US Magnesium LLC
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FEDEX

April 22, 2014

Mr. David Duster
Project Coordinator
US EPA Region 8
1595 Wynkoop Street
Denver, CO, 80202

RE: ADMINISTRATIVE ORDER ON CONSENT (AOC), EPA DOCKET NO. RCRA 8-2014-0001 – US MAGNESIUM SUBMITTAL OF PHASE 3 REPORT

Dear Mr. Duster,

I notify you that, in accordance with Paragraphs 41 and 43 of the referenced AOC, US Magnesium LLC (USM) is submitting herein the Phase 3 Report for your approval.

How Respondent will address low pH liquid on BLM and Respondent's lands

With the placement of the temporary diking at the time of the initial overflow, the low pH water north of the dike has continued to recede. It is anticipated that this will continue with the increase of temperature through the summer months. Once the low pH water has receded, no further hazards should remain in the impacted area. To fully address the impact to BLM land, USM proposes a property exchange; an un-utilized parcel of USM property would be exchanged for the BLM property impacted by the low pH water overflow. USM and BLM would need to come to agreement on details of the exchange.

How Respondent will assess the need for remediation of soils affected by the spill to ensure protection of health and the environment

The impacted area is already included in the CERCLA Remedial Investigation/Feasibility Study (RI/FS) area PRI-08. This area will be sampled in conjunction with execution of the RI/FS process. Ecological and human health risk

assessments will be performed to determine what, if any, remediation will need to be performed to attain acceptable risk levels.

If necessary, measures required to remediate soils, such as excavation of or amendments to soils

The impact to the affected area is primarily the low pH of any standing water. The water is receding from the impacted areas. It is unlikely that other contaminants will remain once the water is gone. Hydrogen chloride will not remain in a "dry" state after the water is gone; it exists at ambient temperatures either as a gas or in an ionic state in water. The impacted area is already included in RI/FS area PRI-08. This area will be sampled in conjunction with execution of the RI/FS process. Ecological and human health risk assessments will be performed to determine what, if any, remediation will need to be performed to attain acceptable risk levels.

How Respondent will legally survey, mark and post the property boundary between BLM and Respondent's lands

USM proposes that a survey be conducted in conjunction with a negotiated property exchange with BLM. USM at that time would engage a surveying contractor to legally survey, mark and post the property boundary between USM and BLM property.

Contingency planning for addressing future releases of low pH liquid from the retention pond

USM has approved funding for a dike project to fortify the temporary dike. USM anticipates that fortification of the temporary dike will be completed by September 2014, before the wetter season of the year. A new low pH wastewater impoundment in a different location is currently in the planning stages. It is currently anticipated that this impoundment will be in use within three to five years. Until the new impoundment is brought online, the current wastewater pond will be monitored. The new fortified dike will be maintained to ensure containment of low pH wastewater. A property exchange with BLM for the impacted property should further preclude the potential for any encroachment of low pH wastewater onto BLM property.

A schedule of the Work to be completed in Phase 3

Fortification of temporary dike	September 30, 2014
Property exchange	TBD
Survey of property boundaries	TBD (after determination of property exchange)

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to be the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature: _____

Name: Ron Thayer

Title: President

Date: April 22, 2014

If you have any questions or need additional information, please feel free to contact me at (801) 532-1522 ext. 1355.

Sincerely,

R. David Gibby
Environmental Manager
US Magnesium LLC

Attachment