



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105-3901

CERTIFIED MAIL No. 7008 1140 0004 5421 1965  
RETURN RECEIPT REQUESTED

Michael McPhie  
CEO and President  
Curis Resources (Arizona) Inc.  
1575 W. Hunt Highway  
Florence, AZ 85132

**Re:** Response to Request for Modification and Transfer of UIC Permit #AZ396000001  
from Florence Copper, Inc. to Curis Resources (Arizona) Inc.

Dear Mr. McPhie:

United States Environmental Protection Agency, Region 9 (EPA) has received information from Curis Resources (Arizona) Inc. ("Curis") along with a request for a minor modification and transfer of the UIC Permit #AZ396000001. As previously discussed, EPA may modify, or revoke and reissue the permit in response to a proposed transfer of the permit, pursuant to 40 C.F.R. §144.39. After our consideration of the information, we have decided that the most appropriate course of action is revocation and reissuance of the subject permit.

In addition to the information submitted by Curis, EPA has also considered the recent residential development (i.e., Anthem at Merrill Ranch) in the near vicinity of the area currently permitted for mining activity and the construction of several nearby drinking water production wells since the permit was issued in 1997. Due to the substantial lapse in time since the existing permit was issued, the absence of any permitted activity at the site over the last ten years, and the new information regarding residential development in the area, EPA has decided that revoking and reissuing the permit is appropriate. Pursuant to the administrative procedures at 40 C.F.R. § 124.5(c)(2), when a permit is revoked and reissued, the entire permit is reopened just as if the permit had expired and was being reissued. Any activity at the mine site must adhere to the terms and conditions of the existing permit until the revocation and reissuance process is complete.

For reissuance of the permit, EPA requires that Curis submit a new application. Permit application forms and instructions can be found at <http://www.epa.gov/safewater/uic/pdfs/reportingforms/7520-6.pdf>. As we discussed during our conference call on August 4, 2010, the new application may contain the existing BHP

Copper application updated to reflect any new information and proposed changes to the permit. As part of the application, please provide any proposed changes to the boundaries of the aquifer exemption or confirm that the boundaries remain the same. At this time, Curis may choose to provide additional details in the application to address anticipated future changes to incorporate appropriate modifications into the reissued permit. The existing information in the original application and any supplement to that information submitted in the new permit application must be signed by a responsible corporate officer and certified, as described in the application instructions and 40 C.F.R. § 144.32.

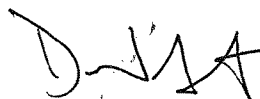
Within 30 days of receipt of a Class III UIC application from Curis, EPA will perform a completeness review to make sure all required portions of the application have been addressed. The completed application becomes part of the administrative record for public review during the public notice and comment period (see 40 C.F.R. 124). Once the application is complete, the technical review process begins. The time it will take for the technical review process will vary depending on how much new information may need to be evaluated.

During the technical review process, EPA will consider whether the National Historic Preservation Act (NHPA) and the Endangered Species Act (ESA) requirements need to be updated for reissuance of the UIC permit, pursuant to 40 CFR § 144.4. Curis's work with the State Historic Preservation Office will help expedite our consideration of how the proposed project will comply with the NHPA requirements. To update the UIC permit for ESA compliance, EPA requests that Curis provide a description of how it will satisfy the applicable requirements and update the plan for any additional endangered species. If there are no changes needed in the Wildlife Monitoring Plan in Appendix H of the existing permit, please confirm this in the submitted information.

Pursuant to the public participation requirements in 40 C.F.R. 124, a proposed decision to reissue the permit will be subject to public notice and opportunity for public comment for a period of 30 days. During the 30-day period, the public can comment on the proposed decision and may request that EPA hold a public hearing. If EPA decides a public hearing is necessary because of significant public interest, a public hearing may be scheduled. Please refer to 40 C.F.R. 124 for additional details regarding EPA's permitting procedures.

Thank you for your prompt attention to this matter. If you have any questions, please contact me at (415) 972-3971, or Nancy Rumrill of my staff at (415) 972-3293.

Sincerely,



David Albright  
Manager, Ground Water Office

August 5, 2010

cc: Loretta Ford, Curis Resources (Arizona) Inc.  
Michele Robertson, ADEQ