

Rosemont No. 1 holder of Pima mining claims

Copper company could be stymied by U.S. legislation

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In the fading afternoon light, Eric Jensen, a senior geologist and vice president with Bronco Creek Exploration Inc., uses a loupe to examine a tiny specimen for signs of copper in a wash at a site his company holds the mineral rights to on Bureau of Land Management land just south of the Silver Bell mine, west of Marana.

Kelly Presnell / arizona daily star

Thousands of mining claims cover federal land in Pima County, with more than half of them belonging to a handful of companies.

And the largest claim holder is Rosemont Copper Co., which has nearly nearly 900 unpatented claims on federal land around its proposed mining site at the base of the Santa Rita Mountains. The proposed location for the Rosemont Copper Mine is actually on private land, but the mining claims on public land would be used as a disposal site for the operation's waste and byproducts — making the federal claims critical to the mine's future.

While the mine could yield enormous wealth, it has been met with an equal amount of public backlash and protest from community activists concerned about environmental fallout and the destruction of one of Southern Arizona's most pristine settings.

As a way to make it more difficult for the Rosemont Copper Mine to move forward, U.S. Rep. Raúl Grijalva recently introduced legislation that would halt all future mining claims on federal lands in Pima and Santa Cruz counties.

While the legislation, which fellow Democratic Rep. Gabrielle Giffords co-sponsored, would not affect existing mining claims, Grijalva said it would stall, and possibly stop, the Rosemont project by triggering a review of the validity of mineral deposits for its claims.

If economical mineral deposits couldn't be proven, the claims couldn't be used, meaning the company would have to get permits.

"Part of the Coronado National Forest was going to be used honestly as a dump for the by-product of the mining operation," Grijalva said. "So by removing that, they don't have a disposal site, and they have an access problem."

Rosemont's management, as well as others in the copper mining industry, have criticized the legislation.

Essentially, they have said, it is overly broad, unlikely to pass, and would do nothing to stop the mining project from moving forward. And yet by limiting future mining claims on federal lands, it would cut off access to one of the world's largest deposits of copper at a time when the global demand is strong, they said.

"Whether the two sponsors of that bill would like to admit it or not, Pima County is one of the prolific sources for the national copper supply," said Jamie Sturgess, vice president for Rosemont Copper Co. "So, I question whether the national interest is being fairly weighed against local interests. ... Everything in our society that depends on electricity needs copper."

A backdrop to what will continue to be a long, drawn-out public dispute over the Rosemont Mine is the 1872 mining law.

Over the last 136 years the law has been amended, but critics have derided it as an antiquated measure that gives away rights to public resources for next to nothing. Public lands have been sold under the mining law for as little as \$2.50 an acre, there is no clause for environmental remediation, and there are no royalties.

And filing a claim is pretty much the same now as it was in the late 1800s.

It costs \$170 to file a claim with the Bureau of Land Management, and \$125 a year to renew it. To make a claim on federal lands in Arizona, a prospector places stakes in the ground, then records the claim with the county and files it with the Bureau of Land Management.

As such, there are 3,486 recorded claims on federal lands in Pima County and another 1,609 recorded claims in Santa Cruz County, according to the Bureau of Land Management's claims database, the LR2000.

Some of these claim holders are individuals with one or two filings, weekend geologists of sorts who are interested in a piece of land or are hoping a claim will one day be needed by a mining operation.

But the bulk of the claims in Pima County have been made by large mining outfits or their subsidiaries: Freeport-McMoran Copper & Gold, which recently bought Phelps Dodge Corp.; Asarco, which declined to comment; and Rosemont Copper Co.; a subsidiary of Canadian-based Augusta Resource Corporation.

"You saturate an area like Pima County and Santa Cruz," Grijalva said. "You saturate it with claims, and, if and when you come around to it, you use it."

Grijalva said he would like to see the 1872 mining law scrapped or rewritten to address environmental impacts and remediation, allow communities greater involvement in considering a mine and charging royalty fees for excavations.

Legislation to address those issues was passed by the House last fall, but Grijalva said he expected it to die in the Senate.

As such, he put forward this other piece of legislation as a way to address the Rosemont Copper Mine.

But to Eric Jensen and David Johnson, co-founders of Bronco Creek Exploration, Grijalva's proposed legislation would miss the mark, severely damaging the local mining industry while doing little to minimize global environmental impacts.

"Arizona, New Mexico and northern Mexico represent one of the premier copper provinces of the world, and there is a limited time window because of urban growth and other pressures, like this one, that are going to close that off," Johnson said.

Bronco Creek is a small, local exploration outfit, but it has 188 claims in Pima County and another 16 in Santa Cruz. Statewide, Bronco Creek has 646 recorded claims, as well as an additional 876 recorded claims in Nevada and Wyoming. It has also partnered with a Canadian-based company, Bell Resources Corp.

The relative ease in filing a mining claim is needed, Jensen said, because so few actually pan out. "The odds are daunting," he said. "There are people that would argue that for every thousand prospects that are explored, one becomes an economic mineral deposit."

And while the cost to file a claim is nominal, it can add up in bulk along with research and surveying costs.

So, to say it only costs \$170 to file a claim, while true, is also misleading, Jensen said. "Going out and staking a claim is totally meaningless" without the additional research and survey work, Jensen said.

Moreover, the legislation comes at a time when international demand for copper is strong, and Johnson and Jensen said it would be foolish from an economic perspective to simply seal off copper supplies in such a broad, sweeping way.

"These types of moratoriums are especially scary," Jensen said. "We are going to spend the next couple of years before this type of legislation gets enacted working, hoping to get grandfathered in, hoping to make our discoveries and have an impact before that happens."

Withdrawing federal lands in Pima County from mining would be devastating, said George Leaming, an economist with the Western Economic Analysis Center who produces economic-impact reports for the Arizona Mining Association.

"It would be very destructive from what I understand," he said. "It would be very destructive for the existing mineral economy and a good part of the wholesale trade economy and professional services economy in Southern Arizona."

But that's a stance that Grijalva and his staff find debatable.

"There are just so many existing claims that are already out there it's kind of hard for me to really believe that it's going to impact business all that much," said Rachel Kondor, a legislative assistant to Grijalva. "Mining has got a long history in Arizona, so I am assuming that if there is anything out there, they would have already staked something."

Roger Featherstone, a Tucson activist with the Earthworks environmental organization, said he thought the legislation, which will go to committee in March, had a good chance of passing the U.S. House and a decent shot of moving through the Senate.

"There is a lot of solid support for local government, and that's pretty valuable these days," he said.

And while he said he understood the arguments put forth about the global need for copper, it shouldn't come at a cost to Southern Arizona's scenic beauty.

"It's not necessarily in the best interests of the owners of the public lands to have those used exclusively for mining," he said.

But Sturgess, of Rosemont Copper, said the mine is coming regardless of what happens with Grijalva's legislation.

"I would like to think it's not going to pass, so it won't have any influence," he said. "We believe that the Rosemont claim group is adequate to support the Rosemont operation."

● *Reporter Jack Gillum researched the mining claims database for this story. Contact reporter Josh Brodesky at 807-7789 or jbrodesky@azstarnet.com.*