

# Proposed reopening of mine unearths old concerns

**Liz Kellar, Grass Valley Union, 3-20-12**

It will be more than a year before San Juan Mining Corp. CEO Tim Callaway could potentially get approval to reopen the San Juan Ridge Mine — and another year and a half of rehabilitation before any gold mining actually takes place.

But concerned residents aren't waiting around. They packed the North Columbia Schoolhouse Cultural Center on a recent rainy Sunday night to discuss the proposed reopening, and plan to meet again April 1.

Gary Parsons, head of the San Juan Ridge Taxpayers Association, urged residents to get involved, telling them, “This is not nowhere — this is our somewhere.”

The mine, located near North Columbia, last opened in 1993 and shut down four years later, the victim of low gold prices and expensive remediation caused by a number of geologic issues. The biggest concern to Ridge residents was the failure of at least 10 wells after workers drilled into a fault in 1995, draining the aquifer; many fear a similar situation could reoccur.

“It's the same people, talking about the same mine,” said Kurt Lorenz, who was an integral part of the taxpayers association's work with then-Siskon Mine officials in the 1990s.

The San Juan Mining Corporation claims the operation would “provide a significant boost to the local economy, including, but not limited to, 90 high paying jobs (\$27.53 median hourly wage), creation of \$4.5 million annual payroll, \$2.9 million in local material/supply purchases and the generation of \$330,000 per year in secured/unsecured property tax revenue.”

The financial benefits should not be discounted, Lorenz told those in attendance at the March 11 meeting.

“I totally understand why some ... will be excited to see this mine open,” he said.

But Lorenz noted the potential environmental impacts need to be understood — and issues that arose in the 1990s provided data that could actually work to opponents' benefit.

“The history of the water problems at the mine means the EIR can't whitewash anything,” he said. “The county has really learned their lesson.”

Lorenz said that when Siskon approached the San Juan Ridge group in 1992 with underground mining proposal, that seemed like a better alternative than previous proposals of open-pit mining.

“We thought it would be OK with safeguards,” he said. “We supported the permit at that time. In retrospect, I don't know that was the wisest choice.”

The 1993 EIR turned out to be inadequate, Lorenz said, adding the EIR did not foresee the water issues.

Siskon started work on the mine in 1994, and the first well failed two months later, Lorenz said. In September 1995, workers drilled into a large fracture, initially discharging about 2,000 gallons a minute. They did

eventually plug the leak, but a “stupendous amount of water” was lost, he said. By January 1996, about 12 wells had failed, Lorenz said, including at North Columbia Schoolhouse and Grizzly Hill School. Siskon ended up closing the mine in mid-1997.

Several in attendance at the meeting offered details of well failures and noise from mine operations that would last all night.

### **CEO pledges ‘minimal impacts’**

Callaway discounted some of the horror stories and said he will work with Ridge residents to minimize any potential impacts of his new project.

“I’ve seen quotes from years back, with (some) wells making a giant sucking noise” when the aquifer was breached, he said. “That didn’t happen. These things become fact once they become history ... There are still people on the Ridge, if you were to ask them what happened, (they) will tell you the Ridge completely dried up. The fact is, that project went on for two years after the wells were repaired.”

Callaway acknowledged a number of wells were impacted, but insists there is no chance of a reoccurrence. He said he plans to host an informational meeting on his project within the next six weeks. He also is reaching out to property owners to establish a pre-project monitoring of nearby wells.

“I don’t think anything is going to alleviate everyone’s concerns,” Callaway said. “But we can try to put together a model that makes sense.”

The vertical faults were not discovered in the 1990s because the hundreds of exploratory holes were drilled vertically, he said.

Finding the faults would have been “kind of like a needle in a haystack,” Callaway said. “But if we drill our (exploratory) holes horizontally, we don’t have a way to miss them ... If we don’t pick them up, they’re not there.”

Callaway said the new EIR would evaluate all available data and pledged to work to “design a project that has minimal impacts on the community, and that the community can live with.”

“Nobody wants impacts on their street — no one wants to hear noise,” he added. “On the other hand, we want jobs, we want increased tax revenue. There’s a price you pay; there’s no project that has no impact. We’re just at the start of a process, where we’re asking the community to work with us in designing the project ... I think as we go through this process, there will be mutual respect and a good project will come out of it.”

Visit [www.sanjuanminingcorp.com](http://www.sanjuanminingcorp.com) for more information on Callaway’s mine project.