclamation Bond: \$219,075

RVG will need to post an additional bond in the amount of \$76,890 [ $\$219,075 - (132,185 + \$10,000)$ ].

Information on the RVG operating permit amendment application and partial bond release can be obtained by writing or calling the Montana Department of Environmental Quality, c/o Herb Rolfes, P. O. Box 200901, Helena, MT 59620, telephone (406) 444-3841; e-mail address hrolfes@mt.gov.

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 Warren D. McCullough, Chief  
 Environmental Management Bureau

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 Date