



Montana Department of  
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • [www.deq.mt.gov](http://www.deq.mt.gov)

April 30, 2008

Dear Reader:

Enclosed for your review and comment is a Draft Environmental Assessment (EA) for an operating permit requested by Elkhorn Goldfields, Inc. for the Golden Dream project. Elkhorn Goldfields, Inc. is seeking approval to conduct underground mining near the old mining town of Elkhorn in Jefferson County. The project site is in portions of Sections 10, 11, 14, and 15 in Township 6 North, Range 3 West.

The facilities and surface disturbance associated with the mine plan would be on private lands owned or controlled by Elkhorn Goldfields, Inc. Although Elkhorn Goldfields Inc. does have unpatented mining claims on the Deer Lodge National Forest, impact on lands administered by the U.S. Forest Service from this program will be limited to access over four small segments of a pre-existing road, which crosses approximately 1,200 feet of Forest Service property. A Road Use Permit is in place for the use of this road and is on file at the Jefferson Ranger District.

The project would consist of a 500 to 1,000 ton-per-day mechanized, underground mining operation with the ore being trucked using over-the-road trucks to an offsite mill for concentration. Elkhorn Goldfields Inc. expects to utilize the dormant Diamond Hill mill circuit located in the mill building at Montana Tunnels as a custom mill. Mining disturbances would include a total of three underground portals, a facilities area to include offices, shop and equipment areas, a development rock stockpile located in an existing un-reclaimed mine pit, a loading facility for stockpiling and loading ore, a water system designed to dewater the ground to be mined, treat water as needed and distribute the water to a series of percolation ponds to re-introduce the water to the groundwater system, and roads sufficient to handle mining traffic.

Total permitted area would be 382.5 acres, while the total disturbance area would be limited to 27.30 acres; 13.41 acres for facilities and mining areas, and an additional 13.89 acres in pre-existing primary and secondary access routes.

This Draft EA evaluates the potential impacts from this operation. The DEQ must decide whether to approve the permit as proposed, deny the request for an operating permit, or approve the operating permit with modifications.

The Draft EA addresses issues and concerns raised during public involvement and from agency scoping. The agency has decided to approve the permit as proposed with agency modifications as the preliminary preferred alternative. This is not a final decision. This conclusion may change based on comments received from the public on this Draft CEA, new information, or new analysis that may be needed in preparing the Final CEA.

Copies of the Draft EA can be obtained by writing DEQ, Environmental Management Bureau, P.O. Box 200901, Helena, MT 59620, c/o Herb Rolfes, or calling (406) 444-3841; or sending email addressed to [hrolfes@mt.gov](mailto:hrolfes@mt.gov). The Draft EA will also be posted on the DEQ web page: [www.deq.mt.gov](http://www.deq.mt.gov). Public comments concerning the adequacy and accuracy of the Draft EA will be accepted until May 30, 2008.

Since the Final EA may only contain public comments and responses, and a list of changes to the Draft EA, please keep this Draft EA for future reference.

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Warren D. McCullough, Chief  
Environmental Management Bureau

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Date

File: pending Elkhorn Goldfields  
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