



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
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February 18, 2005

Ms. Jana Murphy
Flambeau Mining Company
N4100 Hwy. 27
Ladysmith, WI 54848

Dear Ms. Murphy:

This is in response to your letter of December 30, 2004 regarding current and proposed alternate uses of the portion of the former Flambeau Mining Company mining site comprising the 32 acre Industrial Outlot.

The Department issued a mining permit modification to Flambeau Mining Company in 1998 to allow certain facilities on the mining site, including the rail spur, buildings and parking areas to remain in place with the intent of developing alternate uses for those facilities. In addition, a portion of the high sulfur waste rock stockpile area was reclaimed in a manner to facilitate future development or use of that area. The modification was conditioned such that if any of the facilities were not being used by the end of 2004, the idle facility or portion of the mining site would need to be reclaimed in accordance with the approved Reclamation Plan.

Much of the industrial outlot is presently being put to acceptable alternate uses. This would include the area south of the former rail spur and west of Highway 27. The buildings and ancillary facilities are currently occupied and the adjacent areas are used for a variety of purposes as detailed in your letter. In addition, the Department has previously determined that the portion of the rail spur east of Highway 27 has also been put to an acceptable use, as evidenced by the commitment of resources related to maintenance of the spur itself and improvement of sites along the spur for future development.

To this point in time, the only portion of the industrial outlot for which an acceptable alternate use has not been designated is the section of the outlot lying north of the rail spur in the area of the former Type II waste rock stockpile. Your letter proposes that the northern portion of the industrial outlot be developed as an equestrian trailhead in association with development of a trail system south of the mining site on land owned by Flambeau Mining Company. On a conceptual level, the proposed use is acceptable to the Department and satisfies the condition specified in our modification approval of July 30, 1998. However, since the site has not been certified as complete pursuant to Ch. NR 132, Wis. Adm. Code, we also need to review and approve the proposed construction plans for any facilities intended to be constructed within the permitted mining site area. Please submit those plans at your earliest convenience. In addition, please submit signed copies of the Trail Easement & License between Flambeau Mining Company and the City of Ladysmith and the sublease between the Ladysmith Community Industrial Development Corporation and the City of Ladysmith. These items are needed to complete our documentation of the level of interest and commitment of the parties involved in the proposed development of the trailhead and trail system.

Upon receipt of the requested documents and subsequent approval of the proposed construction activities, the Department will consider the entire industrial outlot to be used for acceptable alternate purposes. As such, Flambeau will not be required to conduct any additional reclamation work on the outlot area as contemplated in the July 30, 1998 modification approval.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Lawrence J. Lynch".

Lawrence J. Lynch, P.G., Mining Team Leader
Bureau of Waste Management

cc: Ken Markart - NOR (Rhineland)
Tom Portle - WA/3