





Mike Horse Messenger

Settlement

News

In December 2009, ASARCO paid about \$195 million to clean up ASARCO contaminated sites in Montana, including the Mike Horse Dam (tailings impoundment) and the Upper Blackfoot Mining Complex (UBMC). Out of this amount. about \$138 million was paid to the non-profit Montana Custodial Trust for the benefit of the State of Montana and the federal government. ASARCO paid the state's claim in full, with interest.

At UBMC, ASARCO paid \$10 million to the Trust for operations and maintenance of the water treatment plant. They also paid \$23 million directly to Montana to clean up heavy metals that are polluting the Blackfoot River. Montana already received \$16 million from ASARCO and ARCO to remove the dam at the site.

The terms of the settlement were signed by the State of Montana, the United States and ASARCO in March 2009. The Trust was created and the claims were paid when the bankruptcy was finalized in December.

Site Update

June 2010

Recent Developments

Road Closure/Construction

The Meadow Creek Road #1815 and the Mike Horse Road #4087 from Highway 200 will be closed temporarily this summer while crews construct a new, safer access road into the Mike Horse area to facilitate industrial traffic. The road closures and construction will start after the July 4th holiday. The new road will open by the end of October 2010. It will be near the existing Meadow Creek approach off of Highway 200 and tie into Meadow Creek Road at the bridge crossing at Meadow Creek. New road construction will connect Meadow Creek Road to the existing Paymaster Road #4082-FI, which then connects to the existing Mike Horse Road #4087. This will be the new permanent access route for this project and remain after completion of this project.

Waste Repository Search

The Montana Department of Environmental Quality (DEQ) and the US Forest Service (USFS) are investigating a location in the area to determine the best site to place mine waste from the UBMC. The agencies plan to build a waste repository to contain contaminated materials from the site that is scheduled for cleanup and restoration in the next few years. Scientists evaluate slope, location and size, distance to surface and groundwater, physical and chemical characteristics

of the soil and rock, and seismic potential to determine the suitability of a site.



Water filtration system treats an average of 91,000 gallons a day.

Water Treatment

ASARCO operated the water treatment plant for more than a year. Now that the Trust is in place, it is responsible for the operation, improvement and maintenance of the plant, which uses state of the art technology to remove metals contamination from adit waters and seeps. More than one-half million gallons of water a week is being treated. The plant is undergoing additional process improvements so that it can meet state water quality standards (DEQ-7) by June 2011.

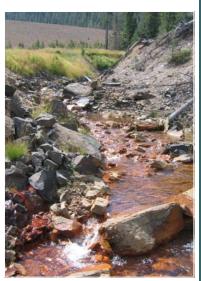
New Website Launched/ Virtual Tour Coming Soon

Be sure to visit the new website for the UBMC at http://deq.mt.gov/StateSuperfund/UBMC/default.mcpx. The new website gives cleanup and restoration information, site background and history, a photo gallery, the previous issue of

Agency Coordination

The DEQ, DOJ /NRDP and USFS are coordinating the remediation and restoration of the Mike Horse Dam and UBMC.

Mike Horse Messenger and a construction page that links to contract bid announcements. Also, watch for the online virtual tour coming this summer to the website. The virtual tour will review historic UBMC features such as the Mike Horse Town Site and the Old Mike Horse Mine. The virtual tour will also show current features such as the dam and water treatment plant. In the future, videos will walk you through the site as cleanup proceeds so you can witness these activities from your computer.



Mike Horse Creek below dam

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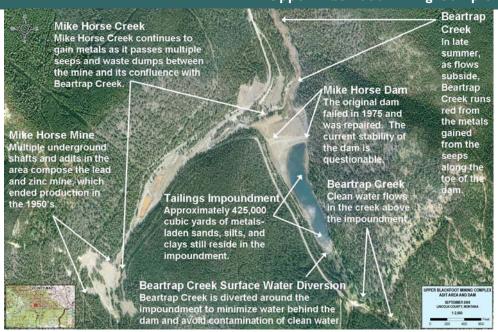
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To be added to the mailing list:

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Or visit the new website at http:// deq.mt.gov/ StateSuperfund/UBMC/ default.mcpx.

Join the UBMC list serv at http://svc.mt.gov/ deq/ListServe/ AllListsStep1.asp



Project Overview

The UBMC is located about 15 miles east of Lincoln. Seeps from the tailings and waste rock dumps along with acid mine drainage from old adits have contaminated surface water, sediments, soils and groundwater. Additional contamination exists due to the 1975 dam failure that washed metal-laden tailings down the Beartrap Creek drainage and into the upper

Blackfoot River.

With the settlement complete, the DEQ will lead cleanup efforts in coordination with the USFS and MT Natural Resource Damage Program (NRDP) over the next few years. In 2009, DEQ, NRDP, and the USFS initiated the construction design process for the removal of dam and waste repository design. The pri-

mary goal of the removal action is protection of human health and the environment through minimization of direct contact with contaminants and minimization of migration and mobility of contaminants within the environment. This summer or fall, the NRDP plans to submit for public comment a Conceptual Restoration Plan for the site.

Resources

Montana Department of Environmental Quality www.deq.mt.gov

Montana Department of Justice www.doj.mt.gov

Helena National Forest http://www.fs.fed.us/rl/helena

Information Locations: USFS Office, Lincoln DEQ, Helena



2007 photo of Mike Horse Creek rocks coated in metals precipitate. A groundwater capture system installed in late 2008 has reduced the metals in the creek.