October 26, 2010

Mr. Kevin Tomlinson
Bennett Forest Industries
171 Highway 95 N
Grangeville, ID 83530

RE: Preliminary Assessment Report and Recommendations for Determination for Elk No. 1, Wolverine, All on Back, Alberta 1, Alberta 2, Alberta 4, Alberta 5, Alberta 6, Spotted Deer 1, Spotted Deer 2, Spotted Deer 3, and Spotted Deer 4 patented mining claims

Dear Mr. Tomlinson:

The Idaho Department of Environmental Quality (DEQ) has completed the attached Abbreviated Preliminary Assessment (APA) on the referenced claims. There was no evidence of hazardous materials of waste observed at the properties, nor is there the potential of any having been there. As a result of our observations, DEQ is recommending this site be designated as “No Remedial Action Planned” (NRAP).

The APA will be entered in DEQ’s Waste Division Inventory database. A link to the APA can also be found on DEQ’s Preliminary Assessment Web page at:

http://www.deq.idaho.gov/waste/prog_issues/mining/pa_program.cfm

We very much appreciate the privilege of working with you and visiting these properties. If you have any questions about these sites, reports, or DEQ’s recommendations, please do not hesitate to call me at 208-373-0554.

Respectfully,

Bruce A. Schuld
Mine Waste Projects Coordinator

Attachments

cc: Ken Marcy, USEPA
PA Program file
ABBREVIATED PRELIMINARY ASSESSMENT CHECKLIST

This checklist is used to help site investigators determine if an Abbreviated Preliminary Assessment (APA) is warranted. This checklist should document the rationale for the decision on whether further steps in the site investigation process are required under CERCLA. Use additional sheets, if necessary, and attach all relevant information including photo logs, historical data, or maps generated during site visits or desk top research.

Checklist Preparer: Bruce A. Schuld  
Mine Waste Projects Coordinator  
Idaho Department of Environmental Quality  
1410 N. Hilton, Boise, ID 83706  
(208) 373-0554  
bruce.schuld@deq.idaho.gov

Site Name: Elk No. 1, Wolverine, All on Back, Alberta 1, Alberta 2, Alberta 4, Alberta 5, Alberta 6, Spotted Deer 1, Spotted Deer 2, Spotted Deer 3, Spotted Deer 4

Previous Names (if any): aka: NA

Site Owner: Bennett Forest Industries  
171 Highway 95 N  
Grangeville, ID 83530

Site Location (closest town): Approximately 2 miles SW of Elk City, Idaho 83525

Township 29 North, Range 08 East  Sections 31 and 32  
Latitude: N 46.81085°  Longitude: W 115.5009°

Describe the release (or potential release) and its probable nature:

This site was investigated for potential releases of heavy metals and sediment from mine waste dumps, and potential discharges of other deleterious materials, such as petroleum products and ore processing chemicals.

Part 1 - Superfund Eligibility Evaluation

If all answers are “no” go on to Part 2, otherwise proceed to Part 3.

<table>
<thead>
<tr>
<th>Question</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the site currently in CERCLIS or an “alias” of another site?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2. Is the site being addressed by some other remedial program (Federal, State, or Tribal)?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>3. Are the hazardous substances that may be released from the site regulated under a statutory exclusion (e.g., petroleum, natural gas, natural gas liquids, synthetic gas usable for fuel, normal application of fertilizer, release located in a workplace, naturally occurring, or regulated by the NRC, UMTRCA, or OSHA)?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
4. Are the hazardous substances that may be released from the site excluded by policy considerations (i.e., deferred to RCRA corrective action)?: X

5. Is there sufficient documentation to demonstrate that there is potential for a release that constitutes risk to human or ecological receptors? (e.g., comprehensive remedial investigation equivalent data showing no release above ARARs, completed removal action, documentation showing that no hazardous substance releases have occurred, or an EPA approved risk assessment completed?): X

Please explain all “yes” answer(s).
Historical records research and site visit confirmed that contaminants of concern do not exist in concentrations that present a threat to human health or the environment.

Part 2 - Initial Site Evaluation
For Part 2, if information is not available to make a “yes” or “no” response, further investigation may be needed. In these cases, determine whether an APA is appropriate. Exhibit 1 parallels the questions in Part 2. Use Exhibit 1 to make decisions in Part 3.

If the answer is “no” to any of questions 1, 2, or 3, proceed directly to Part 3. YES NO
1. Does the site have a release or a potential to release?: X
2. Does the site have uncontained sources containing CERCLA eligible substances?: X
3. Does the site have documented on-site, adjacent, or nearby targets?: X

If the answers to questions 1, 2, and 3 above were all “yes” then answer the questions below before proceeding to Part 3. YES NO
4. Does documentation indicate that a target (e.g., drinking water wells, drinking surface water intakes, etc.) has been exposed to a hazardous substance released from the site?: X
5. Is there an apparent release at the site with no documentation of exposed targets, but there are targets on site or immediately adjacent to the site?: X
6. Is there an apparent release and no documented on-site targets or targets immediately adjacent to the site, but there are nearby targets (e.g., targets within 1 mile?)?: X
7. Is there no indication of a hazardous substance release, and there are uncontained sources containing CERCLA hazardous substances, but there is a potential to release with targets present on site or in proximity to the site?: X

Notes:
The subject area is now industrial private timber ground; there are no potential risks to human health or the environment. Very little mining activities occurred in this area. The activities identified by the records were two adits approximately 480 feet in elevation gain above the South Fork Clearwater River. All that is visible of one adit (identified as adit 1 on the photo) is a scar on the side of a road cut, the other adit (identified as adit 2 on the photo) has a small waste dump which appears to be more of a dog hole than a tunnel. No discharges were observed. Very little excavated material was evident.
The patented mining ground on and along the river was a placer operation and no signs of any mining activity remain. This area had a saw mill on it for many decades. The mill has been sold and all buildings, equipment, etc. has been removed with the ground reclaimed. A Phase I, Phase II, and Phase III Environmental Site Assessment has been completed.

EXHIBIT 1 SITE ASSESSMENT DECISION GUIDELINES FOR A SITE

Exhibit 1 identifies different types of site information and provides some possible recommendations for further site assessment activities based on that information. The Assessor should use Exhibit 1 in determining the need for further action at the site, based on the answers to the questions in Part 2. Please use your professional judgment when evaluating a site. Your judgment may be different from the general recommendations for a site given below. (Circle or highlight responses)

<table>
<thead>
<tr>
<th>Suspected/Documented Site Conditions</th>
<th>APA</th>
<th>Full PA</th>
<th>PA/SI</th>
<th>SI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Releases or potential to release are documented at the site.</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Uncontained sources with CERCLA-eligible substances have been documented as being present on the site. (i.e. they do exist at site)</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. On-site, adjacent, or nearby receptors are present.</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. There is documentation or observations made leading to the conclusion that a sensitive receptor is present or may have been exposed (e.g., drinking water system user inside 4 mile TDL)</td>
<td>Option 1: APA No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. There is documentation that a sensitive receptor has been exposed to a hazardous substance released from the site.</td>
<td>Option 2: Full PA or PA/SI No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. There is an apparent release at the site with no documentation of targets, but there are targets on site or immediately adjacent to the site.</td>
<td>Option 1: APA SI No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. There is an apparent release and no documented on-site targets and no documented targets immediately adjacent to the site, but there are nearby targets. Nearby targets are those targets that are located within 1 mile of the site and have a relatively high likelihood of exposure to a hazardous substance migration from the site.</td>
<td>Option 2: PA/SI No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. There are: no indications of a hazardous substance release; uncontained sources containing CERCLA hazardous substances; but there is a potential to release with targets present on site or in proximity to the site.</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Part 3 - EPA Site Assessment Decision

When completing Part 3, use Part 2 and Exhibit 1 to select the appropriate decision. For example, if the answer to question 1 in Part 2 was “no,” then an APA may be performed and the “NFRAP” box below should be checked. Additionally, if the answer to question 4 in Part 2 is “yes,” then you have two options (as indicated in Exhibit 1): Option 1 -- conduct an APA and check the “Lower Priority SI” or “Higher Priority SI” box below; or Option 2 -- proceed with a combined PA/SI assessment.

Check the box that applies based on the conclusions of the APA:

<table>
<thead>
<tr>
<th></th>
<th>NFRAP</th>
<th>Refer to Removal Program – further site assessment needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Priority SI</td>
<td>Refer to Removal Program - NFRAP</td>
<td></td>
</tr>
<tr>
<td>Lower Priority SI</td>
<td>Site is being addressed as part of another CERCLIS site</td>
<td></td>
</tr>
<tr>
<td>Defer to RCRA Subtitle C</td>
<td>Other:</td>
<td></td>
</tr>
<tr>
<td>Defer to NRC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Regional EPA Reviewer:

Bruce A. Schuld  
10/20/10

Print Name/Signature Date

PLEASE EXPLAIN THE RATIONALE FOR YOUR DECISION:

This site contains very limited evidence of disturbance due to mineral extraction or processing, no significant sources, pathways or locations of exposure are present. As a result of our observations, DEQ is recommending this site be designated as “No Remedial Action Planned” (NRAP). No soil or water samples were taken due to the minimal disturbance, lack of pathways for contaminants to be mobilized, and no mineralization of soils were evident at the activity sites.

NOTES: See the following photo logs.
Adit 1. The bottom of the disturbed area now has a road through it. No dump or tailings pile remains. The bottom right hand side of the photo is the actual road cut.
Adit 2. A shallow depression exits identifying this adit. The small amount of waste material indicates very little excavation occurred. As is evident, the depression is now well vegetated as is the waste material.
Figure 1. Location of the Bennett Forest Industries property with Idaho County 2010 Approximate Parcel Data overlay. (Map source: Idaho County 2004 NAIP)
Figure 2. Major Lithology of the Bennett Forest Industries property. (Map source: Idaho DEQ GIS ArcSDE 9.3.1 Geodatabase)
Figure 3. Drinking water well locations and source water delineations. 15-mile Target Distance Limit (TDL). No evidence of wetlands within the TDL. (Map source: Idaho County 2004 NAIP)
Figure 4. Sensitive species near Bennett Forest Industries. (Map source: Idaho County 2004 NAIP)