

No blood-lead problems at Telluride, special study finds

By Karen Walenga
Staff Reporter

Residents of Telluride do not have elevated lead-levels in their blood, according to conclusions from a recent study.

However, the State of Colorado and Idarado Mining and Milling Company, which are on opposite ends of an environmental pollution lawsuit, differ as to the significance of the findings.

Alan Gilbert of Denver, an attorney representing Idarado and its major shareholder, Newmont Mining Corporation, says the conclusions are "very significant."

"It is an extremely important result," Gilbert told *PAY DIRT* January 9th, because the conclusions show there is no public health problem in the Telluride area.

However, according to the Colorado Attorney General's Office, the state's environmental pollution lawsuit against Idarado will be unaffected by results of the blood lead level study.

"We predicted the tests would be normal, but whether or not the lead was high we still need to clean up the pollution," said Charlotte Robinson of the attorney general's office.

As previously reported, the State of Colorado in 1983 filed suit against Idarado under the federal Superfund law, claiming that

Idarado's former mining operations polluted air, ground and water in and around the communities of Telluride and Ouray.

The issue remains on two parallel tracks at present. The state is taking depositions and continuing to pursue the lawsuit, which is scheduled to go to trial April 13th in U.S. District Court in Denver before Judge James Carrigan. At the same time, the state and Idarado—along with a settlement master, retired Colorado Supreme Court Judge Richard Dana—are involved in intensive out-of-court settlement negotiations.

Included in the negotiations are six alternative cleanup plans the state has proposed, costing as much as \$3 billion, and Idarado's own \$4.5 million cleanup plan.

According to Gilbert, Idarado and the other defendants in the case (Newmont Mining and Newmont Services Ltd.) hired the Kettering Laboratory at the University of Cincinnati to conduct the study on blood lead levels of Telluride residents.

In October 1986, about 260 blood samples were taken, according to reports. In addition, more than 50 homes were surveyed for lead contamination and other samples were taken from areas around Telluride.

Although a final report on the results from the study has yet to be formally issued, con-

clusions released in December from the study show no elevated blood lead levels in Telluride residents, Gilbert said.

"We received the (study) analysis back in late December," the attorney said. "We're still awaiting the written report."

According to Gilbert, the conclusions showing no public health threat will affect the out-of-court settlement negotiations between the state and Idarado because public health is an issue in the case.

Idarado, which in 1978 closed its mining operations in the Telluride and Ouray area after 40 years of production, had previously stated its belief that no public health threat existed and that any environmental problems are minor, scattered and contained, according to the attorney.

The company in the 1970s drew up a reclamation plan for the old mining operations, a plan which exceeded reclamation requirements set by the Colorado Mined Lands Reclamation Board. However, before the board could approve Idarado's plan, the state's lawsuit intervened.

As previously reported, Idarado already is conducting at the old mining site some of the cleanup work called for in its own cleanup proposal.

Australian firm takes long-term lease in Tintic District

By Bill Epler
Staff Reporter

Tintic may rise again!

Chief Consolidated Mining Company, owner of virtually all the Tintic Mining District at Eureka in central Utah, announced December 29th it has signed a long-term lease on a large portion of its holdings with a subsidiary of a major Australian gold producer, Western Mining Corporation Holdings Ltd.

The announcement follows closely on the heels of a report by Sunshine Mining Company that it plans to develop a high-grade silver-lead-zinc deposit on ground it leases from Chief Consolidated in the western part of the Tintic, over the hill to the west of the new lease.

Chief Consolidated President Leonard Weitz, in a news release from the company's New York headquarters, said the long-term lease is with Grand Central Mining Corporation, a wholly-owned subsidiary of Western Mining Corporation (USA), in turn a wholly-owned subsidiary of Western Mining Corporation Holdings Ltd.

Weitz said that Grand Central has advised that it will start preliminary evaluation of its lease area early this year.

Chief Consolidated said the mining lease, covering 5,000 acres in the Main Tintic Mining District, is for an initial 25 years with rights for an extended renewal. The lease provides

for production royalties on a percentage of net smelter returns with provisions for advanced royalties and annual work requirements prior to commercial production.

According to Chief Consolidated, Western Mining Corporation Holdings is by far the largest gold miner in Australia. Total output from all group operations was some 632,000 ounces in 1985-86, according to John Reynolds, manager of corporate affairs for Western Mining.

The company is presently bringing on-stream its new Emu mine, estimated to produce 50,000 ounces of gold per year, and the large Roxby Downs copper-uranium-gold joint venture that will contribute about 90,000 ounces per year from mid-1988. With new-found deposits around its existing Kambalda operations, Western Mining is easily the dominant force in Australian gold, as it is in nickel, Chief Consolidated said.

Chief Consolidated said the property leased to Grand Central is in the vicinity of the 6,437 acres under lease since 1980 to Sunshine, which said late last year it is moving ahead with a feasibility study that could lead to reopening of the historic Burgin mine.

Paul L. Hunter, a Sunshine vice president and president of its precious metals division, told *PAY DIRT* in November that if all studies prove positive, Sunshine will make a

decision to proceed with full development of the Burgin and could start to bring the project on line by mid- to late-1987 at an estimated cost of \$40 to \$45 million.

As of last March, Sunshine had reported proven and probable Burgin ore reserves of 1 million tons containing approximately 22.3 million ounces of silver, 382 million pounds of lead and 131 million pounds of zinc.

Drilling for additional reserves continues, Hunter said in November, noting that drill-indicated reserves now have doubled and the company was endeavoring to prove a total of 3 million tons of ore.

A major problem faced by Sunshine in bringing the Burgin back into production is the large volume and extreme temperature of water that would have to be removed. According to reports, temperatures of water in the two main inflows are about 132 and 146 degrees. In addition, the water is high in salt, requiring the pumps and pipelines to be made of special materials.

Of Mines And Men

So, what else is new?

A new study by Management Information Services indicates that acid-rain control proposals in Congress would produce significant electricity rate increases in many parts of the nation.