

By Justin Scheck August 18, 2011 [Link](#)

BODIE, Calif.—A push for gold mining to return to the scrubby hills around this Central California ghost town has tapped into a national debate over land use.

Residents and officials near Bodie have been sparring for months over a New York company's plans to explore the area for a potential gold mine. The recent surge in gold's value and a bill pending in Congress are giving the fight new significance.

The measure would remove more than 40 million acres nationwide—including the Bodie Hills—from federal "Wilderness Study Area" and "Inventoried Roadless Area" protection, potentially opening the land for mining, logging and other uses. The protective status was designed to be temporary, but has covered millions of acres for decades.

The bill's sponsor, California Republican Rep. Kevin McCarthy, believes the legislation would generate new economic activity around the country, his spokeswoman said. She said the bill, which has 31 co-sponsors, would only remove protections for land federal agencies have deemed inappropriate for wilderness status. Wyoming Republican Sen. John Barrasso has introduced a corresponding bill in the Senate.

Environmental groups disdain the bill. "We call it 'the Great Outdoors Giveaway,'" said Sally Miller, an official with the Wilderness Society. She said the government should assess the areas one by one and seek local input.

In addition to the Bodie area, near the Nevada border, the bill would release from the protective designations areas including swamps in Florida and an elk-rearing area in Colorado's Rocky Mountains. Federal agencies would be in charge of issuing new permits for mining and other uses in the areas.

The Bodie dispute is "the tip of the sword" in a growing national debate over balancing

conservation and resource extraction, said Mark Wallace, chief executive of Tigris Financial Ltd., the New York company exploring for gold in the Bodie Hills.

Riding a gold bonanza, Bodie grew to 10,000 residents by 1880. But the mines eventually became less profitable and closed, leaving contamination and a near-deserted town by 1915. Bodie was preserved as a state park. Today, many of the houses stand preserved in what the state calls "arrested decay," with furniture still in place. Tourists walk deserted streets and drive dirt roads out of town past old mining claims.

The current gold boom is driving the renewed mining push. With prices skyrocketing, miners are targeting areas where obstacles like the Wilderness Study Area designation might have deterred them in the past.

A subsidiary of Mr. Wallace's company, Cougar Gold LLC, has bought the rights to old mine claims near Bodie and has drilled test holes to assess the deposits. Company officials said at a public meeting that there could be several million ounces of gold in the area—a substantial haul. Cougar has invested more than \$7 million in the project, Mr. Wallace said, and wants to continue exploring.

Mining is grandfathered in as a permissible use in the area, though there are limits to what could be done to improve roads. Mr. Wallace said his company's stance is that its project can't proceed unless the wilderness designation is removed, since the company doesn't want to mine in an area where the local community is putting up obstacles.

That's a polarizing issue in the Bodie area, where the economy now is dependent largely on summer tourism such as camping.

A tourism economy based on the area's wild lands "is more valuable and sustainable than the short-term benefits of something like mining," said Byng Hunt, a member of the board of supervisors of Mono County, which encompasses the Bodie Hills.

Mr. Wallace says the area's ecological value needs to be balanced with the nation's need for

resources like gold, and others say the old mine claims nearby—and the fact Bodie was once a mining boomtown—make it a good place for a new mine.

"It shouldn't be looked at as a weird thing to mine in a mining area," said Supervisor Tim Hansen, who added that the region needs the mining jobs. Mono County's unemployment rate was 12.9% in June, compared with 12.1% statewide.

Mr. Hansen, who owns a business that harvests brine shrimp for sale to seafood cultivators, uses himself as an example. When the shrimp business slowed in 2009 and Mr. Hansen was laid off from his other job on a road crew, he spent four months before he was elected supervisor working for Cougar driving a water truck for the mine-exploration project.

At a February meeting of the board of supervisors, more than 100 people argued over the return of mining. Some supported the project for the jobs it could create. Others expressed concern over its potential environmental impact. The supervisors decided not to take a stance.

The issue returned this month when a committee advising the board said it should support removing the wilderness designation. The main impetus was the restrictions the designation can put on activities like grazing and removing timber for firewood, said Jan Huggins, vice chairman of the panel.

Ms. Huggins says she isn't convinced mining is appropriate for the area, but isn't opposed to the gold exploration. "I'd like to see some people around here get jobs," she said.