

**DRILLING
AT GRASSY
MOUNTAIN
IN EASTERN
OREGON**

*Photograph by
Andy Gaudielle*



eral Land Regulation and Reclamation at Oregon's Department of Geology and Mineral Industries (DOGAMI).

DOGAMI is one of the many agencies that oversee permitting for mining in Oregon. Mining can take place on public or private lands. What kind of permits and from what agency depends on where the mining is; what kind of mining; how big the operation is; if it uses explosives and whether it's on land or in the water, as well as a host of other factors.

For the most part gold mining in Oregon takes place on public lands where it is governed by the General Mining Law. Unlike other resource extraction activities, such as logging, the public doesn't benefit from this type of land use and historically taxpayers have had to foot the bill for any resulting environmental degradation. Illegal placer mining pits dug by miner Cliff Tracy near Sucker Creek, a critical coastal coho salmon habitat in southwest Oregon, cost taxpayers \$24,000 to repair. Tracy was convicted on charges of misdemeanor illegal mining, but, thanks to the General Mining Law, that doesn't stop him from being able to file further mining claims.

Lynch says that while miners and mining companies pay fees to maintain their unpatented mining claims, the fees "are not a huge amount of money by any means." Claims that have been patented — meaning the miner has given evidence of a "viable economic deposit" there, filed a patent (for as low as \$5 an acre) and now owns that land — do not result in ongoing fees.

Congress has passed a moratorium on new mineral patents every year since 1994, which has held them at bay. Lynch says that "this all stems ultimately from the General Mining Law of 1872." That law basically views mining as the "highest and best use" of federal lands, making mines very difficult to stop.

According to the Pew Campaign for Responsible Mining, mining of hardrock minerals including gold, uranium and

other metals under the General Mining Law is "virtually unchanged since it was signed by President Ulysses S. Grant to promote development of the West."

The Pew campaign says that companies — even foreign-owned ones, like Calico Resources — are allowed to take approximately \$1 billion annually in gold and other metals from public lands without payment of a royalty and estimates that taxpayers lose at least \$100 million a year while at the same time paying billions of dollars to clean up the toxic aftermath. The Obama administration has made attempts to update the law, but so far has not succeeded.

Sucking nuggets

Lynch says a lot of the mining that's been going on in Oregon's rivers is hobby mining. But Lesley Adams says that hobby mining is making southern Oregon look a lot like the proverbial wild, wild West. In one incident, miner Ronald Spears shot an ATV rider point blank in the arm after the rider and his friends drove in and out of Spears' mining camp. The ATV driver, Gregory Graybill, lost his arm.

"Vocal groups of miners believe the 1872 mining law is the only one they have to adhere to," Adams says.

Much of the mining on the Rogue is suction-dredge mining. Adams describes this kind of mining as "essentially taking a big vacuum" and sucking up gravel and sediment from the river bed. A diver swims along under water, sucking up gold, along with the sediments and sometimes tiny young fish, using a large hose powered by a gas engine. The resulting mix is drawn across riffles in a sluice box that sits on a raft or pontoon, and the heavier gold sinks down while the rest is spewed back into the river.

Concerns about mining are both social and environmental. The Rogue River, for instance, is popular with fishermen and rafters. "On a social level what I've

been hearing for the last two years is increasing frustration by rafters, fisherman and raft guides trying to negotiate through suction dredgers," Adams says. In addition to not enough environmental regulation of the mining — the Department of Environmental Quality (DEQ) doesn't have the staff for enforcement — Adams says there's not enough police power to keep miners from illegally digging into stream banks. Pete Frost, an attorney with the Eugene-based Western Environmental Law Center, says Oregon State Police troopers "have expressed concerns about the nature of the kind of people" they have to deal with.

"This kind of mining is often described as 'recreation,'" Frost says, "but with the price of gold is where it's at, it's a business venture." Frost is the attorney for a current lawsuit against Oregon DEQ challenging its general permit that authorizes suction-dredge operations throughout much, though not all, of the state.

And it is indeed a business venture. Washington developer Dave Rutan has a patented mining claim on the Chetco River in the Kalmiopsis Wilderness. Rutan filed plans saying he would move 470 cubic yards of gravel a year with suction dredges. Conservationists have fought that plan, and the Chetco wound up on American Rivers' Top 10 Endangered Rivers list in 2010.

So far Rutan's plans have been stymied, but Frost says he continues to watch the situation on the Chetco, though he hasn't yet filed a case. Congressman Peter DeFazio and Sens. Ron Wyden and Jeff Merkley have introduced legislation attempting to protect the river as part of a trio of bills to protect natural resources in Oregon.

According to records from the Department of State Lands there are several thousand active suction-dredge miners in Oregon. Miners say that suction dredging is actually good for rivers. The mercury used in gold mining in the late 1800s still lurks in Oregon's rivers, and miners say they are sucking the stuff out with the suction dredges. Adams, however, says suction dredging in fact "disturbs a lot of land and sediment, increasing the potential to release metals and mercury in the water." California put a moratorium on suction-dredge mining while it evaluates the environmental impacts and the \$2 million a year cost to taxpayers of the practice. As a result Adams says miners are crossing the border into Oregon.

Salmon is the other big issue when it comes to hoovering up the riverbed in giant vacuums. One concern is that miners move the rocks and cobbles of the river, disturbing habitat. Tailings from the dredging are appealing to fish for egg-laying, but Frost says the dredging makes the gravel that salmon and other fish lay their eggs in unstable and more prone to being scoured away when high water comes. The dredging also stirs up sediments, which can negatively affect fish and amphibians. Timing is another factor, Frost says. Suction-dredge mining is not supposed to take place during salmon spawning season, but Adams says, "We see pictures posted in the fall, winter and spring on mining blogs."

"They literally posted photos of illegal activities," she adds.

All that glitters

For Calico Resources, a publicly traded company in Canada, the gold is looking shiny and its webpage is full of enthusiasm. Former actress Terri Anne Welyki, who once appeared as "Swim Beauty number one" in the sci-fi film *Deadly Skies* and "Pearl Girl" in *Hollow Man 2*, and is a former Crest White Strips model, is the face of the glitter as the press contact as well as its vice president of corporate development.

A company called Seabridge Gold actually owns the Grassy Mountain project, which Calico is optioning. Project manager Gaudielle says, "We have an agreement with them, paying them in shares of our stock and if we decide to build a mine, we pay them with stock or net income."

But the risks to water and the environment make Calico appear a little less glittery to Chris Hansen, Owyhee coordinator for ONDA. Water is a hot commodity in dry Eastern Oregon, and the proposed Grassy Mountain gold mine will require water for its mining and processing. "We have water rights at the property as per Oregon law," says Gaudielle, who adds that a water handling system will be designed into the process, under state and federal review.