

CALLAHAN MINING CORPORATION

NORTHEAST DISTRICT EXPLORATION OFFICE

BOX 195 · BLUE HILL, MAINE 04614

3022 - 89

3026 - 89

LIMNOLOGY DEPARTMENT ^{LATS-215-268-2153}

THE ACADEMY OF NATURAL SCIENCES

NINETEENTH AND THE PARKWAY

PHILADELPHIA, PENNSYLVANIA 19103

DR. PATRICK - 215 404 3921 - 215 233-0941

Hale & Hamlin
Attorneys and Counselors at Law
Blue Hill, Maine

04614
BARRY K. MILLS. GRAYS
ATTY.

LIST OF PAPERS FOR NEWS RELEASE AND NOTICE OF MEETINGS*

BANGOR DAILY NEWS ✓ DENNIS MILLS
BANGOR, MAINE 04401

ELLSWORTH AMERICAN INC. ✓
ELLSWORTH, MAINE 04605

MAINE TIMES ✓
TOPSHAM, MAINE 04086

ISLAND ADVANTAGES ✓
STONINGTON, MAINE 04681

WEEKLY PACKET
BLUE HILL, MAINE 04614

(to be notified one week in advance of committee meetings.)

WITH UNDERSTANDING THAT ITS A WORKING COMMITTEE AND AFTER MEETING - THERE WILL BE AN OPEN DISCUSSION WITH ANY INTERESTED REPORTER OR PERSONS CONCERNED WITH THE RECLAMATION OF THE POND AREAS.
* (AGREED F. BECK JUNE 30)
" J. GRAY " 24

Dist. by F. W. Woolworth Co., New York, N.Y. 10007 U.S.A.

LAW OFFICES
FENTON, GRIFFIN, CHAPMAN & BURRILL
109 MAIN STREET
BAR HARBOR, MAINE 04609

Penobscot Bay Press
Box 36
STONINGTON, MAINE 04681

MRS. LUNNING SECRETARY.
Wm. Sherman Greene, Jr.
Sunset, Maine 01683

JAMES O. COFFEY JR. (EXEC. DIR.)
MAINE DEPT. DIST.
109 MAIN STREET
BAR HARBOR, MAINE
042 6389

(203) 259-6753

BILL C. SCOTT

CALLAHAN CONSULTANT
& REPRESENTATIVE AT
GPCR. MEETING OF JULY
20, 1989

107 CYNTHIA DRIVE

Eugene Hale, 1836-1918

Hannibal C. Hamlin, 1858-1938

Philip D. Lovell, 1899-1961

Charles J. Heston

Arthur T. Fuller

Ronald W. Wass

Philip C. Howley

Barry K. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

February 23, 1972

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2846

Please Reply To Blue Hill

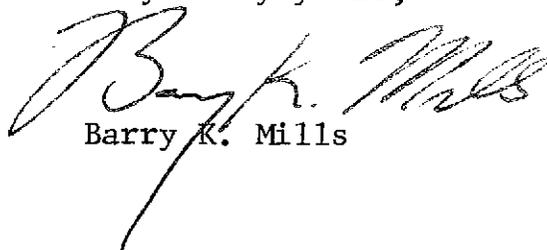
File No. 1633

Mr. Albert Sandecki
Harborside
Maine 04642

Dear Mr. Sandecki:

Enclosed herewith is a copy of my letter of February 23 and, for your convenience, a copy of the lease agreement. Doctor and Virginia Gray, of course, want to be assured that the dam is going to be removed when the lease expires. As a member of the Goose Falls reclamation committee I thought you might have information about Callahan's plans.

Very truly yours,



Barry K. Mills

BKM:mb
Enclosures

Eugene Hale, 1836-1918
Hannibal E. Hamlin, 1858-1938
Philip H. Lovell, 1899-1961

Charles J. Harley
Albiston Fuller
Gerald W. Warr
Philip C. Hinton
Barry K. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

February 23, 1972

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2846

Please Reply To Blue Hill

File No. 1633

Joseph T. Hall, President
Callahan Mining Corporation
277 Park Avenue
New York, New York

Re: Option agreement and lease of January 8, 1966,
between Callahan Mining Corporation and Philip
Gray and Virginia E. Gray

Dear Mr. Hall:

Philip Gray and Virginia E. Gray have consulted with our office relative to the above lease agreement. For your convenience, I have enclosed herewith a copy of the agreement.

Dr. and Mrs. Gray anticipate that because Callahan Mining Corporation is phasing out its operations at Harborside in Brooksville, the lease agreement may not be extended beyond the current year. They should like to be informed of their plans for the dam which was constructed across the falls pursuant to the agreement.

I direct your attention to the bottom paragraph on page five of the agreement in which Callahan Mining Corporation agreed to deliver the premises at the termination of the lease in as good order and condition as when they were received. My clients are, of course, interested in seeing that the dam is removed at the termination of the lease. Would you please confirm for my clients that this is the intention of the corporation.

Very truly yours,

BKM:mb

Barry K. Mills

CALLAHAN MINING CORPORATION

277 PARK AVENUE - NEW YORK, N.Y. 10017
TELEPHONE (212) 528-2950

PLEASE ADDRESS REPLY TO:
41 UNION WHARF
PORTLAND, MAINE 04111
TEL: (207) 772-3789

March 2, 1972

Mr. Barry K. Mills, Esq.
Hale and Hamlin
Blue Hill, Maine 04614

Dear Barry:

Thank you for sending along a copy of your letter to Mr. Hall. Mr. Hall has requested that I answer your query.

You have requested information regarding our plans for the dam attached to your clients' property. As you know, the Goose Pond Reclamation Committee has been studying the various alternative uses to reclamation of the pond area. The objective of this committee is to recommend a method of reclamation which will cause a minimum of environmental damage and yet be of maximum benefit to the town. The problem is not simple and is far from being resolved. Our interest is to cooperate to the extent of our ability with the committee.

Naturally, it would seem to be a simple matter to remove the dam when our mining activities cease and allow Goose Pond to return to its former state. It may be however that a preferable alternative would be to let the dam remain for a period of time. In any case, nothing has been decided by the Committee or ourselves concerning the future of the dam or pond. As soon as we have a better idea of the future of Goose Pond, we will get together with your clients and advise them of our plans.

You make reference to the bottom paragraph on page five of the agreement in which Callahan Mining Corporation agreed to deliver the premises at the termination of the lease in as good order and condition--reasonable use and wearing thereof, or inevitable accident excepted--as the same are, or may be put into. Naturally, we will abide by the terms of the agreement. You mention that your clients ". . . are, of course, interested in seeing that the dam is removed at the termination of the lease."

Mr. Barry K. Mills, Esq.
Hale and Hamlin
Blue Hill, Maine 04614

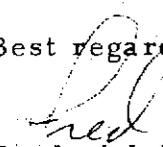
page 2

Would this be their desire, even if the Goose Pond Reclamation Committee recommended that the dam be retained for a period of time to prevent possible environmental damage, and agreed to the removal of the dam at such time as the environmental problem was resolved? I might point out that the Goose Pond Reclamation Committee is in the process of becoming a non-profit corporation and its Board of Directors consists of five Brooksville residents, two state representatives, and myself.

At this time, we are not certain whether or not we will be mining from underground deposits adjacent to the pit beyond this summer or not. The ore from the pit will be exhausted by this summer, but access to the underground workings is through the pit, thus requiring a dry pit area as long as mining is conducted underground. Exploration is in progress to give us answers to these unresolved questions.

I hope I have clarified the situation as it currently exists. Please feel free to call on me at any time.

Best regards,


Frederick M. Beck
Director of Exploration

FMB:lja
cc: J. T. Hall
C. D. Snead, Jr.

Eugene Hale, 1836-1918
Hannibal E. Hamlin, 1858-1938
Wm. B. Lovell, 1899-1961

Charles J. Hawley
Arthur Fuller
Gerald W. Hays
Philip C. Hurd
Harry H. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2846

March 7, 1972

Please Reply To Blue Hill

File No. 1633

Mr. Frederick M. Beck
Callahan Mining Corporation
41 Union Wharf
Portland, Maine 04111

Dear Fred:

Thank you for your letter of March 2 concerning the problem as to the fate of the dam over Goose Falls in Brooksville.

My clients are very much aware of the ecological damage which may be caused by removal of the dam so as to cause flowage into the pit. They certainly agree that this is to be avoided.

However, they do point out that there is an apparent narrows between the location of the present dam and the pit. They point out that, in their opinion, a dam could be easily constructed across these narrows thereby avoiding the pollution problem. I have not examined the area myself, although I plan to do so in the near future. You may be in a position to have at least a tentative idea as to the feasibility of such a substitute dam.

We hope that both Callahan and the reclamation committee will consider the environmental damage which is now being done to the harbor because of the dam. My clients point out that the bay is now silting in very rapidly and, at the present rate, the area may not be suitable for anchorage at low water within the next few years. They point out that it was the head of water built up by Goose Pond which apparently kept the cove free from silt in past years. They also point out that, since the dam was constructed, the cove is no longer free of ice in the winter time and the use of their property during the winter has been severely limited. They feel that both of these problems may be minimized by the

Mr. Frederick M. Beck
Page two

March 7, 1972

construction of a substitute dam at the narrows which I mentioned above.

Perhaps Callahan may already be aware of this problem and maybe it has been discussed among the members of the reclamation committee. If so, perhaps Callahan or the committee may have formulated an opinion as to the feasibility of my clients' suggestions. Your consideration would be very much appreciated.

Very truly yours,

Barry K. Mills

BKM:mb

pc: Dr. Philip Gray
Virginia Gray
Albert E. Sandeck
Joseph T. Hall
Charles D. Snead, Jr.

Eugene Hale, 1836-1918

Hannibal C. Hamlin, 1858-1938

Philip D. Lovell, 1899-1961

Charles J. Husley

Atherton Fuller

Ronald W. Wass

Philip C. Husley

Barry K. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

March 7, 1972

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2846

Please Reply To Blue Hill

File No. 1633

Mr. Albert E. Sandecki
50 Tanner Street
Haddonfield, New Jersey 08033

Dear Mr. Sandecki:

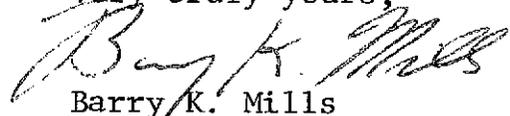
Thank you for your letter of March 1 in regards to the problem as to the dam over Goose Falls in Brooksville. Enclosed herewith is a copy of a letter to me of March 2 from Fred Beck and a copy of my reply of March 7 to him.

As I pointed out in my letter to Fred, I have not visited the site personally for some time and I have no personal opinion as to the feasibility of my clients' suggestion that a substitute dam be built at a narrows between the pit and the falls. They are of the opinion that such a substitute dam would provide enough of a head of water to keep the cove free from silt and free of ice in the winter time. If such a dam is feasible, it would seem to me to be the resolution of the problem to the satisfaction of all parties concerned.

Thank you for your reference to Mr. Dow at the Department of Sea & Shore Fisheries. I have written to Mr. Dow asking his opinion and I will send you a copy of his reply.

Any suggestions or comments which you might have would be very much appreciated.

Very truly yours,


Barry K. Mills

BKM:mb

Enclosures

pc: Dr. Philip Gray, Virginia Gray, Murray Gray

10:35 AM CALL TO 10:50 RRF TO PIPES / TRAILS AREA / COFFER DAM.
APRIL 24 72

Eugene Hale, 1836-1918
Hammond C. Hamlin, 1858-1938
Philip R. Lovell, 1899-1961

Charles J. Hurley
Asherton Fuller
Gerald W. Wass
Philip C. Howley
Barry H. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

Blue Hill Office
Blue Hill, Maine 01614
Area Code 207 374-2846

April 20, 1972

Please Reply To Blue Hill

File No. 1633

Mr. Albert Sandecki
50 Tanner Street
Haddonfield, New Jersey 08033

Re: Callahan Mining Operations at Cape Rosier, Brooksville, Maine

Dear Mr. Sandecki:

Thank you for your letter of April 13. To bring you up to date, I have enclosed herewith copies of my letters of March 20 to Rayburn McDonald of the ETC, and my letters of April 19 and 20 to the Army Corps of Engineers, United States Attorney Peter Mills and Charles Corklin, attorney for Environmental Protection Agency.

I suggest that you might wish to obtain a copy of the report of Robert L. Dow and John W. Hurst, Jr. of the Maine Department of Sea & Shore Fisheries in Augusta entitled REHABILITATION PROBLEMS OF THE CAPE ROSIER OPEN PIT MINE.

Frankly, I can see little point to retaining the dam over Goose Falls if Callahan has been allowed to bypass the dam by pumping its silt directly into the cove. My feeling, as a layman, is that the implications of what has been done could be catastrophic to this entire section of the coast unless something is done immediately.

The EIC has been of little help. Apparently, it feels the legislature granted Callahan a license to kill and its hands are tied. It appears that the only recourse would be through the Federal agencies.

Of course, we now understand that the dam cannot be removed. However, it would appear to me just as essential to clean the floor

Mr. Albert Sandecki
Page two

April 20, 1972

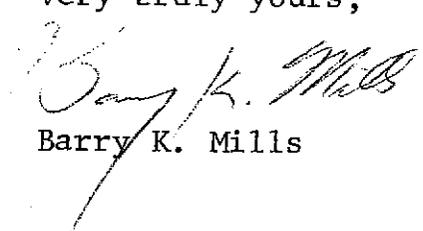
of Goose Cove as it is to retain the dam.

You will note that I have not advised Fred Beck or any Callahan official of my correspondence with the EIC or the Federal agencies. I would also urge that you not bring this up at any meeting of the Reclamation Committee, at least for the time being. I should like for these agencies to have an ample opportunity to investigate the situation and to observe the operations as I saw them and I set them forth in my letter of March 20 to EIC. I would not want the whistle to be blown too quickly before the Federal agencies had the opportunity to investigate. If the Federal agencies drag their feet, however, I would suggest that the Reclamation Committee scream bloody murder.

I have some hesitation to assuming the role of Chicken Little who goes about crying the sky is falling. I am a layman in the field and I pretend to no expertise in environmental matters. However, my observations combined with the Dow-Hurst Report, seem to make the problem rather obvious.

I will keep you advised as matters develop.

Very truly yours,



Barry K. Mills

BKM:mb
Enclosures

Ernest Hale, 1836-1918
Hannibal E. Hamlin, 1858-1938
Philip H. Lovell, 1899-1961

Charles J. Husley
Atherton Fuller
Gerald W. Wass
Philip C. Husley
Benny H. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2845

April 19, 1972

Please Reply To Blue Hill

Mr. F. W. Moehle
Department of the Army
New England Division, Corps of Engineers
424 Trapelo Road
Waltham, Massachusetts 02154

Re: Callahan Mining Operation at Cape Rosier, Brooksville, Maine

Dear Mr. Moehle:

I should like to report what appears to be a violation of the River and Harbor Act of 1899 (33 U.S.C. Sec. 403).

By way of background, certain clients had asked me to advise them as to their rights under a lease with Callahan Mining Company at Cape Rosier in Brooksville, Maine. My observations as to the apparent violations of the act are set forth in my letter of March 20 to Rayburn McDonald of the Maine Environmental Improvement Commission, a copy of which is enclosed herewith. Also enclosed by way of background, are copies of the following letters:

1. My letter of February 23 to Joseph T. Hall, President of Callahan Mining Corporation;
2. Letter of Fred Beck of Callahan to me dated March 2;
3. Letter of March 1 to me from Albert Sandecki;
4. My letter of March 7 to Fred Beck;
5. My letter of March 7 to Albert Sandecki;
6. My letter of March 7 to Robert L. Dow of Sea & Shore Fisheries;

April 19, 1972

7. A letter of Fred Beck to me of March 9;
8. A letter to me of March 14 from Robert L. Dow of Sea & Shore Fisheries;
9. A copy of a letter from the Environmental Protection Agency to Joseph T. Hall dated April 12;
10. A letter to me from Albert Sandecki of April 13.

You will note it appears rather apparent that the silt which has accumulated on the floor of Goose Cove is not a natural accumulation as we had at first believed. The silt appears to be the direct accumulation of residue from the mining operations. You will note from my letter of March 20 to Mr. McDonald of the EIC that there appears to be virtually no tailings pond and that the pumping is direct into Goose Cove. ✓

You will note that the letter of April 12 from the EPA and other correspondence shows great concern over the possible removal of the dam at Goose Falls. We now recognize the need to retain the dam, but would point out that the damage appears to have already been done.

I refer you to a report of Robert L. Dow and John W. Hurst, Jr. of November 1971 REHABILITATION PROBLEMS OF THE CAPE ROSIER OPEN PIT MINE. If the report and my observations are correct, it would appear that the metallic ions contained in the silt on the floor of Goose Cove could cause very serious damage to extensive portions of this part of the Maine coast.

We feel the only recourse is to dredge the floor of Goose Cove and deposit the silt back into the open pit.

We feel that this is a very urgent matter not only because of the possibilities of destruction to the environment, but also because Callahan has announced its intention to close this mining operation as of this summer. Once Callahan has left the site, it may be more difficult to compel it to clean the bottom of the cove.

We hope you will agree that this is both a serious and

Mr. F. W. Moehle
Page three

April 19, 1972

urgent matter which demands your prompt attention. There is very little which I can add to the contents of the enclosed correspondence, but if I may be of any assistance to you, please let me know.

Very truly yours,

Barry K. Mills

BKM:mb

pc: John Hurst
Peter Mills, Esquire
Charles Corklin, II, Esquire
William Sherman Greene, Jr., Esquire
Philip Gray, M.D.
Mrs. Virginia Gray
Murray Gray

REPLY

United States Department of Justice

UNITED STATES ATTORNEY

FOR THE DISTRICT OF MAINE

PORTLAND 04112

Portland, Maine

April 27, 1972

Barry K. Mills, Esquire
Hale & Hamlin
Ellsworth, Maine 04605

Re: Callahan Mining Operation at
Cape Rosier, Brooksville, Maine.

Dear Brother Mills:

Thank you for your letters of April 20 and 25, 1972,
with enclosures, in the above referenced matter.

I am transmitting copies of your letters and the
material enclosed to the Environmental Protection
Agency, Region I, Boston, Mass., requesting that
it make investigation as soon as possible.

Please keep me advised of any further developments.

Very truly yours,



PETER MILLS
United States Attorney

M/r

cc: AUSA Kevin M. Cuddy, Fed. Bldg., Bangor, Maine 04401

Eugene Hale, 1836-1918
Hannibal C. Hamlin, 1858-1938
Philip B. Lovell, 1899-1961

Charles J. Husley
Arthur Fuller
Gerald W. Wain
Philip C. Husley
Barry K. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2846

April 20, 1972

Please Reply To Blue Hill

File No. 1633

Peter Mills, Esquire
U. S. Attorney, United States District Court
Southern Division
156 Federal Street
Portland, Maine 04101

Re: Callahan Mining Operation at Cape Rosier, Brooksville, Maine

Dear Mr. Mills:

I should like to report what appears to be a violation of the River and Harbor Act of 1899 (33 U.S.C. Sec. 403) by Callahan Mining Corporation of Brooksville, Maine.

Enclosed herewith are copies of my letters of April 20, 1972, to the Army Corps of Engineers and the Environmental Protection Agency. Also enclosed are copies of all letters listed in my correspondence to them by way of background.

We hope you will agree that this is a serious problem which demands prompt attention to prevent very serious damage to this entire section of the Maine coast.

Very truly yours,

Barry K. Mills

BKM:mb
Enclosures

Eugene Hale, 1836-1918
Hannibal E. Hamlin, 1858-1938
Philip B. Jewell, 1899-1961

Charles J. Hartley
Whiston Fuller
Donald H. Hays
Philip G. Hursey
Barry K. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

April 20, 1972

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2846

Please Reply To Blue Hill

File No. 1633

Charles Corklin, II, Esquire
Environmental Protection Agency
John F. Kennedy Federal Building - Room 2303
Boston, Massachusetts 02203

Re: Callahan Mining Operation at Cape Rosier, Brooksville, Maine

Dear Mr. Corklin:

I should like to report what appears to be a violation of the River and Harbor Act of 1899 (33 U.S.C. Sec. 403) by Callahan Mining Corporation at Brooksville, Maine.

Enclosed herewith are copies of my letters of April 20, 1972 to U. S. Attorney Peter Mills and the Army Corps of Engineers. Also enclosed are copies of all letters listed in my correspondence to them by way of background.

We hope you will agree that this is a serious problem which demands prompt attention to prevent very serious damage to this entire section of the Maine coast.

Very truly yours,

Barry K. Mills

BKM:mb
Enclosures



REPLY

STATE OF MAINE
ENVIRONMENTAL IMPROVEMENT COMMISSION
AUGUSTA, MAINE 04330

April 25, 1972

Mr. Barry K. Mills
HALE & HAMLIN
Attorneys and Counselors at Law
Ellsworth, Maine 04605

Dear Mr. Mills:

In response to your letter of March 20, 1972 the Callahan operation was reviewed by Mr. Hinckley of this office in considerable detail.

According to the position taken by the Attorney General's office at that time there was little of the total discharge from the operation that was subject to our licensing. The discharge from the mining pit was construed to be part of the process of dewatering Goose Falls Pond and maintaining its dewatered status which privilege was bestowed by the forms of the legislative act in 1966.

The only discharge coming under licensing is that from the tailings pond and while there are points in the handling of this waste that are no doubt contrary to the license, it is doubtful if their enforcement would make any real difference.

In any event the matter will be called to the attention of the Attorney General for any suggestions he may have.

Sincerely,

Raeburn W. Macdonald
Raeburn W. Macdonald
Chief Engineer

RWM:ems

Attorneys and Counselors at Law

Ellsworth, Maine 02826

Area Code 207 687-2861

March 20, 1972

*Charles J. Gray
Virginia Gray
Donald W. Hall
Philip C. Gray
Henry H. Hall*

Mr. Rayburn McDonald
Chief Engineer
Environmental Improvement Commission
Augusta, Maine 04330

Re: Callahan Mining operations at
Cape Rosier in Brooksville, Maine

Dear Mr. McDonald:

I should like to report what appears to be an illegal discharge of tailings material by Callahan Mining Corporation into Goose Cove at Brooksville.

By way of background, Dr. Philip Gray and Virginia Gray own a shore lot on Goose Cove which has been leased to Callahan for the construction of a dam across the reversing falls. Dr. and Mrs. Gray complained to me that the cove was filling in with silt and was no longer free of ice in the winter. They attributed the silting to a natural process which they believe was caused by the construction of the dam. Their theory was that the cove was silting in and ice was forming because there was no longer any drainage from Goose Pond and the cove could no longer be flushed out at every low tide. They asked that the dam be removed upon the termination of their lease and I was requested into look into the legal consequences of such a removal. ✓

For your reference, I have enclosed herewith copies of the following correspondence:

1. My letter of February 23 to Joseph T. Hall, President of Callahan Mining Corporation;

2. Letter of Fred Beck to me dated March 2;
3. Letter of March 1 to me from Albert Sandeck;
4. My letter of March 7 to Fred Beck;
5. My letter of March 7 to Albert Sandeck;
6. My letter of March 7 to Robert L. Dow of Sea & Shore Fisheries;
7. A letter of Fred Beck to me of March 9;
8. A letter to me of March 14 from Robert L. Dow of Sea & Shore Fisheries.

You will note that the letter from Robert L. Dow contained the first indication, at least to me, that the accumulation of silt in Goose Cove was not attributable to natural processes. According to his letter, the silt was from material that came from the open pit.

Friday, March 17, I met in my office with Malcolm Richards and John Hurst, both of Sea & Shore Fisheries. Their opinion was the same as Mr. Dow's; that is, the material accumulating on the floor of Goose Cove was material from the open-pit mine. They conceded that no formal testing of the silt had been made to determine its origin, and agreed that, at some point, such testing should be made. However, they felt quite strongly that, at least for present purposes, the source of the silt was rather obvious.

Later the same morning, Mr. Richards, Mr. Hurst and I visited the mining site.

Our first stop was the tailings pond. In fact, there was no tailings pond; the pond appeared to be virtually completely full so that one could walk across the surface. As a layman, with little or no knowledge of mining operations, it appeared to me to be virtually impossible for any significant settling process to take place in what had formerly been the tailings pond.

Our next stop was to visit the site of the dam. Callahan

apparently has at least two discharge pipes which discharge this water into the cove. I assume, in theory, that the water at this point of the operation is supposed to be relatively clean.

We observed large quantities of water being discharged into the cove through the two outlets. The water was far from clear; the water was gray and murky and appeared to be saturated with a chalky material about the consistency of flour. The color of the material appeared to be about the same as the material which had filled what was previously the tailings pond. We also noticed that the odor at the point of discharge into Goose Cove was similar to the odor at the tailings pond.

My observation would confirm those of the Department of Sea and Shore Fisheries; that is, the material which is accumulating on the floor of Goose Cove is, in fact, tailings from the Callahan Mining operation.

I note that under 38 M.R.S.A. Section 370, the waters of Goose Cove are classified SB-1. Among the requirements for that classification are that the water be "suitable for all clean water usages including water-contact recreation and fishing." In addition, the waters are to be suitable for the harvesting and propagation of shellfish; there are to be no settleable solids, industrial wastes, or other wastes, no discharge of deleterious substances, etc. From my observation, as a layman, these standards are not being met.

I would urge that the Environmental Improvement Commission investigate the situation as soon as possible. Should our conclusions be correct, I would suggest that Callahan should be required not only to cease its discharging operations immediately, but that it be further required to dredge the bottom of Goose Cove and dump the silt which has accumulated back into the open pit.

If you have any questions about any of this material or if I may be of assistance in any way, please let me know.

Very truly yours,

Barry K. Mills

BKM:jw

CC: Murray Gray, Virginia Gray, Philip Gray, M.D., Malcolm Richards, John Hurst



UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

John F. Kennedy Federal Building - Room 2303
Boston, Massachusetts 02203



April 12, 1972

APR 14 1972

Joseph T. Hall, President
Callahan Mining Corporation
277 Park Avenue
New York, New York

Dear Mr. Hall:

We understand that Callahan Mining Corporation is planning to terminate its open copper and zinc mining operations at Cape Rosier Maine, in the summer of 1972. We also understand that your company is concerned about leaving behind a large exposed open pit.

The operation of the Cape Rosier mine has drastically altered the physical conditions of the Goose Pond area. While it might appear important to restore this area to its condition prior to the mining operations, this must not be done at the expense of the coastal waters and shellfishery areas.

The Government is opposed to removal of the dam at Goose Falls and agrees with the company that there is a high risk of damage to the salt water biota from residual ore and silt, particularly from ground talc that is now scattered throughout the open pit. Opening the Goose Pond area to the ocean would constitute a violation of the Refuse Act of 1899 (33 U.S.C.A. 207).

When mining operations and pumping cease, the pit will begin to fill with brackish water, and your company has indicated that this process should take about two years. As the pond begins to fill up with water, much of the rock dust from blasting, especially dust from the talc and the mine, will be caught up in the water as a milky suspension of fine particles. These may take a long time to settle out but will most likely coat the entire bottom of Goose Pond with a fine grayish-white sediment. Brackish water should help to stabilize any fresh mineral surfaces that may be exposed. As the pit fills, a careful

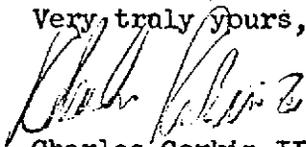
monitoring program and analysis of the pond area should be undertaken in order to determine the water quality of the area before it is permitted to be released to Penobscot Bay. Before the mine is filled, the company should stabilize the pit as much as possible by making sure that loose material is washed to the bottom and held down with sand or gravel.

We would like you to institute a program which would include periodic reports of the water quality to us and to the State of Maine so that we can determine if and when the area is stabilized to the point where the water in Goose Pond can be released to the ocean without danger to the salt water biota.

EPA is aware that Callahan has a lease with Virginia E. Gray of Harborside, Maine and Philip Gray of Blue Hill, Maine in which your company is obliged to deliver up the premises to the lessors in as good order as they were in January, 1966. This does not change our position with regard to the removal of the dam, however,

I would appreciate your advising me of your intentions as soon as it is convenient for you to do so.

Very truly yours,



Charles Corkin II
Attorney

cc:

Mr. Robert L. Dow
Director, Marine Research
Maine Department of Sea and
Shore Fisheries

Mr. John Hurst
Laboratory Director
Maine Department of Sea and
Shore Fisheries

Mr. Frederick M. Beck ✓
Callahan Mining Corporation
41 Union Wharf
Portland, Maine 04111

Ms. Virginia E. Gray
Harborside, Maine

Mr. Philip Gray
Blue Hill, Maine

Barry K. Mills, Esq.
Blue Hill, Maine

Certified Mail No. 100763

THE ACADEMY OF NATURAL SCIENCES

NINETEENTH AND THE PARKWAY, PHILADELPHIA, PENNSYLVANIA 19103

Phone LO 4-3921 Area Code 215

May 22, 1972

Mr. Albert E. Sandecki
50 Tanner Street
Haddonfield, New Jersey 08033

Dear Mr. Sandecki:

I am very sorry that we will not be able to do the monitoring for you as set forth in your letter. However, in the future if you would like to call on us, we will be glad to help you.

I am going to be out of town for about two weeks. I will ask my secretary to get together the material, and you certainly may take any or all of it back if you so desire. I think it would be best for you to come to my office to see just what you want.

Yours sincerely,

Ruth Patrick
Ruth Patrick
Chairman
Department of Limnology

RP:bs

50 Tanner Street
Haddonfield,
New Jersey 08033
May 15th 1972

Academy of Natural Sciences
19th & The Parkway
Philadelphia, Penn. 19103

Dr. Ruth Patrick
Chairman Dept. of Limnology

Dear Dr. Patrick:

I wish to thank you again for submitting the cost estimate of monitoring the waters in and near the Callahan Corporation's mine-site at Harborside, Maine.

The attached letters came to me today, on page two of Mr. Beck's minutes reference is made to the Academy's proposed monitoring. Personally I would preferred to have the Academy do this work but as you can see on page one of the minutes the staff of the Callahan firm will do the monitoring. I sincerely hope the Maine Department of Sea & Shore Fisheries will provide a source of monitoring as well.

I have enclosed a copy of Mr. Beck's letter to Mr. Dow concerning the proposal for aquaculture research, which you might find of interest, please feel free to comment.

I have a favor to ask, would it be possible to return the material I have given you concerning the mining operation? Possibly you could look over what you have and set aside those records you would like to retain for copies. I imagine there is too much to ask your secretary to send if you like I will stop by the Academy in the near future to pick them up.

Again, thank you for your help and consideration to date I would like to feel free to contact you in the future if the situation changes.

Sincerely,

Albert E. Sandeckl

AND THE RESEARCHERS add that even the shellfish that survive the toxic conditions contain higher concentrations of heavy metals than the federal Food and Drug Administration thinks are safe for people to eat.

The mine, an open pit operation run by Callahan Mining Co., is scheduled to close by early summer after less than five years of operation because there isn't any ore left.

The warnings by Dow and Hurst are contained in an 18-page booklet published by the Department of Sea and Shore Fisheries titled: "Rehabilitation of the Cape Rosier Open Pit Mine."

In it the two claim the marine environment has already been harmed and they predict even greater harm unless use of the area is carefully controlled in the future.

THEY OBJECT specifically to Maine Mining Bureau proposals to turn the nine-acre, 300-foot-deep mine pit into a marina by filling it with water and reopening a channel to the sea.

Site of the controversy is Cape Rosier on the Castine-Blue Hill peninsula that forms the eastern shore of Penobscot Bay.

The Island of Islesboro is located directly to the west and Deer Isle and Vinalhaven are to the south.

Mining has been carried on in the area since 1880.

The Callahan mine formerly was a shallow salt water cove connected to the open bay by a famous reversing falls — falls that flowed first in one direction and then in another depending on whether the tide was flowing in or out.

THE ROCK OUTCROPPING that formed the barrier for the falls was dammed by Callahan

rector of the Maine Mining Bureau — the official state agency that supervises mining on public property.

But the state gained other advantages, Beck says.

During the peak year of operations, the mine contributed nearly \$2.5 million to the state's economy in payrolls, payments for goods and services, and taxes.

And though phasing out of operations has begun, about 80 people are still regularly employed at the mine.

Callahan's experience has been less bright, however, Beck says.

Though the mine is making money in its day-to-day operations, "By the time we stop this summer, we won't have recovered our initial investment — which was something like \$4.5 million."

DOW AND HURST aren't sure the taxpayers have come out ahead either.

"It's pretty obvious to me that the state made a mistake in allowing a mine here, Hurst comments in response to questions.]

Dow agrees. But he concedes that part of his objection is based on hindsight.

Dow and Hurst say mining activity at Callahan "has had a significant effect on toxic metal levels in bottom sediments, rockweeds and soft shell clams and there is evidence that this effect has spread well beyond the effluent discharge site."

They also report clam populations in the area are "rather sparse" and add that the "clam population outside the area, particularly in upper Penobscot Bay, has dramatically increased suggesting that the toxic effluents going into Goose Cove may have had a suppressing effect on the expansion of the clam population there."

R.R.C.O. May 1972

GOOSE POND RECLAMATION SOCIETY
Minutes of Meeting
May 4, 1972
10:00 A. M.

In attendance:
John Gray, Chairman
Robert Howard
Robert Dow
John Hurst
Sherman Greene (representing A. Sandecki)
Fred Beck
Sue Jones (representing Island Ad-Vantages)

The meeting was called to order at the offices of Callahan Mining Corp. by Chairman John Gray. It was pointed out that public attendance at the G. P. R. S. meetings was allowed but that specific invitations would not be extended. Anybody interested in attending is free to do so at his own initiative.

The items on the agenda were taken up and discussed, with the following pertinent points being made:

According to F. Beck:

All mining will cease around June 15, 1972.

Immediately following this, efforts will be made to move the mud into the pit by blasting. This could take a week or longer.

Simultaneously, Wier Cove drainage at the Robinson ground will be filled in and reseeded. This will take at least a week--probably more.

Milling will be completed perhaps by mid-July.

A grant has been provided to the University of Maine for greenhouse and field testing of tailings material. Experiments with limited samples and vegetative types were unsuccessful last winter.

Initial planting of the upper dump will be started in mid-August.

Callahan has committed funds to conduct a pilot aquaculture project during the next year. An effort will be made to determine the ability of Goose Pond water to grow oysters and of Smith Cove waters to grow salmon, with Goose Pond being used during the winter as a holding area for these species. Continuous monitoring will be provided by Callahan staff, including a newly hired marine biologist.

The work will be closely coordinated with the Department of Sea and Shore Fisheries and University of Maine's Darling Center. The ultimate objective is to create a new industry for Brooksville and a new source of income for Callahan, while at the same time taking adequate precautions to prevent pollution of or by Goose Pond during the period of re-gaining equilibrium with the environment.

There was considerable discussion of various points, and Mr. Dow

suggested that an effort should be made to remove the silt which has accumulated in Goose Cove since mine start-up. Mr Hurst has a coring device which can be used to determine the areas of new silt accumulation. Mr. Dow suggested sucking the silt into the intake end of the 16" siphon during pit fill-up. Mr. Beck suggested dragline dredging as a means of at least deepening the upper end of the Cove. The dredged material should be placed in an area where it cannot be a potential problem. The nature of the silt will be determined by coring and a judgment made at that time as to the advisability of dredging or removing the silt. Mr. Beck suggested that more problems might be created than solved and that a corps of engineers permit would probably be needed.

Mr. Dow asked Mr. Beck to submit a detailed proposal of Callahan's aquaculture intentions to the Department of Sea and Shore Fisheries. This would be required before any permits would be granted or Sea and Shore Fisheries support extended.

In general, it was the concensus that the Callahan aquaculture proposal has merit.

The E. P. A. letter to Callahan was briefly mentioned and since all in attendance had read the letter, there was no discussion.

Monitoring was discussed and it was agreed that the aquaculture project should provide ample data for use by interested parties. Mr. Beck mentioned that the EIC had agreed to help establish limits of ion concentration of various elements which would be acceptable for tidal exchange. They will visit the property sometime in late May.

Due to the plans described above, it was determined that the Philadelphia Academy proposal would be unnecessary.

The G. P. R. S. bylaws are not progressing at any great rate according to John Gray. The earlier draft of incorporation papers was not accepted by the Attorney General's office as it was not clearly stated to be a non-profit corporation.

Some discussion about retention of certain items for use of G. P. R. S. was initiated by John Gray. Certain office furniture might be useful, but since Callahan will be around for another year, this need may be taken

G. P. R. S. minutes
May 4, 1972

page 3

care of. Also the matter of money was raised by Mr. Gray. As long as Callahan plans to do the monitoring, etc., no significant funds would be required until such time as Callahan left the area and work remained to be completed by the G. P. R. S.

Mr. Beck requested that the aquaculture proposal not be mentioned to the press until such time as appropriate state agencies and the Governor's office can review the proposal.

There being no further business, the meeting adjourned at about noon.

Respectfully submitted,

Frederick M. Beck
Secretary

Wm. Sherman Greene, Jr.
Attorney and Counsellor at Law
Sunset, Maine 04683

207-348-2881

May 8, 1972

Mr. Albert E. Sandecki,
50 Tanner Street
Haddonfield, N.J. 08033

Dear Albert:

When I reported to you last week concerning the Committee meeting at Harborside, I did not mention the discussion about the possible removal by Callahan of the silt condition in the Goose Cove. As you know, Barry Mills has sent me his correspondence with the State and Federal authorities concerning the situation. I shall keep Barry informed and I have prepared this letter for you, which I shall discuss with him.

Fred reported at the meeting that Callahan was considering some method of clearing up the silt in the Cove by siphoning it into the pit area. Dredging was also mentioned and Robert Dow of Sea and Shore Fisheries suggested that any such silt should be placed in the pit before Callahan pushed the large mud area into the pit, which they plan to do some time in June. This would serve to keep the sediment at the bottom of the pit area and protect both the pond and the cove when the dam is eventually removed.

Incidentally, there was a good deal of discussion about the tailings pond and it seems that they hope it will eventually dry up and probably not constitute a continued source of pollution. Some leaching might be anticipated, however, from the tailings pond. Of course, I think that the present drain pipes may carry some of the tailings into the cove.

In view of the apparent lack of interest by E.I.C. at this time as to the pollution in the cove and the tailings pond discharges, Callahan's interest in the cove sediment is of importance.

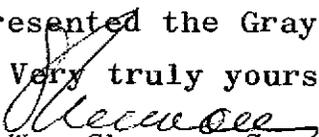
I should emphasize that I have no thought that any of Callahan's plans as to reclamation, sediment and tailings pond use are necessarily final.

As I am not a member of the Reclamation Committee and serve only as an observer, I am reluctant to discuss such Committee meetings, but as a reporter was present throughout and there was no indication of limitation of publicity concerning what I have mentioned above, I feel I am justified in reporting to Barry Mills in this regard. He has kept me fully informed to date.

When I see him, however, I shall request that he treat my report in confidence until Callahan or the newspapers report about it.

Fred Beck mentioned that Barry represented the Grays in the cove matter.

Very truly yours,


Wm. Sherman Greene, Jr.

WSG:RL

50 Tanner Street
Haddonfield,
New Jersey 08033
May 12, 1972

Callahan Mining Corporation
41 Union Wharf
Portland, Maine 04111

Mr. Frederick M. Beck
Dist. Exploration Mgr.

Dear Fred:

Thank you for the copys of the correspondence which arrived today, concerning possible use of the mine area for aquaculture studies.

I sincerely hope your conferences with Mr. Dow, Mr. Stuart and the Governor will clear the way for development of this potential source of employment and continued substantial tax base for the Town of Brooksville.

I would like to congratulate you on what seems to be a great deal of effort on your part towards constructive reclamation of the Goose Pond mine-site.

If things do progress as you expect in the near future I think the Selectmen and townspeople of Brooksville should kept well informed as they will I'm sure represent a strong group for support of the proposal.

Sincerely,

Albert E. Sandecki

cc: Mr. Clifford Leach
Mr. Joseph T. Hall
Mr. Charles D. Snead, Jr.
Mr. John H. Gray

CALLAHAN MINING CORPORATION

277 PARK AVENUE · NEW YORK, N.Y. 10017
TELEPHONE: (212) 826-2950

PLEASE ADDRESS REPLY TO:
41 UNION WHARF
PORTLAND, MAINE 04111
TEL: (207) 772-3789

May 8, 1972

Mr. Larry Stuart
Commissioner, Parks and Recreation Dept.
State House
Augusta, Maine 04330

Dear Mr. Stuart:

As you know, Callahan Mining Corporation is ceasing its mining operations at Cape Rosier this summer due to depletion of the ore reserves. Our company has worked closely with townspeople and state agencies to arrive at an environmentally acceptable form of reclamation of both Goose Pond and the disturbed area adjacent to Goose Pond.

We feel that our moral obligation to reclaim this area is two-fold. First, to stabilize erosion and provide scenic restoration through grading and planting, and second, to replace the mining venture with a new economic base for the area. The first area of concern is in the process of being solved. We have provided a grant to the University of Maine to recommend the best vegetative cover and fertilizer for the area and anticipate an initial planting in August. Grading is currently underway.

The second area of concern is a more complex one, but we feel that we have arrived at a unique and environmentally acceptable solution. It is our feeling that aquaculture may prove economically feasible for Goose Pond and other areas in Smith Cove and nearby areas adjacent to Goose Cove.

Our Board of Directors have authorized a pilot project to determine the feasibility of raising oysters and salmon in the Cape Rosier and Goose Pond areas.

I have presented these ideas to the Goose Pond Reclamation Society (comprised of five townspeople, Bob Dow, Bob Doyle, and myself). This group has agreed that the proposed pilot project would be in the best interests of all concerned.

Maine law relating to aquaculture allows research by State/Federal agencies as well as private interests (12 M. R. S. A. 3701, 3702, 3703, 3704, 4253, 4304, 4305, 4351) under certain conditions. Of particular interest is the requirement that written permission be obtained from the riparian owner if oysters or fish are to be raised or cultivated beyond (below) low water mark. Our pilot project contemplates raising oysters below the low water mark in both Goose Pond and in Smith Cove, both areas being adjacent to the Holbrook Sanctuary owned by the State and administered by your Department.

I will be presenting a more detailed proposal to Bob Dow in the near future and feel that it would be useful for Bob and I to discuss this with you. The President of our company, Mr. Joseph T. Hall, is planning a trip to Maine in mid May and plans to talk with Governor Curtis about these plans. I would hope that we could get together prior to that time so as to be able to answer questions the Governor may have.

I will contact you by phone in the near future.

Very truly yours,

Frederick M. Beck
Director of Exploration

FMB:lja

cc: C. D. Snead, Jr.

Goose Pond Reclamation Society

CALLAHAN MINING CORPORATION

277 PARK AVENUE · NEW YORK, N.Y. 10017
TELEPHONE: (212) 826-2950

PLEASE ADDRESS REPLY TO:
41 UNION WHARF
PORTLAND, MAINE 04111
TEL: (207) 772-3789

May 8, 1972

Mr. Robert Dow
Research Director
Department of Sea and Shore Fisheries
Augusta, Maine 04330

re: Aquaculture Proposal

Dear Bob:

Our company is interested in the economic potential of raising fish and shellfish under intensive growing conditions. We feel that the waters adjacent to Cape Rosier might be suitable for such an enterprise and we are prepared to invest money in a pilot project to determine the economic feasibility in this area. We are particularly interested in conducting the project in these waters due to our desire to replace the mine with an economic industry for the town. We also feel that Goose Pond may provide some unique characteristics which would enhance an aquaculture industry.

I am herein providing you with a proposal submitted to us by Mr. Robert Mant of the University of Maine's Darling Center for the raising of oysters. We have accepted Mr. Mant's proposal and have hired him to manage the project. In addition, we have solicited assistance from Dr. Lauren Donaldson of the University of Washington to plan a pilot project for pen raising salmon. I enclose a paper by John R. Moring of the University of Washington's Fisheries Research Institute wherein he describes their salmonid pen rearing experiments. I'm also enclosing a paper by Conrad Mahnken et al which describes in more detail the Union Carbide--NMFS--Sea Grant project at Manchester. These papers describe the techniques we would anticipate using at Cape Rosier. The details are yet to be developed.

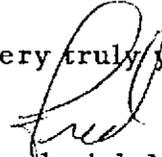
I have visited the NMFS-Union Carbide project at Manchester, Washington, and the Lummi Indian project at Bellingham, as well as talked at some length with researchers associated with these projects. It would be naive to suggest that problems don't exist for our proposal for Maine. There are numerous unknown parameters which must be studied during the project, as well as some known

negative aspects such as water temperatures, initial oxygen fugacity in Goose Pond, a non-existent legal regime which will allow commercial sized operations, etc. We feel that the potential benefit to Brooksville, the state, and our company justifies an attempt to seek solutions to the problems and that the pilot project approach is the logical way to proceed.

I think that it would be useful for us to meet at your earliest convenience to discuss the proposal. In particular, I would like to see the project conducted as a cooperative venture between the Sea and Shore Fisheries, the University, and our company. Only in this way can the project produce the maximum benefits to all concerned. We will initially need to work out a plan which will set aside specific areas for research as provided for under present Maine law. Other topics will include such things as species, source of and importation of seed and fingerlings, needed legislation, etc.

I'll look forward to hearing from you. As I mentioned last Thursday, Mr. Hall, our President, will be in the state during the week of May 15 and would like to discuss the project with Governor Curtis at that time. I hope we can get together before then.

Very truly yours,


Frederick M. Beck
Director of Exploration

FMB:lja

cc: J. T. Hall

C. D. Snead, Jr.

Goose Pond Reclamation Society

50 Tanner Street
Haddonfield,
New Jersey 08033
May 11, 1972

Callahan Mining Corporation
41 Union Wharf
Portland, Maine 04111

Mr. Frederick M. Beek
Dist. Exploration Mgr.

Dear Fred:

I have received a brief summary from Mr. Sherman Greene on the meeting held last Friday the 5th. I assume you kept minutes of this meeting and I would appreciate a complete copy as soon as they are available.

Concerning my letter to you of April 12th (copy attached) about Dr. Ruth Patrick's cost estimate for monitoring the waters in and around the mine area, I feel that I have an obligation to Dr. Patrick and the Academy of Natural Sciences to inform them of your firm's intent in regard to monitoring, or of any decision reached at the meeting on the matter.

In conversation with Mr. Greene last night he said that you were going to meet with the Borings on the 9th about the water problem, but has not heard of the outcome. We would appreciate hearing of the results. He also referred to the presence of the reporter from the Island Advantages newspaper. I was surprised considering Charlie Snead's request that the aquaculture proposal not be announced until all the details had been worked out.

I would like to reaffirm Mr. Greene's request to you that, (if the plans have reached the stage of public announcement) all the newspapers in the area should be given equal notice.

Sincerely,

Albert E. Sandecki

Wm. Sherman Greene, Jr.
Attorney and Counsellor at Law
Sunset, Maine 04683
207-348-2881

May 5th, 1972

Mr. Albert E. Sandeck
Tanner Street
Haddonfield, N.J. 08033

Dear Albert:

A brief report about the meeting yesterday.

Fred Beck said that Callahan now hopes to complete work at the mine during July and after that to start reclamation work. Of course, this schedule may be changed.

We discussed at some length general plans to start grass and tree planting and the University of Maine is testing samples to determine what would be the best method of planting. Also Callahan is checking with various contractors to do this work.

More important at this time, however, was Fred Beck's statement that Callahan is investing funds to test the possibility of starting a commercial business at the Cove and Goose Pond to raise oysters and salmon. Apparently they plan to take a year to explore this possibility and will be here that long with some employees working on the experiment. I do not know how firm their commitment is, but they requested that no publicity be given this so that the President could talk with the Governor and announce what they intended to do.

Incidentally a reporter from the Ad Vantages was at the meeting at the request of Barrows and I suggested to Fred Beck that in the future he be sure that all papers are aware of any meetings and be given publicity statements equally.

After the meeting Fred Beck said that they hoped to see Mr. Boring next week, but was not very optimistic. Mr. Howard was there and said that he had found when the mine was not working, the salt content of their well was lower. Of course, there has been a lot of rain too. I mention this as Callahan apparently thought there might be a chance of using their well any time. We all agreed that no one could know what would happen when the Pond is filled and that we must consider some other source than the Callahan well.

I spoke with Marion and Brainard after the meeting and told them about the time Callahan plans to leave and the Boring meeting. They hope to see you early in June.

Sincerely yours,

Wm. Sherman Greene, Jr.
Wm. Sherman Greene, Jr.

CALL TO SHERMAN GREENE
MAY 10 6:35 PM - 6:40
WHO WAS THERE - ALL BUT DOYLE
BECK - SIMON MUD BARK IN PT
DREDGE COVE.
ANY MONITORING DISCUSSION - YES
NO NEWS OF BIRKIN MTR. 9TH

GRAPH -

WSG:RL

50 Tanner Street
Haddonfield,
New Jersey 08033
May 5th, 1972

Mr. Barry K. Mills Esq.
c/o Hale & Hamlin
Blue Hill, Maine 04614

File 1633

Dear Mr. Mills:

Thank you for your letter of the 1st and the copies of the two responses you have received to date. It will be interesting to what the E.P.A. and The U.S. Army Corps of Engineers have to say.

As I understand there was to be a meeting of the Goose Pond Committee on May the 4th, I was not able to attend but Sherman Greene sat in for me, if you were there you are probably more aware of the new developments than I am, if not you might want to contact Mr. Greene to be filled in on particulars that might affect the situation of the dam and cove.

I appreciate your keeping me advised of the results of your correspondence on the violation of the River & Harbor Act.

Sincerely,

Albert E. Sandeck

cc: CMF

Eugene Hale, 1836-1918
Hannibal E. Hamlin, 1858-1938
Philip P. Lovell, 1899-1961

Charles J. Hurley
Sheridan Fuller
Gerald W. Wass
Philip C. Hamley
Barry K. Mills

Hale & Hamlin
Attorneys and Counselors at Law

Ellsworth, Maine 04605

Area Code 207 667-2561

Blue Hill Office
Blue Hill, Maine 04614
Area Code 207 374-2816

May 1, 1972

Please Reply To Blue Hill

File No. 1633

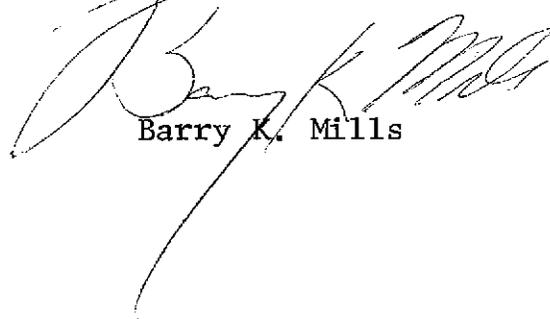
Mr. Albert Sandecki
50 Tanner Street
Haddonfield, New Jersey 08033

Re: Callahan Mining Corporation

Dear Mr. Sandecki:

Enclosed herewith is a copy of a letter of April 25 to me from Raeburn Macdonald of the Environmental Improvement Commission. This letter simply confirms our previous understanding that the discharge problem was outside of the jurisdiction of Maine enforcement authorities.

Very truly yours,



Barry K. Mills

BKM:mb
Enclosure

Wm. Sherman Greene, Jr.
Attorney and Counsellor at Law
Sunset, Maine 04683

207-348-2881

April 28, 1972

Mr. Albert E. Sandecki
50 Tanner Street
Haddonfield, N J 08033

Dear Albert:

Thank you for your letter of April 25, 1972. Obviously we know each other well enough now not to be formal.

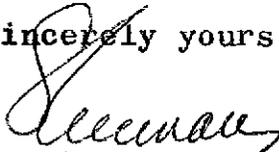
Let's hope that something comes out of the Boring conference. Unless Callahan sets up a substantial amount of money to take care of a new well, even if we rely on the old ones to improve, I think we must proceed with litigation.

It will be interesting to see what Barry Mills and Callahan work out with the Gray matter.

I shall attend the May Committee meeting, if you will let me know when it is scheduled.

Hope your father is better and that you will be able to get to Maine this spring.

Sincerely yours,


Wm. Sherman Greene, Jr.

WSG:RL

P.S. By chance Charles Snead phoned this morning after I wrote this letter to confirm that the Boring conference was to be held on May 9th. He did not feel there would be much progress. I told him that we would have to work something out as to fresh water and that I would talk with him after the Boring conference.

W.S.G., Jr.

Francis M. Greene
Vail Road
Poughkeepsie, N.Y. 12603

24 April '72.

Dear Albert:

Thanks for your letter and the accompanying E.P.A. Notice. This is very interesting and obviously inspired by Callahan.

What becomes of all the talk of a Marina, etc.? Callahan was apparently decided to back off from that angle and has approached E.P.A. for this letter to justify leaving the dam in place and has given the names of lead state fisheries, Philip & Virginia Gray and the lawyer of the Hancock Farm to be sent copies!

I think you should get a copy sent to Miss Patrick for her information and comment. I wonder what she will say about not recommending use of marine clay and about ~~off~~ all the pulverized rock covering the pond bed that would undoubtedly present a greater surface exposure of toxic metals than the bottom and walls of the

pid.

It would be a scoop if she would or could be interested to present her opinions to E.P.A.

I will write promptly for a test bottle and submit a sample of well water for analysis as soon as I get to Maine on 16 June.

I'd might also pay for you to write John Gray unless if he has received a copy of their letter from E.P.A. Perhaps this was initiated with the understanding of the rest of the committee as a means of blocking the Virginia Gray demand for removal of the dam. I don't understand how they can be thinking about the marina project and at the same time urging E.P.A. to resist opening to salt water; not that I favor the opening to tidal flow.

Thanks for keeping me up to date

Yours -
Frank

April 25th 1972

Dear Sherm:

Hope you don't mind my calling you Sherm, I get to the point of thinking it's not all that polite to be too formal.

Charlie Snead called this afternoon with some information on the formation of the reclamation group. Nothing new except it is tied up at the Maine Attorney Generals office. There will be a meeting sometime the first two weeks of May, I doubt that I will be able to attend as my father is not doing so well and is faced with another operation the first week in May. I think it will be necessary that I am on hand. Would you consider sitting in again, if your schedule permits ?

Charlie also said he canceled his trip to see Boring, he is in a box too it seems with a sick wife. I asked if Fred Beck was still going to meet with the Borings and he said no. There is a new meeting set with them on the 9th of May though but it seems that Callahan is not of a mind to deal with the Borings much more if at all. I asked Snead if they have considered an alternate he said when the mill shuts down the well at the mine seems to lower in salt content. So, I assume they intend to rely on that as our source of water on a permanent basis.... I don't think this will go over very well with the others. What do you think we should do ?

Attached is a letter to Mr. Mills by way of trying to let him know of my position on action against Callahan.

I asked him to keep it in confidence as I do not

In regard to Dr. Patrick's suggestion, in consideration of the time element involved to bring Federal action and due to the Grandfather Clause in present applicable State legislation the position was more or less agreed to that little would be gained at this time by suit against the Callahan Corporation. Perhaps too idealistically it was felt that cooperation might bring the company to do as they have professed publicly they are willing to do and that is to reclaim the area and replace themselves with a viable industry a little more compatible with the environment....with the hooker that this be decided to and carried out "while they are in the area"... I prefer to believe that Callahan will do this, but that remains to be seen.

Dr. Patrick is involved with the reclamation of the stripmining sites in Pennsylvania and I think speaks from experience and I am inclined to agree with her in the nurturing of this publicly expressed desire on Callahan's part. If however there is nothing to this claim on the part of Callahan she suggested that legal action definitely be initiated. She further recommended that the Natural Resources Defense Council in Washington be contacted and a Mr. J.G. Speth be contacted. I understand Mr. Speth would be able to coordinate all of the federal agencies that would be concerned and would advise at a nominal cost due to the organization's being set up in some form of non-profit and specially funded manner.

I would suggest that if litigation is to be started against the Callahan Corporation by you or your clients the Gray's, you might consider contacting Mr. Speth who's addresses are below. Mr. Sherman Greene and I would surely be interested in any new developments that would indicate this step being taken. I will forward a copy of this letter to him.

I agree completely with your assessment of the damage done in Goose Cove by the silting and many times contacted the department of Sea & Shore Fisheries about this, but nothing was ever done except for preannounced inspections of the effluent discharges. There will be a meeting of the committee during the first or second week of May and I will write asking that this matter be considered. I might suggest you approach Fred Beck on the problem in the cove asking if you might present your clients concerns.

Sincerely,

Albert Sandecki

Addresses: Mr. J.G. Speth Esq.
Staff Attorney
Natural Resources Defense Council, Inc.
1600 20th Street N.W.
Washington, D.C. 20009 (Tel. 202-6387-2855)
(or)
36 West 44th Street
New York, N.Y. 10036 (Tel. 212-986-8310)

212 826-2950 // - WILL CALL BACK APRIL 26TH - 12:45 - 12:05

RECLAMATION

Q - WHAT IS STATUS OF NEW COMMITTEE - IS THERE ONE OR NOT

A - WORKING ON IT - READING PAPERS AT MAINE ATTORNEY GENERAL'S REQUEST

Q - INCORPORATION STILL IN WORKS? - NO REPLY - AS TO CALLHANS

A - INTEREST IN A VIABLE INDUSTRY ALONG AQUACULTURE LINES

DID FENTON DRAW UP INCORPORATION PAPERS? (~~NO~~ YES.)

WHY NO MENTION IN ANNUAL REPORT ~~ON~~ CONCERNING ~~THE~~ MONEY BUDGETED FOR RECLAMATION? COULD NOT PUT IN SPACE PROBLEM - ENCYCLOPEDIA NATURE IF DID

POND AREA - AQUACULTURE - II

U. MAINE - ASSOCIATED WITH DANRASCOTTA SCHOOL (MAINE TIMES APRIL 20TH)

FOR PROPAGATION OF OYSTERS + SALMON. CABLES ~~FOR~~ PACKS. SUSPENSION FOR RECLAMATION WOULD PROGRESS ALONG WITH AQUACULTURE INDUSTRY DEV. MT.

9TH MAY

WATER.

IS MEETING WITH BECK + BORING STILL SET FOR TODAY? NO

SNRAD CANCELLED.

WOULD APPRECIATE A CALL ON THE OUTCOME.

CANCELLED + SET UP FOR MAY 9TH

ALTERNATE - WHEN MILL STOPS WORKING CHLORIDE COUNT IS REDUCED. (THIS WILL BE SNRAD -> ALTERNATE) AND WOULD BE A SUITABLE WATER SUPPLY -

MR -> PLEASE CALL GREENE INFORMING HIM OF MEETING CANCELLATION AND NEW DATE.

SNRAD -> WILL DO. AND WILL CONTACT SHERM OR MR. ON MAY 9TH RESULTS.

MISS LESLIE ANDERSON CALLED 25 APRIL 10AM.

CALLED FOR CONJUNCT DATA FOR MTG. IN 1ST 2 WKS OF MAY NON FORME - WILL CALL BACK WHEN DATA IS SET IF I CAN GET UP. - WILL CALL SHERM GREENE TO ADVISE OF TIME.

50 Tanner Street
Haddonfield,
New Jersey 08033
April 24, 1972

Mr. Barry K. Mills
c/o Hale & Hamlin
Blue Hill,
Maine 04617

Dear Mr. Mills:

Thank you for your letter of the 20th and copies of your correspondence to the various State and Federal Agencies.

As I mentioned in our telephone conversation I would appreciate being kept up to date on responses you might receive. One other point that I forgot to mention in regard to your letter to Mr. Rayburn McDonald was concerning your reference to the classification of the waters in the area of Cape Rosier. You refer to "38 M.R.S.A. Sec. 370, the waters of Goose Cove classified as SB-1." On page 88, Fig. 36 of the Merrimack River Project Report, Feb. 1967 the Federal Classification is represented as Class SA. Perhaps this report has been updated by the Maine Water Improvement Commission since that time, but, according to the M.W.I.C. standards I would like to refer you to the two charts attached in reference to sludge deposits and chemical wastes.

Also enclosed is a copy of the cover of the report we discussed. If you are unable to obtain a copy please let me know and I will forward the one I have.

I will respect your request for confidence in your efforts with the State & Federal agencies you have contacted on the matter.

Concerning the Goose Pond Reclamation Committee, I understand the paperwork for incorporation as a non-profit has been turned down by the State's Attorney General over some legal details of which I'm not familiar with at this time. Sherman Greene could possibly explain this to you.

I sincerely hope our committee will be able to function in a constructive manner towards the reclamation of the Callahan mine-site.

Sincerely,

Albert Sandecki

50 Tanner Street
Haddonfield,
New Jersey 08033
April 15, 1972

Mr. Barry K. Mills
c/o Hale & Hamlin
Blue Hill,
Maine 04617

Dear Mr. Mills:

I have just talked with Sherman Greene concerning some legal matters in reference to the Callahan Corporation, he mentioned he was unaware of your representing the Gray's in the matter of the dam. I am sure he would like to discuss the situation with you.

Mr. Greene said something I thought might be of interest to you concerning the dam-site. As I understand it Mr. Fred Beck has recently received a long letter from the Environmental Protection Agency with rather strong reference to the dam and its being maintained intact until possible environmental damage is overcome.

I understand from Mr. Greene that Fred Beck was in the process of making copies of this letter for the members of the reclamation committee. I would suggest you contact him for one.

Lastly, Mr. Greene said the pit is in the process of being pumped out at a rate of about three foot a day, hopefully this will not add to the accumulation of silt in Goose Cove.

Sincerely,

Albert E. Sandeck

207. 348-2881

CALL TO STEPHEN GREENE — APRIL 14

9:53 PM —

9:45 PM —

10:10 PM — ~~11:10~~

15

9: AM

9:05 - 9:30

ANY NEW DEVELOPMENTS —

WATER? FRI. CALLED GREENE — MAY 25TH
OR.

INCORPORATION? ATT. BILL FANTON — ^{SET UP AS} PROFIT CORP. NOT A NON PROFIT
CORP. ← ~~EXEMPT CORP.~~ ^{HAS TO RE-DO PAPER WORK}

NOTHING FROM BECK OR SMOOD DOWN HERE

TO HALL —

E.P.A. LETTER

RETAIN DAM — (DEMANDING
SUCH)

(GRAY'S MARINA)

DID YOU EVER MAKE CONTACT WITH
MR. GUS SPETH STAFF ATTORNEY FOR
NATURAL RESOURCES DEFENSE COUNCIL.
WASHINGTON DC. TEL. 202 387 2855

I AM CONCERNED OVER INFORMATION OF CALLAHAN'S
CONTINUING SLOW DOWN ^{TRUCK DRIVERS LET GO.} AND REPORTS OF A
3 WEEK STOCKPILE OF ORE. TALK OF A JUNE OR JULY CLOSURE.

60 PLUS FEET OF WATER IN THE PIT ETC.

COULD YOU CONTACT BILL FANTON ON SPURRING THIS
INCORPORATION ALONG — BY LAWS WORK ?? (NOTHING ABOUT IT)

I AM OF THE MIND TO DO SOME FURTHER
SPADE WORK ON AN ENVIRONMENTAL SUIT.
EITHER THROUGH MR. SPETH OR THE E.D.F. (ENVIRONMENTAL
DEFENSE FUND) IN NEW YORK. AS A NATIONAL ORGANIZATION
THEY CAN GO TO COURT IN MAINE AND BRING SUIT
GENERAL COUNSEL — IS EDW. LEE ROGERS. I BELIEVE HE IS
AT THEIR WASHINGTON OFFICE. 1910 N. ST. N.W. 20036.

OK.
CAN USE
CALLAHAN CORP
NAME

50 Tanner Street
Haddonfield,
New Jersey 08033
April 13, 1972

Mr. Barry K. Mills
Hale & Hamlin
Blue Hill,
Maine 04614

(ref. File 1633)

Dear Mr. Mills:

I am interested to know any further developments concerning the dam and your survey with the officials from the Maine Department of Sea & Shore Fisheries.

I understand that Bob Gray is intending to develop a marina facility in Goose Cove and in reference to Fred Beck's letter of March 9th concerning the silting in Goose Cove was wondering if Mr. Gray or Mr. Beck have had anything more to say on this subject?

This silting has been a problem since the flow of the falls was stopped by the dam installed by Callahan Mining. As I recall the silting is primarily caused by pumping of the natural runoff accumulated in the pit which mixes with the rock dust and mud on the floor of the open-pit.

The pit (as of March 27th) had an accumulation of 60 feet of water and if Callahan intends to carry on operations this water will have to be pumped out and unless a new means of pumping is devised there is the possibility of a substantial silting situation developing.

You might say I have a personal interest in the usability of the cove along with six others who moor boats there as further siltation could render the area useless.

Would you consider discussing this with the Grays and possibly approach Mr. Beck on what methods could be employed to avoid additional accumulation of silt in the cove when the pumping of the pit begins?

Sincerely,

Albert E. Sandecki

50 Tanner Street
Haddonfield,
New Jersey 08033
April 7, 1972

Mr. John Gray
Chairman G.F.B.S.
Brooksville,
Maine 04617

Dear John:

Attached is a letter from Dr. Ruth Patrick concerning the cost of monitoring the waters in and about the area of the Callahan mine-site. I would have sent this earlier but I was unclear on the contents and wanted to talk to Dr. Patrick before sending this information to you and Mr. Dow.

We talked last night and she indicated that the figure of \$ 3,000.00 to 3,500.00 would be the estimate costs for the monitoring of the area's waters on a 10 series of analyses per year for the periods indicated in the first paragraph of her letter.

While discussing this with her I mentioned the accumulation of water in the pit area (according to Fred Beck's letter of the 27th its about 60 feet) in any case she seemed to think this monitoring should be started as soon as possible and preferably this month. This estimate was based on the understanding that a local representative would be shown how and where to collect the samples prepare and send them to the Academy for analyses.

Dr. Patrick also suggested that a local agency be consulted for reclamation of the land areas surrounding the open-pit, the Academy could do this but the cost would be considerable. A Mr. Tom Lloyd of the Academy staff could advise on the land use but would in the long run suggest a local engineering firm to draw up information on proper grade levels etc.. I believe Callahan had some plans being drawn by the Prentiss Carlisle firm a while back. The Northeastern Forest Experimentation Station (USDA) at the University of Maine in Orono expressed a willingness to help in the past. I believe that Callahan is still a cooperator with the G.F.B.S. in Ellsworth and possibly Albert Dow might be asked to advise on the land reclamation aspects.

My suggestion of considering the Academy of Natural Sciences as a source of monitoring is not with the intent to go over the sources or judgement of Bob Dow's department of Sea & Shore Fisheries or of the newly formed committee. I am just forwarding Dr. Patrick's suggestions as there seems to be reason for action being initiated for the monitoring of the water now.

I would like to suggest that you call a meeting of the newly formed committee as soon as possible to consider the monitoring of the area. If the Callahan Corporation is willing to put up some funds for the monitoring the situation seems to be right for it now.

Sincerely,

John:

Concerning Dr. Patrick's recommendation that the monitoring of the area be started soon. As I understand it and contacted Mr. Dow about this.. there is a need to develop a baseline measurement beginning with the characteristics of the effect of the spring runoff waters and this would be a very desirable statistic to have in the monitoring picture.

In pointing this out Dr. Patrick would like to hear as soon as possible whether the committee would want her to start this monitoring, and will require a letter confirming this so that the Academy could make plans to have a representative come to the area.

I don't mean to push but it sure seems like a legitimate reason to call a meeting of the newly formed committee (or) perhaps the original committee if the "paper work" is not yet completed. I don't believe the old committee was dissolved officially.

I believe this need for monitoring would provide as a test for Callahan's past expressions of willingness to participate financially in the reclamation of the area.

A.S.