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**UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration**

*National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802-1668*

RECEIVED  
NATIONAL MARINE FISHERIES SERVICE  
MAY 14 2007  
DECEIVED

May 7, 2007

Colonel Kevin J. Wilson  
District Engineer  
U.S. Army Corps of Engineers  
P.O. Box 6898  
Anchorage, Alaska 99506-0898

Re: POA-1982-290-N  
Moira Sound

Attn: Nicole Hayes

Dear Colonel Wilson:

The National Marine Fisheries Service (NMFS) has reviewed the above referenced application from the Niblack Mining Corporation to construct a marine barge landing facility and dock in Moira Sound. The purpose of the project is to provide personnel and equipment access to land in support of mineral exploration activities. The proposed work includes the construction of a 24-foot wide by 60-foot long barge and landing craft ramp, a 10-foot by 100-foot pile-supported walkway, a 5-foot by 70-foot float ramp, and a 10-foot by 225-foot pile-supported steel and wood float. The barge and landing craft ramp will be constructed of 500 cubic yards of fill placed below the high tide line. The floating dock will serve as moorage for a 50-foot by 150-foot camp barge. Twelve 16-inch diameter steel piles will be used to support various structures.

Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) requires federal agencies to consult with NMFS on all actions that may adversely affect Essential Fish Habitat (EFH). NMFS is required to make EFH Conservation Recommendations, which may include measures to avoid, minimize, mitigate or otherwise offset adverse effects. The Alaska Department of Fish and Game's Anadromous Waters Catalog indicates several anadromous fish streams in the vicinity of the proposed project. These streams support pink, chum, and coho salmon. Juvenile salmon use nearshore habitat during spring and early summer for feeding and predator avoidance prior to migration out to sea.

In accordance with Section 305(b)(4)(A) of the MSA, NMFS makes the following EFH Conservation Recommendations:

1. No in-water work should be permitted from April 1 through June 15 of any year to protect out-migrating salmon.
2. No docks, ramps, or other structures that block sunlight should be placed in or over eelgrass beds.



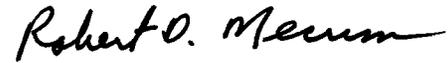
3. Barges and floating docks should not ground during any tidal stage.
4. The use of any wood that has been treated with pentachlorophenol should be prohibited. If treated wood must be used, any wood that comes in contact with water should be treated with waterborne preservatives approved for use in aquatic and/or marine environments. These include, but are not limited to: Chromated Copper Arsenic (CCA) Type C, Ammoniacal Copper Zinc Arsenate (ACZA), Alkaline Copper Quat (ACQ), Copper Boron Azole (CBA) or Copper Azole (CA). Use wood treated with waterborne preservatives in accordance with Best Management Practices developed by the Western Wood Preservers Institute.
5. Drive piles with a vibratory hammer. Pile driving can generate intense underwater sound pressure waves that can injure or kill fish (Longmuir and Lively 2001, Stotz and Colby 2001). Vibratory hammers produce less intense sounds than impact hammers (NMFS 2005). Fish have been observed to avoid sounds similar to those produced by vibratory hammers and to remain within the field of harmful sound associated with an impact hammer (Dolat 1997). If an impact hammer is required because of substrate type or the need for seismic stability, piles should be driven as deep as possible with a vibratory hammer before the impact hammer is used.
6. Drive piles during low tide when they are located in intertidal areas. Potentially harmful sound pressure waves are attenuated more rapidly in shallow water than in deep water (Rogers and Cox 1988).

Additionally, to reduce the possibility for harassment or injury to marine mammals, pile driving should not occur if any marine mammals are observed within 200 meters of the platform. The operator should scan the area for the presence of marine mammals. If marine mammals are sighted within 200 meters of the sound source or are observed to be disturbed by the activity at any distance, pile driving should cease until the animals leave the immediate area.

Under section 305(b)(4) of the Magnuson-Stevens Act, the Corps is required to respond to NMFS EFH Conservation Recommendations in writing within 30 days. If the Corps will not make a decision within 30 days of receiving NMFS EFH Conservation Recommendations, the Corps should provide NMFS with a letter within 30 days to that effect, and indicate when a full response will be provided.

If you have any questions regarding our recommendations for this project, please contact John Hudson at 907-586-7639 or [john.hudson@noaa.gov](mailto:john.hudson@noaa.gov).

Sincerely,

A handwritten signature in black ink that reads "Robert D. Mecum". The signature is written in a cursive style with a prominent initial "R".

Robert D. Mecum  
Acting Administrator, Alaska Region

cc: Applicant  
EPA Juneau, Chris Meade\*  
ADNR, Mark Minnillo\*  
USFWS Juneau, Richard Enriquez\*  
ADEC Juneau, Brenda Krauss\*  
OHMP, Erin Allee\*

\* e-mail PDF

## Literature cited

Dolat, S.W. 1997. Acoustic measurements during the Baldwin Bridge Demolition (final, dated March 14, 1997). Prepared for White Oak Construction by Sonalysts, Inc., Waterford, CT/34 pp + appendices.

Longmuir, C. and T. Lively. 2001. Bubble curtain systems for use during marine pile driving. Report by Fraser River Pile & Dredge Ltd., New Westminster, British Columbia. 9 pp.

National Marine Fisheries Service. 2005. Final Environmental Impact Statement, Essential Fish Habitat Identification and Conservation in Alaska, Vol. 2, Appendix G; National Marine Fisheries Service, Department of Commerce. April, 2005.

Rogers, P.H. and M. Cox. 1988. Underwater sound as a biological stimulus. pp. 131-149. *In* Sensory biology of aquatic animals. Atema, J, R.R. Fay, A.N. Popper, and W.N. Tavolga, eds. Springer-Verlag. New York.

Stotz, T. and J. Colby. 2001. January 2001 dive report for Mukilteo wingwall replacement project. Washington State Ferries Memorandum. 5 pp. + appendices.



**TO:** Joe Donohue  
ACMP/OPMP  
Juneau

**DATE:** May 8, 2007

**FILE NO:** 3130-2R OPMP  
3130-1R COE

**FROM:** Judith E. Bittner *Judy*  
State Historic Preservation Officer

**TELEPHONE NO.:** 269-8721

**FAXED**  
5/9/07

**SUBJECT:** Niblack Anchorage  
AK0704-03J  
POA-1982-290

The Office of History and Archaeology has reviewed the referenced project for conflicts with cultural resources under Section 106 of the National Historic Preservation Act, the Standards of the Alaska Coastal Management Program and the Alaska Statutes.

The Standards of the Alaska Coastal Management Program (11 AAC 112.320) state that *the department will designate areas of the coastal zone that are important to the study, understanding, or illustration of national, state, or local history or prehistory, including natural processes.* The Office of History and Archaeology has identified the above project area as important due to the high potential for cultural remains.

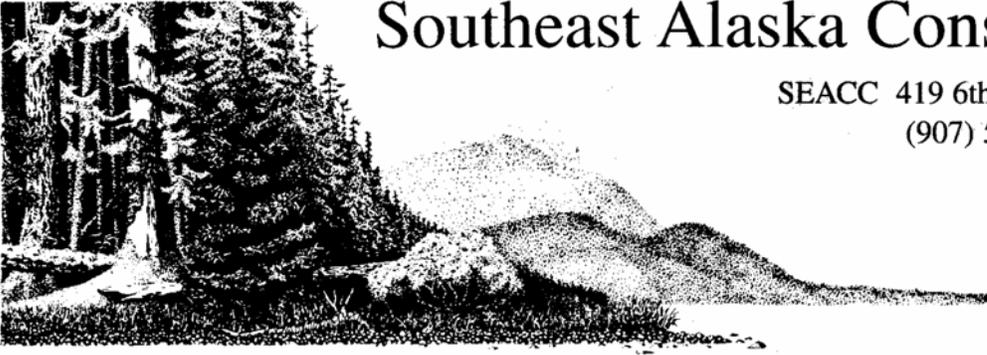
Consequently, the Office of History and Archaeology finds the project inconsistent with the ACMP unless the following alternative measure is adopted. The alternative measures are necessary to ensure consistency with the Statewide Standards for Historic, Prehistoric, and Archeological resources (11 AAC 112.320) and the Ketchikan Gateway Borough Coastal District.

- The applicant must complete the Section 106 process between the State Historic Preservation Office and the U.S. Army COE.

Rational: Under 36 CFR 800.2 of the National Historic Preservation Act, it is the statutory obligation of the lead Federal agency to fulfill the requirements of Section 106.

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MANAGEMENT  
ALASKA STATE  
HISTORIC PRESERVATION  
OFFICE



# Southeast Alaska Conservation Council

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[www.seacc.org](http://www.seacc.org) • [info@seacc.org](mailto:info@seacc.org)

Department of the Army Section 10 & 404 Permit  
ATTN: Nicole Hayes, Regulatory Specialist  
U.S. Army Corps of Engineers, Alaska District  
Regulatory Division, East Branch  
PO Box 6898, Elmendorf AFB, AK 99506-0898  
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Email: [nicole.m.hayes@poa02.usace.army.mil](mailto:nicole.m.hayes@poa02.usace.army.mil)

State of Alaska DNR and DEC Permits  
ATTN: Bob Tsigonis, Project Manager  
ADNR / Office of Project Management & Permitting  
3700 Airport Way, Fairbanks, AK 99709  
Telephone: (907) 374-3708, Fax: (907) 451-2703  
Email: [bob\\_tsigonis@dnr.state.ak.us](mailto:bob_tsigonis@dnr.state.ak.us)

May 18<sup>th</sup>, 2007

RE: Niblack Public Comment

Dear Nicole Hayes and Bob Tsigonis;

Included in this letter are the Southeast Alaska Conservation Council's comments on the advanced minerals exploration plan and floating camp proposed by Niblack Mining Corporation.

The Southeast Alaska Conservation Council (SEACC) is a coalition of 17 volunteer citizen conservation groups in thirteen communities across Southeast Alaska, from Ketchikan to Yakutat. Our mission is to protect the extraordinary resources of Southeast Alaska while ensuring their wise and sustainable use.

SEACC first became aware of exploration activities at the Niblack project in 1997, during the appeal process of the 1997 Tongass Land Management Plan.<sup>1</sup> In that letter, citing statements made in the forest plan appeal filed by Abacus Minerals Corporation, we expressed our concern that the corporation's "extensive ongoing exploration activities, as well as prospective

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<sup>1</sup> See Letter from SEACC to Chief Dombeck, USDA Forest Service (Dec. 18, 1997)(Intervention Comments on Tongass Plan appeals nos. 97-13-0095, -0098, -0104, -0115, and -0122)(hereinafter "SEACC's Intervention Comments on Abacus Appeal).

ALASKA SOCIETY OF AMERICAN FOREST DWELLERS, Point Baker • ALASKANS FOR JUNEAU • CHICHAGOF CONSERVATION COUNCIL, Tenakee  
• FRIENDS OF BERNERS BAY, Juneau • FRIENDS OF GLACIER BAY, Gustavus • JUNEAU AUDUBON SOCIETY • JUNEAU GROUP SIERRA CLUB • LOWER CHATHAM  
CONSERVATION SOCIETY, Port Alexander • LYNN CANAL CONSERVATION, Haines • NARROWS CONSERVATION COALITION, Petersburg • LISIANSKI INLET RESOURCE  
COUNCIL, Pelican • PRINCE OF WALES CONSERVATION LEAGUE, Craig • SITKA CONSERVATION SOCIETY • TONGASS CONSERVATION SOCIETY, Ketchikan • TAKU  
CONSERVATION SOCIETY, Juneau • WRANGELL RESOURCE COUNCIL • YAKUTAT RESOURCE CONSERVATION COUNCIL

exploration and mining activities, have had (and will have) significant effects on the human environment.” SEACC Intervention Comments on Abacus Appeal at 4.

### **Environmental Impact Statement Required**

Exploration at Niblack Anchorage has occurred for a number of years. The company is proposing to expand the explorations to include the use of a large floating camp, the storage of 60,900 cubic yards of waste rock, 14,300 cubic yards of which will be potentially acid generating, and the construction of 6,000ft of tunnels. Given the size of the proposed exploration activities and the potential harmful nature of the resulting waste rock generated, we believe that an Environmental Impact Statement is required.

### **Management of Acid Generating Rock**

The Greens Creek Mine and US Forest Service failed to predict that the Greens Creek Mine’s tailings and waste rock were acid generating. Despite the fact that the claims at the Greens Creek Mine were named “Big Sore,”<sup>2</sup> the Forest Service’s original EIS incorrectly assumed the “stable chemical nature of the tailings.”<sup>3</sup> At the Niblack project, we suggest that a more precautionary approach be taken for the handling of the potentially acid generating (PAG) rock and the rock assumed to be non-acid generating (NAG).

The water management plan for the NAG rock piles is based on the assumption that sediment is the only contaminant of concern. Typically, the only difference between PAG rock and NAG rock is the concentration of sulfide ore and heavy metals in the rock. Often rock considered NAG will still contain some acid producing ore and heavy metals. Runoff should be collected from the NAG rock piles via a liner and monitored to ensure that water quality standards are being met.

It is proposed that the NAG rock would be dumped over a hillside. Please explain how this rock will be recollected and dealt with in the future if it is later found to be acid generating. If monitoring reveals that runoff from NAG stockpiles do not meet water quality standards, that material must be transferred to a lined PAG rock storage pad and eventually backfilled. NAG rock should be treated as PAG rock until it is proven unequivocally to be NAG rock. At the completion of the exploration plan, as much waste rock material as possible should be backfilled, including material that is presumed to be NAG rock.

The mining company seeks a temporary water use authorization for groundwater from an exploration tunnel. If operations cease at Niblack, will this groundwater seep into areas that have PAG rock? Will that contaminated water seep out of the tunnels or into the groundwater?

### **Water Treatment**

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<sup>2</sup> USFS *Greens Creek Final Environmental Impact Statement*, Alaska Region Admin. Doc. Number 115, (January 1983), Figure 1-2, Land Tenure map at 1-5.

<sup>3</sup> *Id.* at 4-24.

The “Testability Simulations for NMC Water Management Program” rely extensively on “desk top” studies. On the ground tests need to be done to ensure that the discharged water meets water quality standards.

The exploration plan calls for using a land application/dispersal system for waste water. Have other mines in Alaska successfully used such a system for waste water? The steep terrain and saturated soils of Southeast Alaska affect the capacity of the soils to absorb the waste water; rainfall and snow melt often cause surface flow of water in forested areas. Is the dispersal system near any permanent, ephemeral, or temporary streams? Has the area been surveyed for groundwater seeps? How deep is the groundwater near the dispersal system and where does it flow? Monitoring must be done to ensure that all waste water applied to land via the dispersal system meets water quality standards.

No pond overflows are planned for the PAG runoff settling ponds. Niblack’s wastewater treatment and disposal application simply states, “in the event of unusual or unforeseen circumstances resulting in an accidental overflow of the WTF (or at the PAG/ML facility), NMC would report such events to ADEC within one day of their occurrence.” Mining companies in Southeast Alaska have a history of failing to account accurately for the amount of precipitation Southeast Alaska receives. For example, Coeur Alaska failed to properly implement their Storm Water Pollution Prevention Plan at the Kensington Mine, and heavy rains caused erosion and water quality problems. Plans for the settling pond should include an overflow that minimizes the chances contaminated water will enter streams or other waterbodies.

### **Crucial Habitat**

No alternative locations for the floating camp/barge outside of the Crucial Habitat Area were evaluated to assure that adverse impacts were avoided to the maximum extent practicable. 11 AAC 112.900 (a)(1). Such analysis is necessary to comply with the requirements of 11 AAC 112.300. Are there sites outside the Crucial Habitat Area that are more appropriate for the barge-camp? Although, the state concluded that a survey done on eelgrass indicated that no degradation of habitat will occur, the survey did show eelgrass close to the proposed location of the barge facility, site 32 and 34-35, and the survey was conducted in the winter, providing the opportunity to underestimate the overall coverage of the plant.

The tideland lease will last for 10 years. If the mine moves from its exploration plan to a development phase, does the lease allow the company to use the area for movement of construction materials and or concentrate? Was that potential change in activities considered when it was determined the activities would have no impact on the eelgrass?

### **Screening of High Risk Mines and Precautionary Approach**

New scientific research unveiled in late 2006, “Comparison of Predicted and Actual Water Quality at Hardrock Mines,” and “Predicting Water Quality Problems at Hardrock Mines: Methods and Models, Uncertainties, and State-of-the-Art,” by Kuipers, P.E., and geochemist Ann Maest, Ph.D., found that faulty water quality predictions, mitigation measures and regulatory failures often result in the approval of mines that create significant water pollution problems. Despite assurances from government regulators and mine proponents that mines

would not pollute clean water, the researchers found that 76 percent of studied mines exceeded water quality standards, polluting rivers, and groundwater with toxic contaminants, such as lead, mercury, arsenic and cyanide, and exposing taxpayers to huge cleanup liabilities. Based on the researchers' findings, the groups releasing the studies offered the following recommendations:

- Better screening of high-risk mines—particularly those near water resources that have the potential to create pollution from acid drainage or metal leaching.
- Taking a precautionary approach to mine permitting and planning for worst-case scenarios.
- Undertaking a thorough review of water quality predictions at all existing mines.
- Keep the public informed by making risks transparent.
- Preventing conflicts-of-interest between mine proponents and expert consultants who prepare predictions and analyses.

Rather than continue the trend of failing to predict water quality problems accurately; we recommend the Niblack Mining Corporation and the regulatory agencies review these reports (found at: <http://www.mineralpolicy.org/publications.cfm?pubID=213> ) and ensure that the Niblack project has appropriate screening and uses a precautionary approach to permitting so that worst-case scenarios are planned for.

Sincerely,

Rob Cadmus  
Water Quality and Mining Organizer  
Southeast Alaska Conservation Council  
419 Sixth Street, Suite 200, Juneau, AK 99801  
907-586-6942 / [rob@seacc.org](mailto:rob@seacc.org)

# CENTER for SCIENCE in PUBLIC PARTICIPATION

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Phone (406) 585-9854 / Fax (406) 585-2260 / web: [www.csp2.org](http://www.csp2.org) / e-mail: [csp2@csp2.org](mailto:csp2@csp2.org)  
*“Technical Support for Grassroots Public Interest Groups”*

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May 22, 2007

## **Department of the Army Section 10 & 404 Permit**

ATTN: Nicole Hayes, Regulatory Specialist  
U.S. Army Corps of Engineers, Alaska District  
Regulatory Division, East Branch  
PO Box 6898, Elmendorf AFB, AK 99506-0898  
Telephone: (907) 753-2712, Fax: (907) 753-5567  
Email: [nicole.m.hayes@poa02.usace.army.mil](mailto:nicole.m.hayes@poa02.usace.army.mil)

## **State of Alaska DNR and DEC Permits**

ATTN: Bob Tsigonis, Project Manager  
ADNR / Office of Project Management & Permitting  
3700 Airport Way, Fairbanks, AK 99709  
Telephone: (907) 374-3708, Fax: (907) 451-2703  
Email: [bob\\_tsigonis@dnr.state.ak.us](mailto:bob_tsigonis@dnr.state.ak.us)

## **RE: NIBLACK PUBLIC COMMENT**

The Center for Science in Public Participation provides technical advice to public interest groups, non-governmental organizations, regulatory agencies, mining companies, and indigenous communities on the environmental impacts of mining. **CSP<sup>2</sup>** specializes in mining, especially with those issues related to water quality impacts and reclamation bonding.

### **General Comments**

The Corps and State of Alaska are about to authorize a two year multimillion dollar project that will involve the construction of a series of mining tunnels over a mile in length. As a result of this construction naturally occurring minerals in rock which could produce heavy metal contamination will be exposed. As a result of this potential contamination, the State of Alaska is obligated to issue a Solid Waste Permit.

Because of the potential impacts of this project, the agencies involved should conduct a thorough environmental review, including taking public comment, before issuing permits allowing this project to proceed.

The State of Alaska, unlike many states who have state NEPA statutes, does not have a requirement to perform a formal environmental project review.<sup>1</sup> However, the Army Corps does an obligation under NEPA to conduct such a review. At the time of this writing, when comments are due on the state and federal permits, the Corps has not allowed the public an opportunity to participate or comment on its environmental review of the Niblack Project.

In the case of the Niblack project there are issues like the chemical characteristics of the long term runoff from waste rock that will remain on the surface, the potential seepage from acid generating material that will be backfilled into the mine, and the potential impacts to the area where waste effluent will be land-applied, which need further investigation. Although the technical work submitted by the applicant is good, as far as it goes, it should not relieve the agencies from conducting their own, independent, environmental analysis of the project, and of allowing the public to be involved in that process.

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<sup>1</sup> It should be noted that the State of Alaska, Department of Natural Resources, did voluntarily conducted the “functional equivalent” of an EIS on the initial permits for the Fort Knox mine.

## **Project-Specific Comments**

### **1. ADEC Waste Management Permit 2006-DB0037, Niblack Exploration Project**

#### **1.4 Treatment Facility Operation**

##### **1.4.2 The wastewater shall be dispersed for land infiltration.**

The proposed land application area is immediately upgradient of forested wetland that could be sensitive to mine-related contaminants. However, there are no requirements or guidelines in the permit for the waste water to be land-applied.

What is maximum contaminant load permissible for land application?

What is this carrying capacity of the areas where this effluent is being land applied?

What contaminant will "break through" first if over-application of the effluent occurs (usually it is nitrate)?

These factors should all be addressed in the ADEC permit.

##### **1.6.8 - Table B / Suite A – Ground water**

##### **1.6.9 - Table C / Suite B – Surface Streams**

Cadmium is listed twice on Tables B & C.

It is also suggested that selenium be added to these lists. Selenium shows some elevated levels in the baseline test data for stations WQ-1 through WQ-6 in POO Appendix 5. There are no ICP results presented for Se in the POO (Table 2.4), so it is unclear how much Se there is in the rock.

There should also be monitoring for nitrogen (nitrate/nitrite). The applicant proposes to use ANFO for a blasting agent. ANFO does not burn completely when fired, and typically contributes a significant amount of nitrates to water flushing the blasted waste rock. This waste rock will be placed in an external waste dump, and the runoff will be routed into a nearby stream after settling, which will not remove any nitrates/nitrites dissolved in the water.

##### **1.6.11 Post-Closure Monitoring**

There is only a post-closure monitoring requirement for the several surface water monitoring stations. Long term monitoring would insure that neutral leaching is not occurring from the waste rock (including nitrate/nitrates).

This would require only one additional monitoring station, and would provide significant lead time if problems were to develop in the NAG waste rock pile. It would be relatively inexpensive to require post closure monitoring for NAG waste rock seepage since this would only require one additional sampling site, and could be monitored when samples are taken at other monitoring sites.

##### **1.13 Site Specific Criteria for Surface Waters**

There should be limit for nitrates/nitrites. Blasting agents almost always leave nitrogen residues that often result in exceedances of 10 mg/L in the seepage from waste rock storage piles.

Nitrate/nitrite is also the first contaminant that normally "breaks through" in a land-application facility, and might be the first thing to cause an exceedance of water quality standards if it reaches a surface water.

## **2. Operational Characterization Plan, Niblack Mining Corp., Plan of Operations, Appendix 3.**

### **2.3 Waste Rock Classification Criteria**

This is a good monitoring and segregation scheme. One suggested change is that the determination of the amount of lime to be added to the backfilled PAG waste should be based on a calculation of the potential acidity in the waste and in the mine walls (based on the samples taken during mining), not on the amount needed to neutralize the pore water, as proposed in this section.

## **3. Reclamation and Closure Plan, Niblack Exploration Project, Plan of Operations, Appendix 6.**

### **2.6.2 Revegetation Success Criteria**

In this section it is stated that "Revegetation criteria will be used to quantify revegetation success." However, there is no discussion of the revegetation criteria that will be used.

What vegetation criteria will be used to judge revegetation success?

### **4.3 Indirect Costs, Contingency and Inflation**

#### **4.3.5 Agency Oversight**

Agency oversight costs are only \$8,650. This total is based on two trips by ADNR and ADEC during active reclamation and 3 follow-up site inspections in post closure years 1, 2 and 3. It was assumed the oversight would be completed by one ADNR staff person from the Fairbanks office, and one ADEC staff person from the Juneau office.

Agency oversight costs need to be based on oversight that would be required if the agency had to supervise mine closure, not just inspection of company-conducted closure, so this cost should be increased appropriately.

## **4. Solid Waste Permit Application, Niblack Mining Corporation**

### **APPENDIX A - Geotechnical Summary of Niblack Project Waste Rock Dumps, Geotechnical Summary of the Niblack Project Waste Rock Dumps, *Knight Piésold Ltd, December 14, 2006***

#### **Non-Acid Generating (NAG) Waste Rock Dump**

The lifts of the NAG waste dumps will be placed at the angle of repose of 1.3:1 (H:V). In itself this is as steep a slope as is possible to create, and is inherently on the verge of instability. It is also noted in this report:

"A portion of the waste rock dump is located on the site of a historic land slide..." (KP, p. 1).

Loading this slope can only increase the demonstrated slope instability. From the description this does not appear to be a good location for a waste rock dump.

In addition, it appears that only Static analysis was performed for the PAG (and NAG?) waste dumps. There was evidently no dynamic testing performed. This is an area where earthquake-induced failure could be an issue, especially for a loaded steep slope, like that of the NAG dump.

The most likely sources for an earthquake significant to the project site are the Fairweather-Queen Charlotte Fault and the Chatam Strait Fault. These two faults are both located approximately 90 miles to the west of the project site.

May 22, 2007

Page #4

While the PAG dump is relatively level and located on relatively stable ground, the NAG dump is steep and partially located on unstable ground, and appears to be at risk for failure under earthquake loading, and possibly from static failure due to an unstable sub-base.

Thank you for the opportunity to comment on these applications.

Sincerely;

A handwritten signature in black ink, appearing to read "David M Chambers". The signature is written in a cursive style with a prominent initial "D" and "M".

David M Chambers, Ph.D.

**From:** Olson Marine, Inc. [olsonmarine@kpunet.net]  
**Sent:** Tuesday, May 22, 2007 2:52 PM  
**To:** robert\_tsigonis@dnr.state.ak.us  
**Subject:** Niblack Mining

**Follow Up Flag:** Follow up  
**Flag Status:** Green

**Attachments:** image003.jpg; image003.jpg; image001.jpg  
Mr. Bob Tsigonis  
Alaska Dept. of Natural Resources  
LMPT

I am writing this letter to voice my support for Niblack Mining Corporation's mineral exploration activities on Prince of Wales Island. There are several reasons that motivate me to back this project. As a business owner located in Ketchikan, I have concerns about the economic development of Southeast Alaska in the coming years. As the timber industry is on the decline, we need other ways to strengthen the economy. Niblack's plans for mining exploration and development of a natural resource has the potential to have a very positive impact on the economies of Prince of Wales, Ketchikan and the entire region of Southeast AK. The benefits of this project to the surrounding communities could include jobs for Alaska residents, an increase in retail sales of groceries and other necessities, additional work for existing businesses in different contracting industries, air and ferry transportation, etc.

My business has done tug and barge marine transport contracting for Niblack in prior years. In my dealings with their company, they have proven to be a reputable firm that conducts business in a professional manner. Niblack appears to be a company committed to managing their operations with a high degree of respect for the environment. They have gone the extra mile to ensure that they have a comprehensive operations plan that adheres to strict environmental standards.

To summarize, this project has the potential to have a favorable effect on both local and regional communities, and the larger region of Southeast Alaska in the upcoming two years during the exploration phase. And on into the future for years to come, if the property is eventually developed into a full scale mining project. I would like to express my concurrence that Niblack should be granted their final permits in a timely manner so the project can get underway, and the benefits to surrounding areas can start to be realized.

Thank you for your time.

Sincerely,

*Rick Olson*  
Owner

**Olson Marine, Inc.**  
**Phone: 907-247-1417**  
**Fax: 907-247-1418**  
<http://www.olsonmarine.com>

BBC Human Resource Development Corporation  
8800 Glacier Highway, Suite 224-1/2  
Juneau, Alaska 99801

May 22, 2007

Mr. Robert Tsigonis, P.E.  
Large Project Coordinator  
Alaska Department of Natural Resources  
3700 Airport Way  
Fairbanks, Alaska 99709-4699

SUBJECT: Niblack Exploration Project

Dear Mr. Tsigonis:

Thank you for the opportunity to comment on the Niblack Exploration Project.

The BBC Human Resources Development Corporation (BBC-HDRC) is based in Juneau, Alaska. This non-profit corporation was established as an outgrowth of the Berners Bay Consortium in 1996. It is an alliance of Goldbelt, Inc. Klukwan, Inc. and Kake Tribal Corporation, three ANCSA Corporations, in association with Coeur Alaska, Inc. for the purposes of promoting Alaska Native hire and career development through environmentally responsible mining in the Berners Bay Mining District. Our goal is to maximize Native and local hire through education and training.

The program has been extremely successful. As a matter of fact, Coeur Alaska's Kensington mine is in construction and over 380 people that we helped to recruit and train are currently employed there. Moreover, 52% of the employment is Alaska Native or Native affiliated. We view our program as a model for local hire and vocational education.

We have attended various meetings where Mr. Darwin Green of Niblack has presented the exploration project. It appears to be carefully and thoughtfully planned. The environmental controls described in the draft permits to be issued by ADNR and ADEC for solid waste, waste water treatment and mining reclamation appear to be designed with adequate regard for the environment and employ state-of-the art technology. This level of environmental control is both necessary and appropriate.

The BBC-HDRC strongly supports the Niblack exploration project. It will provide up to 18 jobs in this phase for SE Alaskans. These are badly needed jobs in an area that has very high unemployment and many under-employed people. The Ketchikan Pulp Mill closure in 1997 left over 400 people jobless. The Wrangell Sawmill closure in 1994 put over 200 employees (20% of the entire work force) out of work.

This project, as proposed, involves limited land disturbance and only about 60,000 cubic yards of material will be generated by the project. Nearly 15,000 of this total is to be placed back underground permanently. The environmental risk is very low; the safeguards are very robust.

We urge you to approve the project in the most timely manner by issuing all final permits. As a Registered Environmental Assessor and Certified Professional Geologist, with 30 years of experience in Southeast Alaska, I further view the Niblack project as one with high geologic potential and excellent marine access. It is a well designed, environmentally responsible project, which will be carefully monitored. This is a sound project and the BBC-HDRC supports issuance of the permits now.

Sincerely,

Randy Wanamaker,  
Executive Director

From: Jon Bolling [jbolling@aptalaska.net]  
Sent: Wednesday, May 23, 2007 5:45 AM  
To: robert\_tsigonis@dnr.state.ak.us  
Cc: jbolling@aptalaska.net; pnicol@niblackmining.com  
Subject: Niblack Mine Support

Dear Mr. Tsigonis,

The City of Craig supports efforts by Niblack Mining Corporation to expand its exploration activities at the Niblack Mine on Prince of Wales Island over the next two year period.

I attended the public hearing on the mine that was held in Ketchikan earlier this month and reviewed the various environmental documents presented at the public meeting. I am impressed with the effort the company has made to secure the necessary draft permits for its plan of operations.

The proposed \$14 million, two-year exploration budget will provide a boost to the economy of southern Southeast Alaska and result in a net gain in employment for Prince of Wales Island residents, with little if any measurable environmental impact on the land and waters in and near Niblack Anchorage.

If the site is found to be economic for the production of copper-zinc-gold-silver, the production phase of the project would certainly provide a long-term economic benefit for Prince of Wales Island, which has seen substantial losses in population, employment, and wages with the decline of the timber industry over the past ten years.

I urge ADNR/OPMP to issue the final permits as soon as possible after the close of the public comment period.

Sincerely,

Jon Bolling

City Administrator

May 23, 2007

State of Alaska DNR and DEC Permits  
Mr. Bob Tsigonis, Project Manager  
ADNR/Office of Project Management & Permitting  
3700 Airport Way  
Fairbanks, Alaska 99709  
Fax: (907) 451-2703

RE: Niblack Mine Exploration Program

Dear Mr. Tsigonis,

I would like to voice my support for Niblack Mining Corporation's exploration program at their Niblack Anchorage property on Prince of Wales Island.

If we are to develop the natural resources of Alaska, we must encourage mineral exploration programs such as the one this company proposes. Mineral deposits are where you **find** them, not where you **wish** them to be.

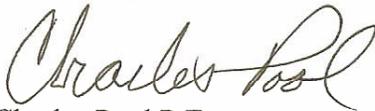
The Niblack property has had intermittent development and exploration activities for over 100 years. The property has previously been patented and is privately held.

I believe the Niblack Mining Company will use current standards of practice to protect the property and watershed from degradation during exploration activities.

Please grant the final exploration permits at the closure of the public comment period so that the exploration program can get started during the summer months.

Mining exploration programs have contributed substantial economic benefits to Southeast Alaska over the past century. The resulting mining of mineral deposits have supported several regions of Alaska over the past years and I would like to see that diversified economic benefit for Southern Southeast Alaska in the future.

Thank you,



Charles Pool P.E.

*Frontblackssupportletter5-23-07*



May 23, 2007

Mr. Bob Tsigonis, P.E.  
Large Project Coordinator  
Alaska Department of Natural Resources  
3700 Airport Way  
Fairbanks, Alaska 99709-4699

SUBJECT: Niblack Exploration Project

Dear Mr. Tsigonis;

Kootznoowoo Incorporated is the village corporation for the city of Angoon, as established under the Alaska Native Claims Settlement Act (ANCSA). Kootznoowoo has lifestyle, economic and cultural interests that include significant holdings in Prince of Wales Island. These include forests, energy resources (hydro, geothermal, wind, coal and biomass), water resources and minerals.

We have reviewed the draft environmental permits for the proposed Niblack Mining Corporation exploration project as presented on the state webpage. The permit requirements appear to be consistent with applicable Alaska statutes and regulations. Considerable thought seems to have been incorporated into monitoring, mitigation and reclamation plans developed by the company, Niblack. The Large Mine Permitting Team, which we understand was organized to implement the state's mining permitting process on the surface, has reviewed all permitting submittals by Niblack in detail to determine the project is consistent with state requirements and the Alaska Coastal Zone Management Program.

Kootznoowoo Shareholders accordingly will have the opportunity to apply for 20 jobs that could be created by the two year exploration program. These are badly needed jobs in a region that has seen at least two major mill closures at Ketchikan and Wrangell in the last 10 years with a job loss of over 600. The region suffers from not only high unemployment, but we are also under-employed. If successful, the project will lead to many additional jobs and related economic and business opportunities for Kootznoowoo.

Therefore, we urge you to issue the necessary operating permits for the Niblack exploration project in a timely manner. The LMPT must also carefully monitor the project to ensure that all environmental requirements are complied with. This is essential.

Mr. Bob Tsigonis, P.E.  
May 23, 2007  
Page 2

Thank you for the opportunity to comment. Please feel free to contact me at (907)790-2992 if you have any questions or issues regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "Peter Naoroz". The signature is written in a cursive style with a long, sweeping flourish at the end.

Peter Naoroz  
President/General Manager

## KETCHIKAN GATEWAY BOROUGH

Department of Planning and Community Development  
344 Front Street, Ketchikan, Alaska 99901

(907) 228-6636 Fax: (907) 247-8439  
leslie.real@borough.ketchikan.ak.us

May 23, 2007

Joe Donohue  
ACMP Project Specialist  
Office of Project Management and Permitting  
302 Gold Street, Suite 202  
Juneau, AK 99811-0030

SENT VIA E-MAIL

### CZM Consistency Review

Project: Niblack Anchorage (Mining Exploration Phase)  
Applicant: Niblack Mining Corporation  
State ID #: AK 0703-03J

#### Project Description:

The "Niblack Project" is a copper-gold-silver prospect in an advanced exploration phase of development. The proposed underground exploration project is located off Moira Sound in Niblack Anchorage on southeastern Prince of Wales Island.

Niblack Mining Corporation proposes to develop 6,000 feet of underground tunneling from a single adit entry. The main focus of the underground work is to provide access for exploration drilling to test deep zones of mineralization. The project is expected to last 2 years. It will require a marine access and camp barge facility on the adjacent state-owned tide and submerged lands. Other surface disturbances including an access road, portal and waste rock storage and disposal areas will be confined to private property.

Total surface disturbance requiring post-closure reclamation is approximately 5.5 acres. The proposed underground excavation will generate about 60,900 cubic yards of waste rock, most of which is benign. Approximately 14,300 cubic yards is potentially acid-generating (PAG) material which will be placed in an engineered, lined 0.85-acre storage facility. At the end of the exploration period, all PAG waste rock will be picked up and transferred back underground and the adit will be sealed.

#### Comments:

The Ketchikan Coastal District finds this project consistent with its enforceable policies and applicable Statewide Standards.

**Objective A.1.** *To promote sources of employment, economic growth, and community stability.*

**A.1.a.** \*Government review and, where appropriate, support and funding, shall be given for the following activities and projects: support facilities necessary for mining development and operation.

**Objective A.4.** *To support the revival of Ketchikan's surface and sub-surface mining industry.*

**A.4.a.** \*Land management programs shall identify accessible, high quality rock, sand, and gravel sites outside environmentally sensitive areas and allow for their excavation with minimal impact to the

surrounding landscape. Where appropriate, a materials extraction plan shall be prepared for large intensive use sites.

The following objectives of the Ketchikan District Coastal Plan would pertain to tideland development associated with the camp barge facilities.

**Objective B.3.** *To allow tideland development, leasing, and use in an efficient and orderly manner.*

**B.3.a.** \*The use of piling supported or floating structures shall be encouraged over those requiring solid tideland fills.

The Ketchikan District defers to resource managers to determine if projects are acceptable in their impacts on habitat, wildlife, and fisheries.

\* Denotes enforceable policies from the Ketchikan District Plan.

**Reviewed by:**

Leslie Real  
Planner & Coastal District Coordinator

C: David Taylor, Principal Planner  
Roy Eckert, Borough Manager

From: gregory@tongassconservation.org  
Sent: Wednesday, May 23, 2007 2:58 PM  
To: nicole.m.hayes@poa02.usace.army.mil  
Cc: robert\_tsigonis@dnr.state.ak.us; dgreen@niblackmining.com  
Subject: TCS Public Comment - Niblack

Follow Up Flag: Follow up  
Flag Status: Green

Greetings Nicole and Bob,

Below please find TCS' comments regarding the Niblack project. I look forward to working with you all more - as well as with Niblack - as the effort moves forward.

Unfortunately, I am caught up in a meeting so have not had a chance to make them incredibly interesting, as I had hoped. Sorry in advance for the boredom.

Take care,  
Gregory Vickrey  
Tongass Conservation Society

Department of the Army  
Section 10 & 404 Permit  
ATTN: Nicole Hayes, Regulatory Specialist U.S. Army Corps of Engineers Alaska District  
Regulatory Division East Branch PO Box 6898 Elmendorf AFB, AK 99506-0898  
Telephone: (907) 753-2712, Fax: (907) 753-5567  
Email: nicole.m.hayes@poa02.usace.army.mil

State of Alaska  
DNR and DEC Permits  
ATTN: Bob Tsigonis, Project Manager  
ADNR / Office of Project Management & Permitting 3700 Airport Way, Fairbanks, AK 99709  
Telephone: (907) 374-3708, Fax: (907) 451-2703  
Email: bob\_tsigonis@dnr.state.ak.us

RE: Niblack Public Comment

Dear Nicole Hayes and Bob Tsigonis:

Please find below the comments of the Tongass Conservation Society (TCS) regarding the Niblack Project on Prince of Wales Island, Alaska. TCS is an organization with a membership of over 600 based in Ketchikan, Alaska, and we work to protect the Tongass and the peoples who depend upon it.

For a decade TCS has followed developments at the Niblack site and believes that exploration has had and will have a continued far-reaching effect on the environment. Due to the nature of

mining in general and the specific history at Niblack, we believe a full environmental review under NEPA is necessary before expansion of exploration activities. We recommend completion of an Environmental Impact Statement in order to fully understand potential effects related to expansion of the project, inclusive of the potential harmful nature of the waste rock generated. The operations are said to include use of a large floating camp, the storage of 60900 cubic yards of waste rock – of which 14300 cubic yards will be potentially acid generating, and 6000 feet of tunnels. Expansion to this scope requires an EIS.

#### Management of Acid Generating Rock

The Greens Creek Mine and US Forest Service failed to predict that the Greens Creek Mine's tailings and waste rock were acid generating. The Forest Service's original EIS incorrectly assumed the "stable chemical nature of the tailings". At the Niblack project, we suggest that a more precautionary approach be taken for the handling of the potentially acid generating (PAG) rock and the rock assumed to be non-acid generating (NAG).

The water management plan for the NAG rock piles is based on the assumption that sediment is the only contaminant of concern. Typically, the only difference between PAG rock and NAG rock is the concentration of sulfide ore and heavy metals in the rock. Often rock considered NAG will still contain some acid producing ore and heavy metals. Runoff should be collected from the NAG rock piles via a liner and monitored to ensure that water quality standards are being met.

It is proposed that the NAG rock would be dumped over a hillside. Please explain how this rock will be recollected and dealt with in the future if it is later found to be acid generating. If monitoring reveals that runoff from NAG stockpiles do not meet water quality standards, that material must be transferred to a lined PAG rock storage pad and eventually backfilled. NAG rock should be treated as PAG rock until it is proven unequivocally to be NAG rock. At the completion of the exploration plan, as much waste rock material as possible should be backfilled, including material that is presumed to be NAG rock.

#### Water Management

The "Testability Simulations for NMC Water Management Program" rely extensively on "desk top" studies. On-the-ground tests need to be done to ensure that the discharged water meets water quality standards.

The exploration plan calls for using a land application/dispersal system for waste water. Have other mines in Alaska successfully used such a system for waste water? The steep terrain and saturated soils of Southeast Alaska affect the capacity of the soils to absorb the waste water; rainfall and snow melt often cause surface flow of water in forested areas. Is the dispersal system near any permanent, ephemeral, or temporary streams? Has the area been surveyed for groundwater seeps? How deep is the groundwater near the dispersal system and where does it flow? Monitoring must be done to ensure that all waste water applied to land via the dispersal system meets water quality standards.

No pond overflows are planned for the PAG runoff settling ponds. Niblack's wastewater treatment and disposal application simply states, "in the event of unusual or unforeseen circumstances resulting in an accidental overflow of the WTF (or at the PAG/ML facility), NMC

would report such events to ADEC within one day of their occurrence.” Mining companies in Southeast Alaska have a history of failing to account accurately for the amount of precipitation Southeast Alaska receives. For example, Coeur Alaska failed to properly implement their Storm Water Pollution Prevention Plan at the Kensington Mine, and heavy rains caused erosion and water quality problems. Plans for the settling pond should include an overflow that minimizes the chances contaminated water will enter streams or other waterbodies.

Screening of High Risk Mines and Precautionary Approach New scientific research unveiled in late 2006, “Comparison of Predicted and Actual Water Quality at Hardrock Mines,” and “Predicting Water Quality Problems at Hardrock Mines: Methods and Models, Uncertainties, and State-of-the-Art,” by Kuipers, P.E., and geochemist Ann Maest, Ph.D., found that faulty water quality predictions, mitigation measures and regulatory failures often result in the approval of mines that create significant water pollution problems. Despite assurances from government regulators and mine proponents that mines would not pollute clean water, the researchers found that 76 percent of studied mines exceeded water quality standards, polluting rivers, and groundwater with toxic contaminants, such as lead, mercury, arsenic and cyanide, and exposing taxpayers to huge cleanup liabilities. Based on the researchers’ findings, the groups releasing the studies offered the following recommendations:

- Better screening of high-risk mines—particularly those near water resources that have the potential to create pollution from acid drainage or metal leaching.
- Taking a precautionary approach to mine permitting and planning for worst-case scenarios.
- Undertaking a thorough review of water quality predictions at all existing mines.
- Keep the public informed by making risks transparent.
- Preventing conflicts-of-interest between mine proponents and expert consultants who prepare predictions and analyses.

Rather than continue the trend of failing to predict water quality problems accurately, we recommend the Niblack Mining Corporation and the regulatory agencies review these reports (found at: <http://www.mineralpolicy.org/publications.cfm?pubiD=213> ) and ensure that the Niblack project has appropriate screening and uses a precautionary approach to permitting so that worst-case scenarios are planned for accordingly.

Thanks for the opportunity to comment.

Sincerely,

Gregory Vickrey  
Director  
Tongass Conservation Society  
PO Box 23377  
Ketchikan Alaska 99901



# MEMORANDUM

STATE OF ALASKA

Department of Natural Resources  
Division of Mining Land and Water  
Southeast Regional Office

---

DATE: May 15, 2007

TO: Joe Donohue  
Project Review Coordinator  
Office of Project Management and Permitting

FROM: Brady Scott  
Natural Resource Manager

SUBJECT: Niblack Anchorage (Mine Exploration Phase) AK 0704-03J  
ADL 107544

The Land Section of the Division of Mining, Land and Water has reviewed the above referenced development project for consistency with the Alaska Coastal Management Program.

The DNR land use application has been received for the project and is identified as:

Tideland Lease, ADL 107544

Our office concurs with the applicant's certification that the proposed activity complies with and is consistent with the ACMP.

### Advisory

A consistency determination does not obligate the Department of Natural Resources to issue authorization pursuant to AS 38, nor does it supersede statutory obligations thereunder. The applicant may not proceed with any site specific land use activity on the subject State lands until so authorized by the Division of Mining, Land and Water. Authorities outside 11 AAC 112 may result in additional permit conditions not contained in the consistency decision.

Thank you for the opportunity to comment.

cc: Alexandria Dugaqua, ADNR/DMLW, email



# ALASKA MINERS ASSOCIATION, INC.

3305 Arctic Blvd., #105, Anchorage, Alaska 99503 • (907) 563-9229 • FAX: (907) 563-9225 • www.alaskaminers.org

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May 23, 2007

Mr. Bob Tsigonis  
Project Manager  
DNR Office of Project Management & Permitting  
3700 Airport Way, Fairbanks, AK 99709

FAX: 907-451-2703

Re: Niblack Project

Dear Mr. Tsigonis,

Thank you for the opportunity to comment on the proposal for the Niblack Project. This project is extremely important for Alaska in general and for this part of Southeast Alaska in particular.

This part of Southeast Alaska is in dire economic straits and we believe that mining is one of the few alternatives available for high-quality, skilled, good-paying, year-around jobs in this area. Attacks by the environmental community over the past 20 years have decimated the wood products industry. Southeast Alaska has been losing jobs since the timber harvest has been so badly impacted and there are no other opportunities to replace those family wage jobs that have been lost.

It appears that the Niblack property may be similar to the Greens Creek deposit. If this proves to be the case, the Ketchikan area would have possibility of several decades of new jobs at the mine. Greens Creek started mining with the knowledge that it could operate from 12 to 15 years. It started in 1989 and now after 18 years the mine continues to have an expected remaining life of more than 10 years. These are the kinds of long term jobs needed in this part of the state.

We urge that legally defensible permits be approved for the Niblack project as in the most expedient manner possible.

Sincerely,

Steven C. Borrell, P.E.  
Executive Director



## *Ketchikan Chamber of Commerce*

Phone: (907) 225-3184 • Fax: (907) 225-3187  
111 Stedman St., Suite 201, Ketchikan, Alaska 99901  
[www.ketchikanchamber.com](http://www.ketchikanchamber.com) • [info@ketchikanchamber.com](mailto:info@ketchikanchamber.com)

A.D.N.R. / Office of Project Management & Permitting  
3700 Airport Way  
Fairbanks, AK. 99709

ATTN: Bob Tsigonis, Project Manager

Ref: Niback Mine Project

The Ketchikan Chamber of Commerce supports the Niback Mine exploration project as proposed and presented at the public meeting in Ketchikan on May 9, 2007. This underground exploration project on Prince of Wales Island can be completed in accordance with the appropriate state and federal regulations.

The project will also benefit the local Ketchikan economy.

The Chamber of Commerce requests the Corps of Engineers and the State of Alaska to approve this project so it can proceed this season.

Sincerely,

A handwritten signature in black ink that reads "Blaine Ashcraft".

Blaine Ashcraft  
Executive Director

RECEIVED AFTER 5PM MAY 23, 2007

# C O E U R

A L A S K A

KENSINGTON GOLD MINE

**Timothy D. Arnold, P.E.**

Vice President and General Manager

May 23, 2007

Mr. Bob Tsigonis, P.E.  
Large Project Coordinator  
Alaska Department of Natural Resources  
3700 Airport Way  
Fairbanks, Alaska 99709-4699

SUBJECT: Niblack Exploration Project

Dear Mr. Tsigonis;

Coeur Alaska, Inc. (Coeur) is a wholly-owned subsidiary of Coeur d'Alene Mines Corporation, a major precious metals producer. Coeur is currently constructing the Kensington Gold Mine north of Juneau, Alaska. At this time 380 people are employed in this construction effort, a majority of which are Alaskans.

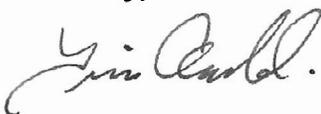
Coeur supports the efforts of Niblack Mining Corporation and the State's Large Mine Permit Team (LMPT) to design and permit an environmentally sound exploration project. This will be a critical stage in the full definition of the mineral resource at Niblack. As we understand it, the project will employ 18-20 local Ketchikan area residents. This is an important addition to the local community, which still feels the economic impact of the Ketchikan Pulp Mill closure.

Alaska needs environmentally responsible mineral resource development. Mining provides year-round, high-paying jobs. At the same time, this development must achieve all environmental conditions described in the various permits and authorizations. A preliminary review of these permits indicates that they have been crafted so as to meet state and federal standards and criteria including, in particular, final closure and reclamation.

We urge the LMPT to issue final permits in a timely manner. Exploration is a costly proposal and unnecessary delays should not occur.

Thank you for the opportunity to comment on this important SE Alaska project.

Sincerely,



Tim Arnold, Coeur Alaska  
Vice President-General Manager

Coeur Alaska, Inc.  
3031 Clinton Dr., Suite 202  
Juneau, Alaska 99801  
Telephone 907.523.3344  
Facsimile 907.523.3330  
[www.KensingtonGold.com](http://www.KensingtonGold.com)

RECEIVED AFTER 5PM MAY 23, 2007