

INFORMATION/ BRIEFING MEMORANDUM FOR THE STATE DIRECTOR

DATE: November 16, 2015
FROM: Leon Thomas, Phoenix District Manager, 623-580-5600
SUBJECT: Background for Congressional Briefing:
Kirkland Mining Company Activity Near the Town of Skull Valley

PURPOSE: Provide information to management regarding activities being conducted pursuant to the 43 CFR 3600 and the 43 CFR 3809 regulations by Kirkland Mining Company (KMC) within part of Section 28 of T. 13 N., R. 4 W., G&SRM. Activities are located near the town of Skull Valley in Yavapai County and are creating controversy and active opposition among resident of the town and surrounding area.

BACKGROUND

A deposit of volcanic (ash fall) tuff exists over several square miles of central Yavapai County on private, State, and BLM lands southwest of Prescott. Within that area lies Skull Valley where between the towns of Kirkland and Skull Valley the tuff has been mined since the 1890s. Mining claims owned by the Ryerson family were first staked in 1896 and lapsed in 1985. From the early 1900s through the 1970s, rock mined by the Ryersons was used as facing stone on several prominent buildings in Prescott and Phoenix, including the Arizona State Capital. During the 1980s the material was mined (under the 3809 regs) for its absorbent properties and sold as kitty litter. Over the years, numerous other individuals, groups, and companies have also staked mining claims, most of which have lapsed. The only currently active claims in the section belong to KMC which staked both placer (2005-present) and lode (2014-present) claims. During the 1980s and 1990s, a small amount of the material was disposed of through mineral materials sales (under the 3600 regs). Currently, it is unclear whether the tuff is a locatable or salable material. The subject BLM lands are identified in the Bradshaw-Harquahala RMP for disposal. (*Early mining history is from an Arizona Geological Survey document.*)

DISCUSSION

Since the first contacts from KMC in early 2015, multiple meetings and teleconferences have been held between KMC, their contractors, and BLM Hassayampa Field Office personnel. The initial proposal centered on developing the claims for zeolites (as absorbents) which are in the tuff. Following material and chemical analysis for which KMC paid, the target use was changed to pozzolan (concrete additive). The BLM has doubts about the locatability of the material and so recommended they apply under a 3600 mineral materials sale, which would avoid a common variety determination, and we felt at that time would be the easiest and fastest process, especially for NEPA purposes as it required only a CX. When residents of Skull Valley became aware of the proposal, controversy began to grow. The locals established a web site and held community meetings opposing the proposed activity. The FM attended one meeting at the Skull Valley Community Center where approximately 100 participants showed up, virtually all opposed to the proposal. The Yavapai County Board of Supervisors also became involved and requested that a complete environmental analysis be done prior to any activity. Among the concerns raised was

the possibility of the occurrence of the mineral erionite, which is a carcinogenic zeolite (similar to asbestos) that has been identified as occurring at another location in the area. The FM, in consultation with the P&EC, decided that an EA would be necessary due to the public controversy. KMC became upset because the change in plans would result in a significant delay for their proposal. They withdrew their 3600 mineral materials sale application and submitted a 3809 Notice to conduct exploration activities in the stockpile area of previous mining disturbance. They proposed doing exploration drilling and removing up to 1,000 tons bulk sample, as allowed in the regulations, to provide to potential vendors for their physical and marketability testing. The results of these tests would then be provided to the BLM for analysis in our determination as to the locatability of the material. Since a 3809 Notice is not discretionary and does not require approval, no Federal action is involved. The BLM only ensures that regulatory requirements for information submission are met and an adequate and acceptable reclamation bond is in place. Field office processing of the 3809 Notice has been completed and the State Office bond adjudication is complete. KMC intends to begin exploration in November or early December 2015.

NEXT STEPS

HFO continues to process the 3809 Notice as per the regulations and manuals. AZSO would make a determination as to the locatability of the material using all available information and data including that provided by KMC. HFO's process will follow on the proposal from KMC, which will either be a 3809 Plan of Operations or a 3600 Mineral Materials Sale Application.

ATTACHMENTS

Map of Skull Valley area.