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USDI Bureau of Land Management  
San Juan Center  
Dolores Field Office  
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## Notice of Public Scoping for Potassium Prospecting and Exploration

June 27, 2011

Dear Interested Public Land User,

The Bureau of Land Management (BLM), Dolores Public Lands Office (DPLO) is preparing an Environmental Assessment (EA) to evaluate Potassium (potash) Prospecting Permit Applications and an associated exploration plan submitted by RM Potash. We are sending you this letter to better inform you about this proposal and to solicit any comments you might have. In accordance with BLM regulations at 43 CFR 3505, RM Potash Inc. has submitted Prospecting Permit Applications to the BLM to conduct exploration operations for potash about 15 miles north of Dove Creek and US Highway 491 (aka US 666) in the vicinity of Egnar, within San Miguel and Dolores Counties, Colorado. The BLM will work closely with the Colorado Department of Reclamation, Mining, and Safety, which has jurisdiction over mineral exploration and mining in Colorado.

### Background

Potash is the common name for a group of naturally occurring minerals containing the element potassium (K). The most common of these potassium minerals is sylvite (KCl), which commonly occurs with deposits of Halite (NaCl) salt. Beds of rock salt containing layers of potash minerals were deposited in SE Utah and SW Colorado during the evaporation of an ancient marine sea.

Potassium is primarily used to make fertilizer and is one of the three main ingredients in most fertilizer mixtures. The United States imports over 90% of its potassium fertilizer. Potassium also has a wide variety of additional uses in the chemical and pharmaceutical industries.

Potash is a leasable mineral under the Mineral Leasing Act of 1920. This means that, unlike locatable "mining claim" minerals, such as gold and silver, a royalty is paid to the federal government when potash is mined. Regulations governing the leasing, exploration, and mining of potash are governed under 43 CFR 3500 regulations. The lands proposed for exploration of potash are open for all mineral development in the current BLM Resource Management Plan.

The DPLO has received 21 potassium (potash) Prospecting Permit Applications (COC73563 - COC73579, COC74369, COC74370, COC74401, and COC 73592) on approximately 40,000 acres of land in Dolores and San Miguel counties. A prospecting permit grants exclusive rights to the permittee to explore for potash on the lands under permit, subject to NEPA review of their exploration plan(s). A mineral report prepared by BLM found that the applicant is eligible to receive prospecting permits under the 43 CFR 3500 regulations, subject to NEPA review. If the permittee can prove that they have discovered a "valuable deposit" of potash as a result of the data collected as part of prospecting, they may be eligible to receive non-competitive preference right leases (again subject to NEPA review). Presently, the DPLO is only evaluating the issuance of prospecting permits and approval of exploration plans. Leasing and development (mining) are distinct from exploration and prospecting, since development may



not occur at all if the results of exploration are not favorable. Any leasing and development would be fully analyzed under a separate NEPA document at a later date if and when exploration has been completed in a way that shows the existence of a “valuable” potash deposit.

### **Proposed Action**

In order to determine whether potash deposits are of a grade, thickness, orientation and continuity that could eventually be commercially developed, RM Potash has proposed a two-phased exploration program. The initial phase (Phase 1, Proof of Concept) would include drilling up to a maximum of six drill holes. Each drill pad would be approximately 1 acre and would require a drill pit and sumps. A large drill rig, water trucks, and other support vehicles would be used. Drill holes would be approximately 6,000 feet deep. Emphasis of this program would be the recovery of sufficient core samples to facilitate potassium analyses and accurate determinations of thickness of the potash beds. Proposed drill sites have generally been sited adjacent to existing access roads, with minor surface preparation needed. Including proposed access, the potential total Phase 1 maximum disturbance is expected to be less than 5.3 acres, if all six sites were actually drilled (1.4 acres for drill pads and 3.9 acres from improvements to existing access roads and/or short, new spur roads). This EA is being prepared to analyze the disturbance from these Phase 1 drill holes in particular, as well as the generalized disturbance from subsequent drill holes whose locations have yet to be determined (Phase 2). If a Finding of No Significant Impacts (FONSI) is signed, then prospecting permits would be approved for those permit applications covered by the Phase 1 exploration plan.

If the initial exploration drilling exploration results indicate that the deposit is not commercially viable, RM Potash would discontinue drilling efforts and reclaim any and all associated disturbance. If results are favorable, the project would proceed to Phase 2, which would include additional exploration drill holes to adequately delineate the deposit. Because subsequent drill hole locations depend, in part, on the information gleaned from the previously drilled holes, future drill sites cannot be delineated at this time. Ultimately, a total of between 10 and 20 holes may need to be drilled. Whenever possible previously disturbed areas such as roads and drill pads would be utilized. Geophysical studies, including seismic, may be proposed at a later date to help correlate between core holes. Supplemental NEPA analysis would be prepared on the site-specific disturbance proposals, and supplemental exploration plans would be approved along with the affected prospecting permit applications.

All disturbances would be adequately bonded to complete reclamation. Reclamation would proceed as soon as the drill pads are no longer needed. When possible, drill sites would be proposed for areas that have already been disturbed. If prospecting and exploration indicates a valuable deposit, RM Potash could then apply for preference right leases. At that time, RM Potash would also have to submit a mine and reclamation plan. The BLM would use this plan to evaluate the impacts of development, but currently, only the proposed exploration and prospecting is being considered.

### **Decision to Be Made**

The BLM will decide whether or not the proposed action would have significant impacts on the natural environment. If a FONSI is signed the initial decision would be approval of the initial drill sites (up to six) and the associated prospecting permit applications, which would establish standard conditions of approval and stipulations that would apply to any subsequent drill holes. Areas within the permit application areas that would be off-limits to future potash exploration drilling or other disturbance due to resource concerns would also be identified in the initial EA, along with standard stipulations and best management practices that could be applied to any future proposed exploration activities. If it is found that there will likely be significant impacts, then an Environmental Impact Statement (EIS) could be required before the project is authorized.

**Timeline**

A decision for the initial exploration drill holes is expected sometime between September 2011 and January 2012. Drilling would commence shortly thereafter, subject to any timing stipulations. Subsequent drilling locations would be proposed during or after the completion of the initial round of drill holes. In total, all core drilling and associated exploration work is expected to last up to 4 years from the approval of the initial drilling.

**Public Meetings**

A public information meeting will take place on July 12, 2011 from 7-8:30 pm at the Dove Creek High School Commons in Dove Creek, Colorado. A representative of RM Potash will explain this proposed project and answer technical questions, and representatives of the BLM will be on hand to answer questions about the regulatory and permitting process. You are invited to meet with BLM and review larger scale maps. Resource specialists will be available to provide information, answer questions, and receive written comments.

**Providing Comments**

The BLM requests comments on the nature and scope of the environmental, social, and economic issues, and possible alternatives related to the proposed action. To assist the BLM in identifying and considering issues and concerns related to the proposed action, comments should be as specific as possible. Please submit any written comments to:

ATTN: RM Potash Exploration Project EA  
C/O: James Blair  
Dolores Public Lands Office  
Bureau of Land Management  
29211 Hwy. 184, Dolores, CO, 81323

Comments may also be faxed to (970) 882-6841. Be sure to send faxes ATTN: RM Potash Exploration Project – C/O: James Blair. Please indicate on your comments whether you wish to be kept on any mailing lists to receive updates about this project and whether you wish to receive them via email or hardcopy. If you have any questions please call (970) 882-7296.

Comments should be received by July 29th in order to be considered during the scoping period. Comments received, including names and addresses of those who comment, will be considered part of the public record for this project and will be available for public inspection.

Only those individuals and organizations who have submitted specific written scoping comments during this opportunity for public involvement will have standing to place formal objection when the Environmental Assessment is made available.

This document, and additional information, as it becomes available, will be posted on the BLM's website at <http://www.blm.gov/co/st/en/fo/sjplc.html>.

Sincerely,

/S/ - TOM RICE  
Tom Rice,  
Associate Field Manager