

3 Reclamation Activities

As required by the Mine Permit Section 3, reports on progress of reclamation activities are prepared throughout the year. An annual report is required by Condition 3-26(d). The 2007 Annual Reclamation Report dated November 15, 2007 was submitted to the Department and is incorporated by reference. Other reclamation updates submitted on January 31 and November 9, 2006 are incorporated by reference.

Reclamation activities reported in the November 2007 Annual Reclamation Report included a summary of the COC process and onsite activities. Also reported are management activities during 2007 that included herbicide treatment of invasive species, mowing firebreaks and grass trails, and completion of the eighth year of the 10-year prescribed burn period.

Flambeau submitted its NOC to the Department during September 2001. The four-year monitoring period to COC began on November 19, 2001. The submittal of the 2005 Annual Reclamation Report completed the fourth year of the four-year monitoring period required prior to the COC. Flambeau completed an additional year to further document the sustainable site conditions even during extreme conditions such as the regional drought during 2005 and 2006.

On January 9, 2007 Flambeau petitioned the Department for a COC. Following the Department's determinations on February 15, 2007, the Department requested that the Division of Hearings and Appeals schedule a hearing on this issue. A prehearing conference was held on April 17, 2007. The public hearing portion of the proceedings was held May 16 and 17, 2007. A contested case hearing began in Ladysmith on May 30 and 31, 2007 with Administrative Law Judge Jeffrey D. Boldt presiding. At the hearing, the parties entered into a stipulation which was subsequently accepted by Judge Boldt and incorporated into Order #IH-07-05. On May 31, 2007 an Order (Number IH-07-05) was signed by Administrative Law Judge Jeffrey D. Boldt granting a COC to Flambeau for 149 acres of the Flambeau Mine site that includes the backfilled pit and not including the 32-acre Industrial Outlot. Among the other aspects of the Stipulation included in the Order was an agreement by Flambeau to withdraw the COC petition for the 32-acre Industrial Outlot and that it would not apply for a COC for the Industrial Outlot for at least three years, a reduction of the reclamation bond to 20 percent of the \$11 million bond on file with the Department at that time (maximum reduction allowed by Wisconsin law), and a commitment by Flambeau to conduct further environmental monitoring.

In a letter dated August 10, 2007, the Department provided a letter summarizing the reclamation-related activities that occurred up to and through the granting the COC. Attached to the Department's letter was Order #IH-07-05.

In accordance with the May 31, 2007 Order, Flambeau provided a \$2.2 million bond to the Department on November 1, 2007 as a replacement of the \$11 million reclamation bond. The \$2.2 million bond will remain in place for 20 years as required by state statute.