



State of Oregon
Department of
Environmental
Quality

Water Pollution Control Facility Permit Fact Sheet Octagon Constructors, LLC

Permittee	Octagon Constructors, LLC – Auburn Ranch Mining 4510 N.W. Olive Street, Vancouver, WA 98663
Existing Permit Information	File Number: 127625 Permit Number: 103289 Expiration Date: 9-30-2032
Permittee Contact	Steve Smith Mine Operator (971) 806-9096 4510 N.W. Olive Street, Vancouver, WA 98663
Facility Name & Location	Facility Name: Auburn Ranch Mining Address: 22042 Bridgeport Lane, Bridgeport, OR 97819 Lat/Long: 44.5022/-117.7541 County: Baker
LLID:	LLID: 1177428444890
Receiving Stream/Basin:	Nearest stream: Auburn Creek, R.M. 1.08 Sub Basin Name: Burnt WRD Basin Name: Middle-Snake - Powder
Proposed Action:	New Permit Issuance Application Number: 948552 Date Application Received: April 1, 2022
Source Category:	Industrial
Sources Covered:	Industrial Wastewater Placer Gold Mining
Permit Type:	WPCF-IW-B12
Permit Writer	Anna Morgan-Hayes 541-246-4562 Date Prepared: 8/24/2022

WPCF Permit Renewal Fact Sheet Octagon Constructors, LLC

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WPCF Permit Fact Sheet

Octagon Constructors, LLC

1. Introduction

As required by Oregon Administrative Rule 340-045-0037, this fact sheet describes the basis and methodology used in developing the permit. The permit is divided into several sections:

- Schedule A – Waste discharge limitations
- Schedule B – Minimum monitoring and report requirements
- Schedule C – Compliance conditions and schedules
- Schedule D – Special conditions
- Schedule F – General conditions

DEQ requires an individual WPCF permit for wastewater management if an owner or operator proposes a metal mining activity that processes more than 10,000 cubic yards of ore per year with no discharge to Oregon waters.

The Auburn Ranch Mine site is located on private land near Bridgeport, OR. Western Mine Development applied for a DOGAMI Conditional Use permit to mine and was approved January 30, 2014. Western Mine Development conducted small scale exploration, but did not get an approved DOGAMI permit.

The current owner of the Auburn Ranch land is Wilks Ranch, Texas, Inc. Octagon Constructors, LLC is leasing the mining rights from Wilks Ranch (Appendix A). Octagon has applied for a DOGAMI exploration permit 01-0210 and a mining permit 01-0201. The DOGAMI Permit No. 01-0201, Auburn Ranch Mine, is a site that encompasses 674 acres of mineralized ranch land, and includes Township 12 South Range 40 East W.M. Sections 13, 24 and 25. Only Section 25 will be utilized for the processing site for operations in this permit. All other sections will contain excavation sites without discharge (Appendix B).

Steve Smith, mine operator for Octagon Constructors, LLC holds WPCF General Permit (600-PM) No. 30280, File No. 123833 for off stream placer mining. This permit was transferred from Chuck Chase to Steve Smith on July 17, 2020. The general permit will not be terminated upon the issuance of this permit.

2. Facility Description

2.1 Wastewater Facility

Octagon Constructors LLC will conduct a placer mining operation and process approximately 180,000 cubic yards per year, with increasing volumes in future years, but not more than 500,000 cubic yards. Mining will be conducted at several locations within the boundary of Auburn Ranch (Figure 2-1; Appendix B) near Auburn Creek in Baker County.

Processing Plant

The mine processing site is located in Section 25, approximately 0.27 miles north of Bridgeport Lane and 0.32 miles west of Auburn Creek (Figure 2-2). Operations are seasonal (approximately 180 days), with limited mining conducted during winter months due to freezing weather. As described by the DEQ-approved Preliminary Engineering Report/Facility Plan (2022), the processing plant consists of ore being trommel fed by a metering grizzly/feeder combination (Figure 2-3). The ore is then further screened if necessary. Gold bearing slurry is processed through a sluice box handling 7/16" gravels. The washed tailings are fed to a stacked conveyor. Water is circulated through the wash plant, and a sluice box at a rate of approximately 1500 gpm. After the sluice sediment trap pond, water is routed to a three-pond system.

Settling Ponds

Each pit-type pond, lined with natural clay, is approximately 9600 square feet and 8 feet deep capable of containing 646,272 gallons. The ponds will have low berms which protect the area from runoff. Course gravels are removed via an initial settlement trap pond. Pond freeboard will be at least 2 feet. Freeboard volume (volume within the berm above normal water level) is 516,000 gallons.

Makeup Water

Makeup water will be pumped from the Elliot Ditch and is purchased as part of an agreement with the Burnt River Irrigation District (Appendix C). The water will be pumped and stored in a lined (double layer of 10 mil plastic) clean water supply pond on the processing site. During processing, clean water is pumped at a rate of 150 gpm to the wash plant. Makeup water will be added to account for evaporation and settling pond 3 will be used to determine when needed.

A review of assigned water rights was not conducted by DEQ as part of this permit development process, water right assignments are regulated by OWRD.

Chemicals Used

No chemicals or hazardous materials of any type, except fuel and lubricants that are used for excavation and processing machinery, will be used in the process or brought onto the site.

Although a watchman will reside on location, an on-site system is not permitted. Instead, a portable toilet will be available for personnel and supplied and maintained by an appropriate contractor. Grey water from showers and cooking in the self-contained trailer will be disposed at a permitted offsite facility.

Figure 2-1: Auburn Ranch Mine Area of Operations

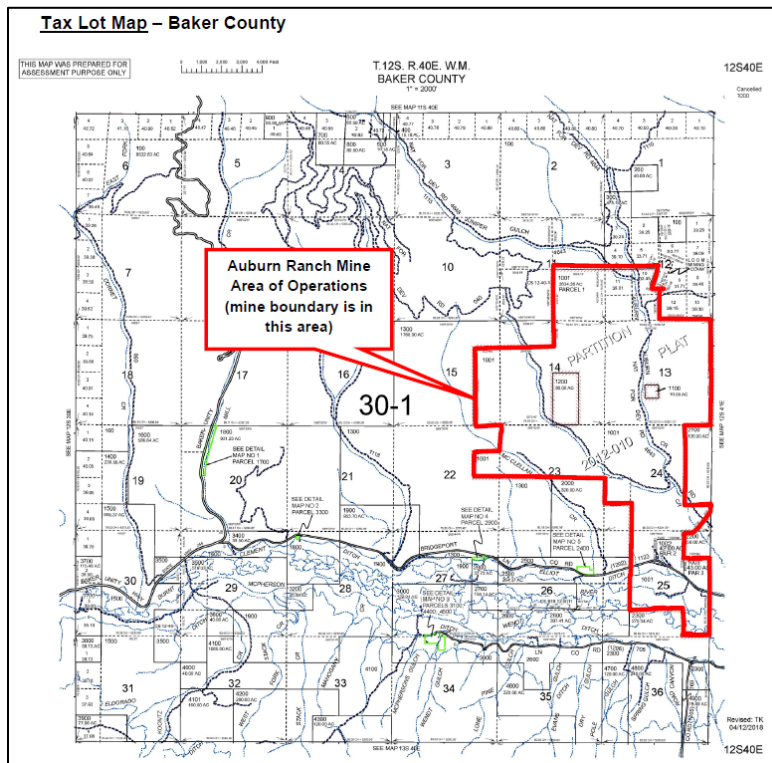


Figure 2-2: Auburn Ranch Processing Site Location



Figure 2-3: Auburn Ranch Mine Processing Sites Area Map

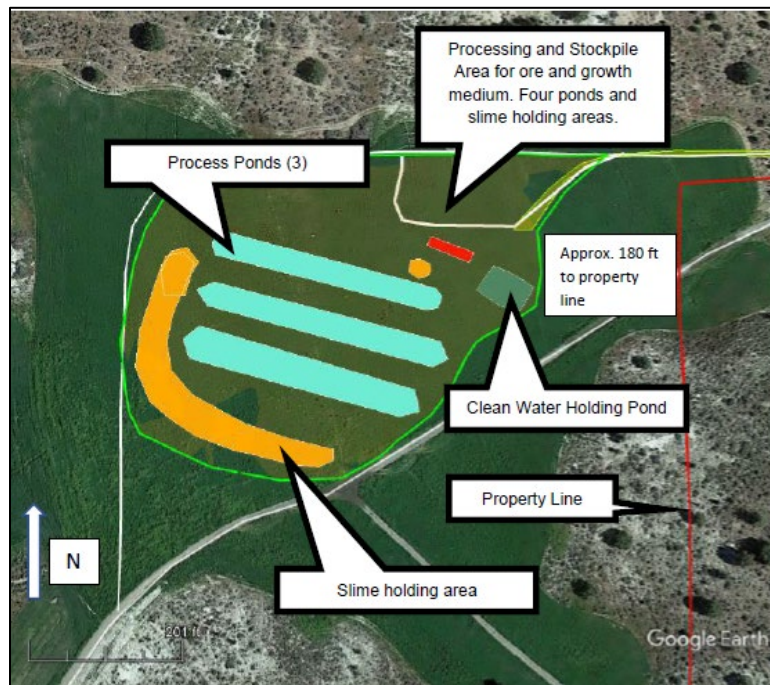
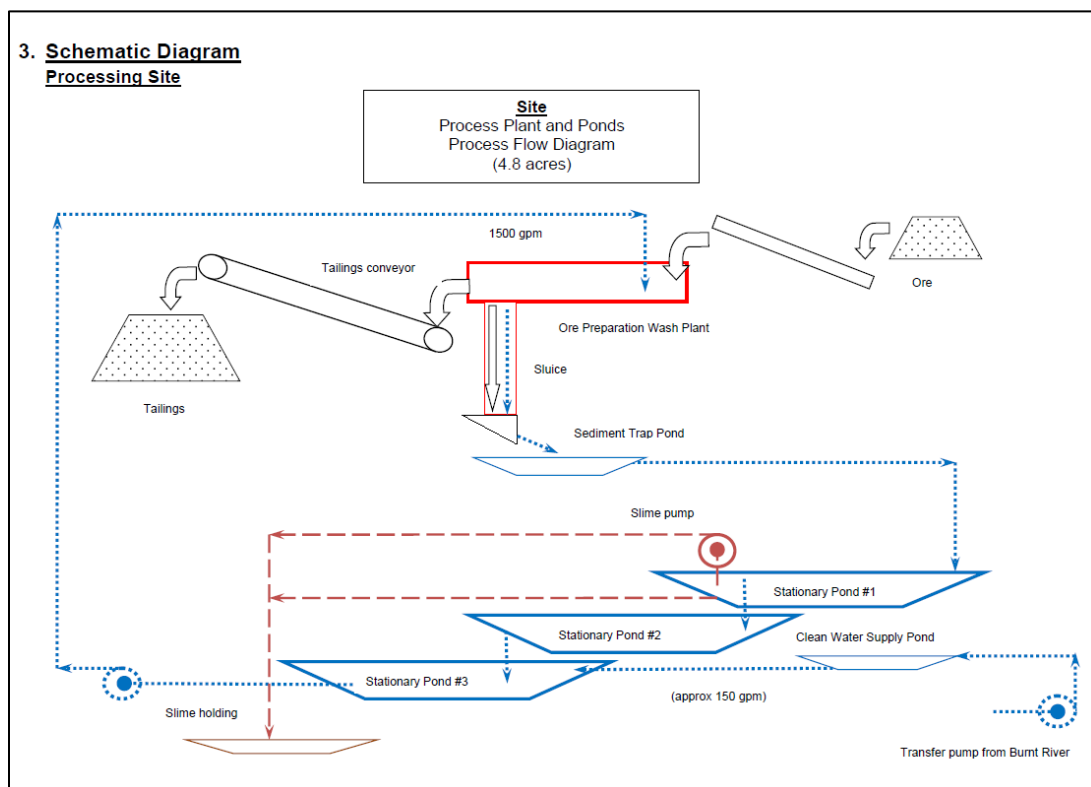


Figure 2-4: Auburn Ranch Mine Processing Site Schematic



*The clean water holding supply pond feeds to the sediment trap pond and then the stationary ponds consecutively

2.2 Compliance History

There is no compliance history associated with this permit.

2.3 Stormwater

Discharge of storm water to surface water is prohibited. All storm water runoff from mining operations will be contained by berms around each site and managed by seepage and evaporation. Runoff from within the processing sites is channeled to the respective pond. DEQ stormwater has evaluated potential for stormwater runoff at the excavation sites separately from this permit.

A facility may require separate stormwater permitting in accordance with a 1200-Z and/or 1200-C permit.

A facility that may discharge industrial stormwater to surface waters or to conveyance systems that discharge to surface waters of the state and,

1. The stormwater is associated with an industrial activity identified in Table 1: Sources Covered or listed in Table 2: Additional Industrial Activities Covered; or
2. The facility is notified in writing the Director determines coverage under this permit is required for its stormwater discharges pursuant to 40 CFR 122.26(a)(9)(i)(D).

Note:

1. Facilities may apply for conditional exclusion from the requirement to obtain coverage under this permit if there is no exposure of industrial activities and materials to stormwater pursuant to 40 CFR §122.26(g); see Permit Coverage and Exclusion from Coverage.
2. The following are not eligible to obtain coverage under the 1200-Z permit:
 - i. Construction activities. This activity is covered under a separate general permit.
 - ii. Any source with primary Standard Industrial Classification codes 2951 and 3273, including mobile asphalt and concrete batch plants; and Standard Industrial Classification code 14, Mining and Quarrying of Nonmetallic Minerals, Except Fuels. These activities are covered under a separate general permit.
 - iii. Any source that has obtained an individual NPDES permit for the discharge, unless the source is otherwise eligible for coverage under this permit and DEQ has approved the source's application for coverage under this general permit.
 - iv. Any source that discharges to a sanitary sewer system and the discharge is approved by the sanitary sewer operator.

It is the responsibility of the permittee to evaluate and attain appropriate stormwater coverage as part of facility construction and operations.

2.4 Groundwater

The nearest surface water that could be affected is Auburn Creek. Auburn Creek is in the Burnt subbasin of the Middle-Snake Powder Basin. Oregon Administrative Rule (OAR) 340-041-0260,

Table 260A lists the beneficial uses for which a surface water quality must be protected in the Burnt subbasin. The beneficial uses included in Table 260A include: domestic and industrial water supply, irrigation, livestock watering, fish and aquatic life, wildlife and hunting, fishing, boating, water contact recreation, and aesthetic quality. Downstream designated fish uses indicated in Figure 260A include: Redband trout. Applicable water quality standards for the Burnt subbasin that protect these uses are found in OAR 340-041.

According to the Facility Plan, groundwater depths exceed the excavation required to construct the ponds. Potential down gradient beneficial uses of groundwater include: domestic use, livestock watering, irrigation and recharge to Auburn Creek and Burnt River. There are two wells identified by OWRD within a 1 mile radius of the Project Area. One well (BAK50845) is to the west, and the second (BAKE 50661) is to the east. There a spring fed stock pond west of the process site.

In the operation of nonchemical placer gold mining, turbidity is the primary parameter of concern for surface water and groundwater protection. The potential for untreated or inadequately treated wastewater to impact groundwater, and for impacted groundwater to recharge surface water, has been addressed in this permit by requiring the permittee to monitor various wastewater parameters, and to not exceed permit limitations and benchmark for pH. Additionally, a leak test of the unlined lagoons will be required once during the permit cycle to determine the rate of leakage. Moreover, surface water discharge is prohibited in the proposed permit. Soil functions as a natural filter for turbidity, therefore, there are no expected down gradient impacts to beneficial uses of groundwater.

3. Schedule A: Effluent Limit Development

No discharge to state waters is permitted. Only wastewater from nonchemical ore processing operations is permitted to be disposed in the facility ponds. Water quality standards for groundwater and surface water must not be violated. Wastewater management and disposal must be conducted in accordance with the Department approved Engineering Report/Facility Plan. Additional limitations pertain to pond freeboard, wastewater pH, pond solids management and nuisance conditions. Pond seepage will not be deemed to have an adverse effect on groundwater pH if the pH of the wastewater in the ponds is maintained between 6.5 and 8.5 s.u.

3.1 Groundwater

DEQ may evaluate the need for a full assessment of the facility's impact on groundwater quality if there is any evidence of an adverse impact resulting from the facilities operation or the facility fails to operate in accordance with permit conditions. Schedule A of the proposed permit includes a condition prohibiting adverse impacts to groundwater.

4. Schedule B: Monitoring and Reporting Requirements

Schedule B of the permit describes the minimum monitoring and reporting necessary to demonstrate compliance with the proposed effluent limits. Detailed monitoring frequency and reporting requirements are in Schedule B of the proposed permit. The required monitoring, reporting and frequency for many of the parameters are based on DEQ's monitoring and reporting matrix guidelines, permit writer judgment, reporting requirements for similar facilities of this type and size and to ensure the needed data is available for the next permit renewal.

The monitoring data provide DEQ with information to evaluate the performance of the wastewater treatment facility. The authority to require periodic reporting by permittees is found at ORS 468.065(5).

Monitoring requirements for effluent pH, sampling are included in the permit for Octagon Constructors, LLC – Auburn Ranch Mine to insure no adverse impacts to groundwater. Additionally, monitoring of freeboard, dikes, total flow, ore processed, operation dates, and solids removal are included in Schedule B of the permit to determine proper operations and function of Auburn Ranch Mine. A lagoon leak test will be required one-time during the permit cycle to further evaluate impacts to groundwater.

5. Schedule C: Compliance Schedule

The permittee is expected to meet all effluent limits and therefore a compliance schedule is not needed.

6. Schedule D: Special Conditions

The proposed permit contains the following special conditions. The conditions include the following:

6.1 Emergency Response and Public Notification Plan

A requirement to develop and submit an emergency and spill response plan or ensure the current one is current per General Condition B.8 in Schedule F.

6.2 Placer Mining Operations and Notification

A condition that requires the permittee to comply with operations and notification procedures specific to placer mines of this size and type.

6.3 Engineering Report/Facility Plan

A condition requiring that the permittee update their Engineering Report/Facility plan annually, if necessary, and whenever there is a change in operations or supervisory personnel during the year and provide proper notification to DEQ of any changes.

6.4 Pond Solids Annual Report

This condition requires the permittee to submit a Pond Solids Annual Report each year documenting removal of wastewater solids from the ponds during the previous calendar year.

6.5 Lagoon Leak Test

This condition requires the permittee to submit a Lagoon Leak Test Report one-time during the permit cycle as specified in the permit.

6.6 Re-opener Clause

A condition authorizing DEQ to modify the permit if necessary.

7. Schedule F: WPCF General Conditions

This schedule includes conditions and definitions that are applicable to all WPCF permits in Oregon of this type.

8. Next Steps

Octagon Constructors, LLC has submitted a complete WPCF permit application. DEQ will send the draft permit documents to the applicant for review and comment, and then proceed with a Category III permitting action for public notification as per OAR 340-045-0027.

DEQ will respond to comments received during the comment period. All those providing comment will receive a copy of DEQ's response. Interested parties may also request a copy of DEQ's response. Once comments are received and evaluated, DEQ will decide whether to issue the permit as proposed, to make changes to the permit, or to deny the permit. DEQ will notify the permittee of DEQ's decision. If substantive changes are made to the permit, then an additional public notice period may occur. DEQ may also revise this fact sheet or update the fact sheet through memorandum.

Appendix A: Mineral Lease Agreement (page 1, 11, and Exhibit A)

PLACER MINERALS MINING ROYALTY LEASE

DATED: May 29, 2020
BETWEEN: WILKS RANCH TEXAS, LTD ("Lessor")
An Oregon Limited Liability Company
AND: OCTAGON CONSTRUCTORS, LLC ("Lessee")
An Oregon Limited Liability Company

RECITALS:

- A. Lessor is the owner of real property located in Malheur County, Oregon a portion of which is described in Exhibit A.
- B. Lessee is in the business of exploring and developing mining interests for precious metals.
- C. It is the intent of the parties that Lessee be allowed to conduct exploration activities on the property described in Exhibit A ("Leased Premises") for the purpose of identifying an area or areas for the development of placer mining for the recovery of gold or other precious metals. The parties further intend that Lessee shall have the right to mine the area or areas it identifies however, the Lessee's right to develop mining shall be subject to and conditioned upon Lessee presenting a mining plan acceptable to Lessor.

AGREEMENT:

1. RECITALS The Recitals contained above are true and correct and incorporated herein by reference.
2. DEFINITIONS As used in this Agreement, the following terms shall have the meanings assigned to them in this Section 1:
- (a) "Exploration" or "Exploration Operations" shall refer to the activity or work of prospecting and searching for ores and minerals on, in or under the Leased Premises and drilling, examining, measuring and sampling a mineral deposit when found to gain knowledge of the size, shape, position, characteristics to determine the value of the deposit and all other activity or work performed to determine a Development Block. Exploration and Exploration Operations shall be limited to mining of no more than 1,000 cubic yards of material and otherwise exempt under DOGAMI and Malheur County permitting requirements.

For LESSEE: Octagon Constructors, LLC
c/o Steve Smith
4510 NW Olive St.
Vancouver, WA 98663
E-Mail: s.f.smith@icloud.com
Yauna.smith@icloud.com

34. EXHIBITS

All exhibits hereto are expressly incorporated herein by reference and made a part hereof.

35. VENUE/JURISDICTION

This Agreement will be construed and enforced in accordance with the laws of the State of Oregon and venue shall lie in the County of Malheur or Baker.

36. RELATIONSHIP OF PARTIES

Nothing contained herein shall be deemed to constitute either party, in its capacity as such, the partner, agent or legal representative of the other Party, or to create any partnership, mining partnership or other partnership relationship between them.

IN WITNESS WHEREOF the parties have executed this Lease.

LESSOR: Wilks Ranch Texas, Ltd

By 
Dated _____, 2020

LESSEE: Octagon Constructors, LLC

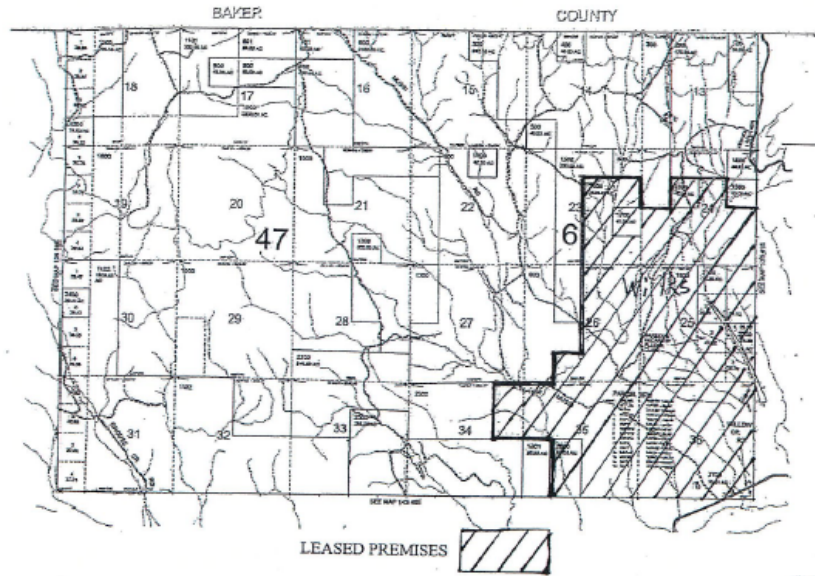
By 
Dated: 6-3, 2020

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY



T.13S. R.40E. W.M.
MALHEUR COUNTY
1" = 200'

13S40E



Revised 04/2012
13S40E

EXHIBIT A: Page 1 of 4

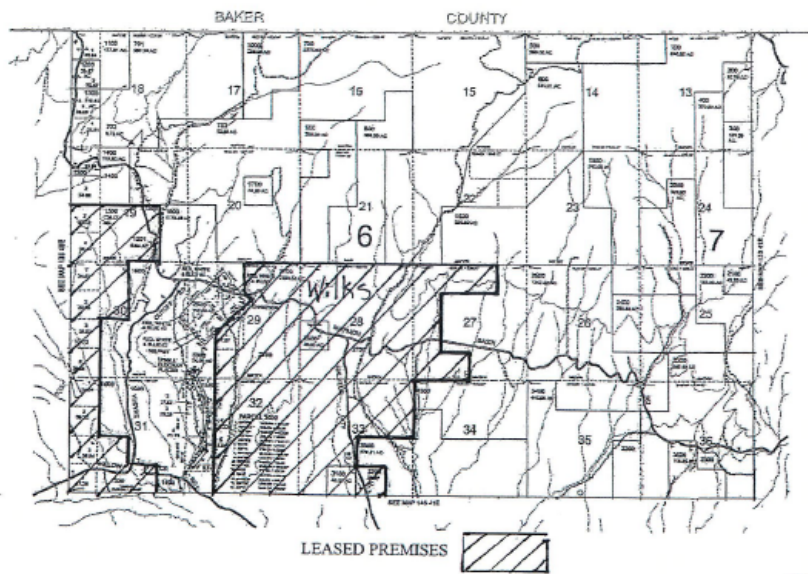
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ASSESSMENT PURPOSE ONLY



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MALHEUR COUNTY
1" = 200'

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EXHIBIT A: Page 2 of 4

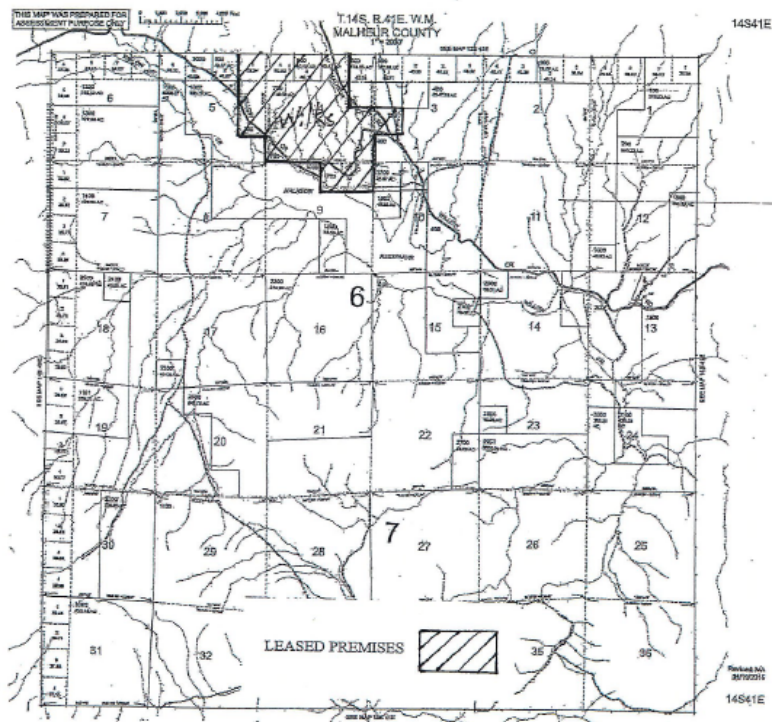


EXHIBIT A: Page 3 of 4

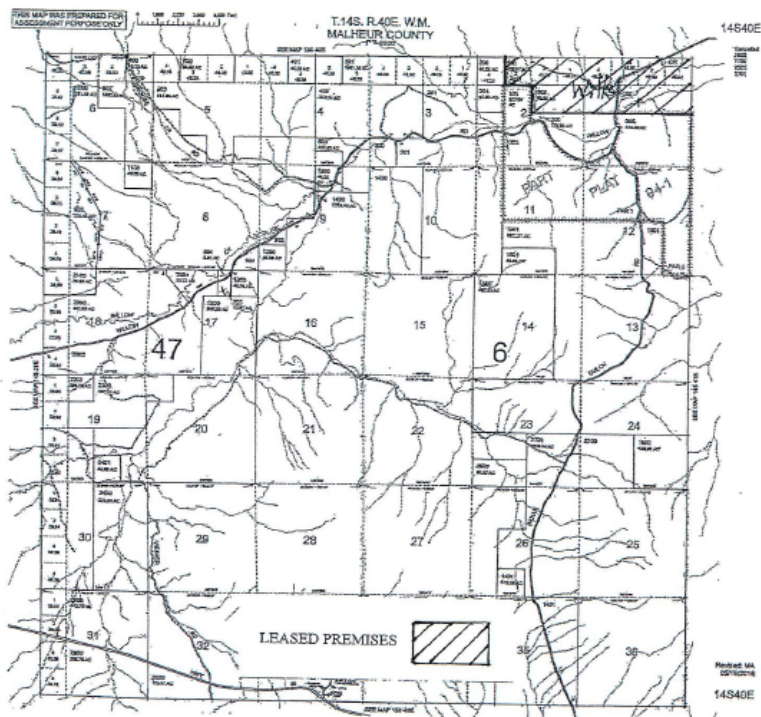
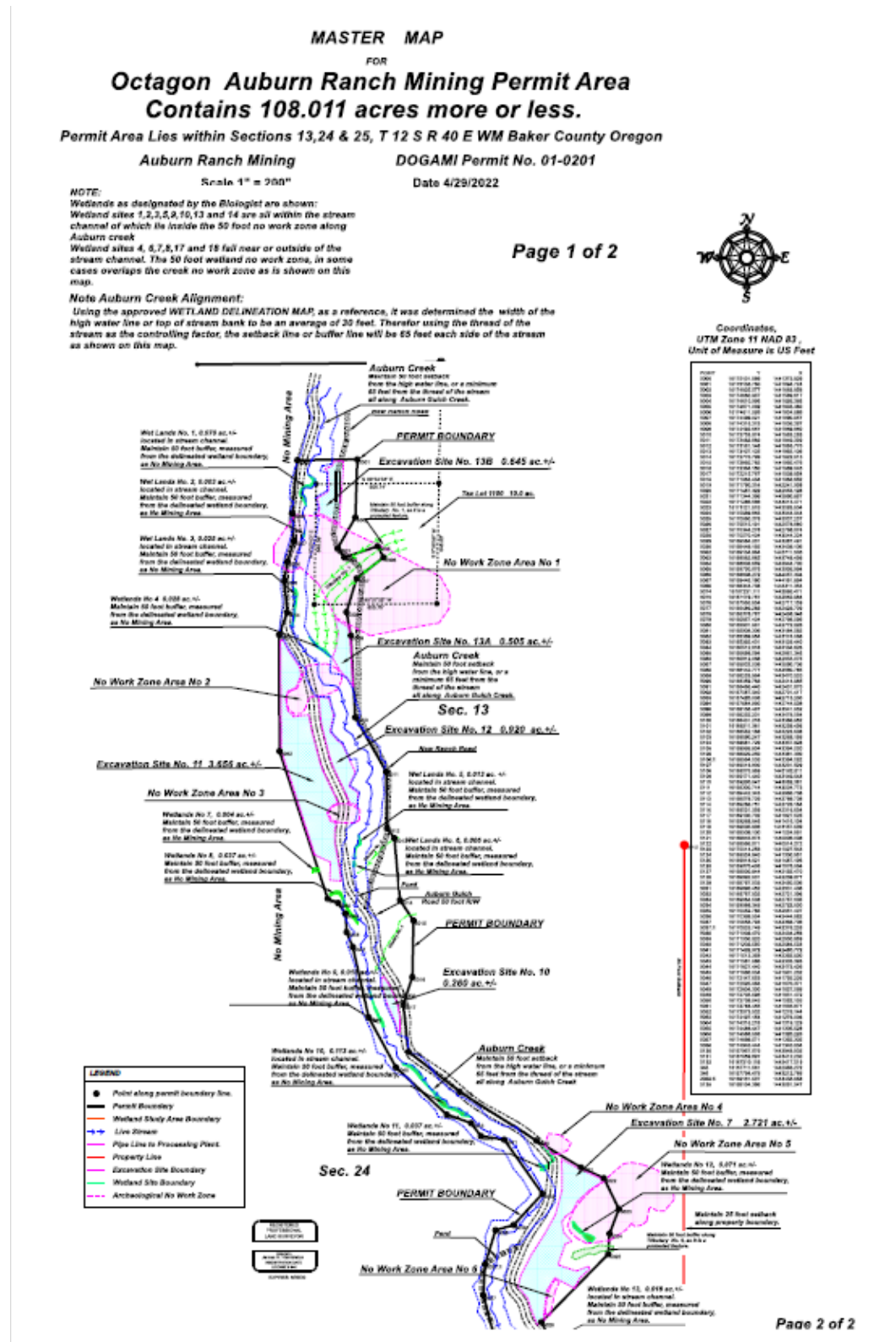
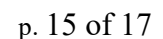


EXHIBIT A: Sheet 4 of 4

Appendix B: Excavation Sites Master Map





Appendix C: Contract for Sale and Delivery of Water

 <i>Not Just Another Dam Project</i> Wes Morgan Manager Bill Moore Board Chairman Unit 1 Unity	Burnt River Irr. District 19498 Hwy 245 Hereford, Or. 97837 Mail to: PO Box 825 Baker City, Or 97814 Pat Sullivan Vice-Chairman Unit 2 Hereford/Bridgeport	541-446-3313 Office 541-519-4665 Manager (Cell) 208-949-7393 Secretary briver@ortelco.net morganwc@a.com Ted Bloomer Director Unit 3 Durkee/Huntington
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To: Steve Smith, Octagon Mining
From: Burnt River Irrigation District

The Burnt River Irrigation District has an Agreement in place to sell water for mining operations on the Burnt River below Unity Dam, from April 1 to Sept 30. This Agreement is on a month-to-month basis, and as stated in the Agreement, water is deliverable as long as there is sufficient storage water, in Unity Reservoir, to meet both the need for Irrigation and Mining. This is clearly referenced in the Agreement for the Sale and Delivery of Mining/Commercial Water. To date the District has never curtailed the sale and delivery of any Mining/Commercial water.

Octagon Mining is in good standing with the Burnt River Irrigation District, and the District Board of Directors has agreed to continue to make available the water, according to the referenced Agreement, if Octagon Mining so desires to execute this Agreement, for the 2022 Irrigation Season.

Burnt River Irr. Dist
Wes Morgan (Manager)
541-519-4665 (Cell)
morganwc@a.com

