



Board of Minerals and Environment

523 East Capitol Avenue
Pierre, South Dakota 57501-3182
(605)773-3151 Fax: (605)773-4068

AGENDA

Board of Minerals and Environment
Telephone Conference Call Meeting

February 15, 2018
10:00 a.m. CST

Live audio of the meeting can be heard at <http://www.sd.net/mtc>

10:00 a.m. Call meeting to order and roll call

Approval of minutes from the January 18, 2018, meeting

Mining issues:

- Consent Calendar – Tom Cline

Annual update of LAC Minerals' postclosure financial assurance – Eric Holm

Acceptance of Homestake Mining Company's reclamation and postclosure surety bond riders – Eric Holm

Briefing on release of conditional release area at Golden Reward – Eric Holm

Next meeting

Adjourn

A limited number of phone lines are available for this call. Interested parties who wish to participate in the telephone conference call should contact DENR at (605)773-3886 no later than 3:00 p.m. CDT on Wednesday, February 14, 2018. Interested parties may also participate at the Department of Environment and Natural Resources, Matthew Environmental Education and Training Center, 523 East Capitol Avenue, Pierre, SD.

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources at least 48 hours before the meeting if you have a disability for which special arrangements must be made. The telephone number for making special arrangements is (605) 773-4216.

Board members are reminded that effective July 1, 2016, members are subject to SDCL 3-23-1 to 3-23-5 (Disclosure Laws) which address the disclosure of any conflicts of interest a member may have regarding contracts with the State of South Dakota. Board members should report any potential conflicts to the board and seek a waiver where appropriate.

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67>

Minutes of the
Board of Minerals and Environment
Matthew Environmental Education and Training Center
523 East Capitol Avenue
Pierre, South Dakota

January 18, 2018
10:00 a.m. CT

CALL TO ORDER: The meeting was called to order by Chairman Rex Hagg. The roll was called, and Chairman Hagg declared that a quorum was present.

Chairman Hagg announced that this meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Rex Hagg, Gregg Greenfield, Glenn Blumhardt, Dennis Landguth, Daryl Englund, and John Scheetz.

BOARD MEMBER ABSENT: Doyle Karpen, Pete Bullene, and Bob Morris.

OTHERS PRESENT: See attached attendance sheet.

APPROVAL OF MINUTES FROM OCTOBER 19, 2017, MEETING: Motion by Englund, seconded by Blumhardt, to approve the minutes from the October 19, 2017, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

MINING ISSUES

Consent Calendar: Prior to the meeting, the board received a table listing the department recommendations for release of liability and surety, transfers of liability and releases of surety, transfers of liability, and release of liability (see attachment).

Motion by Landguth, seconded by Greenfield, to accept the department recommendations for release of liability and surety, transfers of liability and releases of surety, transfers of liability, and release of liability as listed on the consent calendar. A roll call vote was taken, and the motion carried unanimously.

TRANSFER OF EXPLORATION NOTICE OF INTENT, EXNI-427, FROM MINERAL MOUNTAIN RESOURCES LTD. TO MINERAL MOUNTAIN RESOURCES (SD), INC.:
Eric Holm reported that Mineral Mountain Resources (SD), Inc. requested transfer of EXNI-427 from Mineral Mountain Resources Ltd. The general location of the exploration operations is less than one mile east of Rochford, SD. Under SDCL 45-6C-53, any exploration notice of intent can be transferred, with the successor operator assuming all reclamation liability.

The transfer application was submitted on October 10, 2017, the \$250 transfer fee was submitted on October 16, 2017, and the \$20,000 replacement reclamation bond was submitted on December 11, 2017.

SDCL 45-6C-54 requires the applicant to publish a notice of filing of application to transfer. Mineral Mountain published the notice in the Rapid City Journal on December 21, 2017. The affidavit of publication was received on January 8, 2018.

Due to the public interest in this matter, the Department of Environment and Natural Resources published a notice of hearing in the Rapid City Journal on January 4, 2018. The affidavit of publication was received on January 16, 2018.

Under SDCL 45-6C-53, the board cannot deny an EXNI transfer unless the operation is not or cannot be brought into compliance with all applicable federal, state or local laws or the successor operator is in violation of state statutes, rules, EXNI restrictions, mining permit conditions, or requirements with respect to any exploration or mining operation in the state.

Mr. Holm stated that Mineral Mountain has not conducted any drilling under EXNI-427, and no drilling activity will be conducted under EXNI-427 until the transfer is approved by the board. To the department's knowledge, the operation covered under EXNI-427 and the successor operator, Mineral Mountain Resources (SD) Inc., is in compliance with all federal, state, and local laws and regulations and EXNI restrictions and conditions.

The department's recommendation was to transfer liability and EXNI-427 to Mineral Mountain Resources (SD), Inc. and accept Irrevocable Letter of Credit No. 833, Great Western Bank, Rapid City, in the amount of \$20,000.

In response to questions from the board, Mr. Holm stated that Mineral Mountain Resources Ltd. is the parent company and Mineral Mountain Resources (SD) Inc. is a subsidiary of Minerals Mountain Resources Ltd. If a mineable resource is found during exploration, Mineral Mountain Resources (SD) will need to obtain a mine permit in order to mine. The bond being transferred is only for plugging test holes or reclaiming any disturbance made during exploration; it has nothing to do with a future mine permit. Mineral Mountain Resources Ltd. filed an annual report, which was due on January 1, 2018, and no activity was shown on the annual report. The reason for the transfer is that in reviewing EXNI-427, DENR discovered Mineral Mountain Resources Ltd. was not registered to do business in South Dakota. The company's subsidiary, Mineral Mountain Resources (SD), Inc., is registered to do business in the state.

Mr. Holm explained the process for making sure the company is in compliance with all federal, state, and local laws and regulations and EXNI restrictions and conditions. The parent company, Mineral Mountain Resources Ltd., was issued Notice of Violation on March 22, 2013, under EXNI-418 for unauthorized discharge of drilling fluids into Battle Creek. The material was removed from the creek without any adverse impacts.

Max Main, attorney from Belle Fourche, represented Mineral Mountain Resources (SD) Inc. Kevin Leonard, geologist and the project manager, appeared on behalf of Mineral Mountain Resources (SD) Inc.

Chairman Hagg stated that he would allow public comments. He emphasized that the comments should only relate to the matter of transfer of EXNI-427 and SDCL 45-6C-53. If after exploration the company decides to proceed with mining, it will need to request and acquire a mining permit from the Board of Minerals and Environment.

Lester Richards, Oglala Sioux Tribe Natural Resources Regulatory Agency, Pine Ridge, SD, stated that the company has not consulted with the tribe in accordance with federal laws. The company has had an informational meeting with the tribe, but it was not a formal consultation meeting, as required by Oglala Sioux Tribe Tribal Ordinance and other federally recognized tribal-established ordinances. He submitted a letter from Kyle White, a research scientist with the Oglala Sioux Tribe Natural Resources Regulatory Agency, Mining and Minerals and Mining Department, stating that there was no formal consultation and requesting denial of the transfer of EXNI-427.

Lilias Jarding, Rapid City, stated that Mineral Mountain Resources Ltd. is not registered with the Secretary of State and that is a violation of South Dakota law and should be considered in terms of the fact that this company has been in the state for five years. The company registered as Mineral Mountain Resources (SD) Inc. in 2012 and that rises to a violation of law. Ms. Jarding suggested that the board reverse the exploration permit and send the company back through the process from the beginning.

Sylvia Lambert, Interior, asked what the purpose of this transfer is.

Cheryl Rowe, Rapid City, submitted a letter from Doree Jensen, Oglala Sioux Tribe, Manderson, SD.

Tonia Stands, Rapid City, Oglala Sioux Tribe, stated that there are nine tribes tied into the Black Hills and there are more than 28 nations. She stated that tribal treaties need to be honored and the tribes do not give consent to mining in the Black Hills. Mining is not allowed in the Black Hills.

Max Main stated that regarding the claim of lack of consultation, this permit applies to private land. It does not apply to federal land so there is no obligation to consult with the tribes because there is no need for a plan of operation from the Forest Service.

Regarding Ms. Lambert's question regarding the purpose of the transfer, Max Main stated that the transfer is needed because it is a corporate organization decision; they want to transfer the EXNI to the South Dakota entity. Regarding registration with the Secretary of State, Mr. Main stated that he does not believe Mineral Mountain Resources Ltd. has qualified to do business in the state of South Dakota, that is another reason the EXNI is being transferred to Mineral Mountain Resources (SD) Inc., which is registered with the South Dakota Secretary of State and is qualified to do business in the state of South Dakota.

Mr. Main answered questions from the board and audience regarding the request to transfer the EXNI and the location of the exploration.

Chairman Hagg said SDCL 45-6C-53 specifically states that the board may not deny a transfer unless the operation is not in compliance or cannot be brought into compliance, with all applicable local, state, and federal laws pertaining to the operation before the transfer, or unless the successor operator is in violation of state statutes, rules, notice restrictions, mining permit conditions, or requirements with respect to any exploration or mining operation in the state.

Chairman Hagg emphasized that the board is not making a decision today regarding a mining permit for Mineral Mountain Resources. The board's decision today deals strictly with the request to transfer EXNI-427 from Mineral Mountain Resources Ltd. to Mineral Mountain Resources (SD) Inc.

Motion by Landguth, seconded by Englund, to transfer EXNI-427 from Mineral Mountain Resources Ltd. to Mineral Mountain Resources (SD), Inc. and accept Irrevocable Letter of Credit No. 833, Great Western Bank, Rapid City, SD, in the amount of \$20,000. A roll call vote was taken, and the motion carried unanimously.

RELEASE OF LIABILITY AND SURETY FOR EXPLORATION NOTICE OF INTENT.

EXNI-344, MINERAL TECHNOLOGY CORPORATION: Mr. Holm reported that EXNI-344 was issued to Mineral Technology Corporation on June 23, 1992, for a 5,000-ton bulk sample at a site five miles north of Rochford, SD. The company was placed into Chapter 7 bankruptcy in 2016.

In April 2017, Rushmore Reserves submitted an EXNI for a 5,000-ton bulk sample in the area previously explored by Mineral Technology Corporation. The company submitted an \$18,900 reclamation bond, and EXNI-426 was issued on June 26, 2017. Since the bond for EXNI-426 covers the area previously explored by Mineral Technology, its \$500 reclamation bond is no longer needed.

The department recommended the board release Mineral Technology's liability and release CD No. 64082 to the Department of Environment and Natural Resources to be transmitted to the US Bankruptcy Court, Chapter 7 Trustee Forrest Allred, Aberdeen, SD. The department will close out Mineral Technology's EXNI-344 after the reclamation bond is returned to the bankruptcy trustee.

In 2012, DENR notified the company it reached the 5,000-ton bulk sample limit and no further activities could be conducted at the site until it obtained a small scale mine permit. Mineral Technology started the process to obtain a small scale mine permit, but went into Chapter 7 bankruptcy before the process was completed.

The US Forest Service, who is the landowner, requested that portion of high wall be left for a future material source for Forest Service projects.

Motion by Greenfield, seconded by Blumhardt, to release liability and release CD No. 64082, in the amount of \$500 submitted by Mineral Technology Corporation for EXNI-344, to the Department of Environment and Natural Resources to be transmitted to the US Bankruptcy Court, Chapter 7 Trustee, Aberdeen, SD. A roll call vote was taken, and the motion carried unanimously.

EXCHANGE OF RECLAMATION SURETY FOR WHARF RESOURCES (USA), INC., MINE PERMITS 356, 434, 435, 464, AND 476: Mr. Holm reported that the board previously approved SUR20000289 from Ironshore Indemnity Inc. as one of the four surety bonds that serves as Wharf Resources' \$37.3 million reclamation bond. Wharf recently submitted a replacement surety in the amount of \$6 million from Endurance Assurance Corporation. Endurance Assurance Corporation has strong to superior credit ratings from AM Best, Standard and Poor's, and Moody's.

The department recommended the board exchange Surety Bond No. SUR20000289 in the amount of \$6,000,000 for Surety Bond No. EACX020000010, Endurance Assurance Corporation, in the amount of \$6,000,000.

Motion by Blumhardt, seconded by Landguth, to exchange Surety Bond No. SUR20000289, Ironshore Indemnity Inc., in the amount of \$6,000,000 for Surety Bond No. EACX020000010, Endurance Assurance Corporation, in the amount of \$6,000,000. A roll call vote was taken, and the motion carried unanimously.

PARTIAL RELEASE OF RECLAMATION LIABILITY, REDUCTION OF RECLAMATION SURETY, AND INCREASE OF POSTCLOSURE SURETY AMOUNT FOR HOMESTAKE MINING COMPANY, MINE PERMITS 332 & 456: Mark Tieszen, Homestake Mining Company, presented a PowerPoint presentation discussing the request for partial release of liability, reduction of reclamation surety, and increase of postclosure surety amount for Homestake Mine Permits 332 and 456. Mr. Tieszen first discussed Homestake's proposal to release reclamation liability for the following areas:

- Sawpit Borrow Area (16.81 acres);
- Open Cut Landfill area (5.52 acres);
- Grenstiner Pond (0.40 acres);
- East Waste Rock Disposal Facility Topsoil Stockpile Area (3.56 acres); and
- East Waste Rock Disposal Facility Low Grade Stockpile (9.42 acres).

He also asked the board to allow the following water management areas to remain throughout the postclosure period:

- Sawpit Water Management Areas (3.45 acres); and
- East Waste Rock Disposal Facility Water Management Areas (2.61 acres)

Mr. Tieszen also asked the board to reduce Homestake's reclamation bond from \$1,246,000 to \$178,700 and increase the postclosure surety from \$41,979,523 to \$47,797,929 for Permits 332 and 456. He showed the board photos of the areas to be covered under the reduced reclamation

bond. He also showed the board a flowchart of Homestake's water treatment process and the various water treatment and maintenance costs used in the postclosure bond calculation.

Mr. Holm discussed the department's recommendations. The department recommended the board approve partial release of reclamation liability for 41.77 acres covered under Permit 332 and 456 for the Sawpit Borrow area, the East Waste Rock Depository topsoil and low-grade stockpiles, the Open Cut Landfill area, Grenstiner Pond, and the Sawpit and East Waste Rock Depository water management areas which will remain throughout the postclosure period.

The department recommended the board reduce reclamation surety from \$1,246,000 to \$178,700 for Permits 332 and 456.

The department recommended the board increase the postclosure surety from \$41,979,523 to \$47,797,929. Mr. Holm told the board the discount rate in the current calculation was set at 5.5 percent and will be reduced to 5 percent in 2019.

Mr. Tieszen and Mr. Holm answered questions from the board.

Motion by Greenfield, seconded by Scheetz, to approve partial release of reclamation liability for 41.77 acres covered under Homestake Mining Company Permits 332 and 456 for the areas of Sawpit Borrow area, the East Waste Rock Depository topsoil and low-grade stockpiles, the Open Cut Landfill area, Grenstiner Pond, and the Sawpit and East Waste Rock Depository water management areas. A roll call vote was taken, and the motion carried unanimously.

Motion by Greenfield, seconded by Englund, to reduce reclamation surety from \$1,246,000 to \$178,000 for Homestake Mining Company Permits 332 and 456. A roll call vote was taken, and the motion carried unanimously.

Motion by Greenfield, seconded by Blumhardt, to increase the Homestake Mining Company Permits 332 and 456 postclosure surety from \$41,979,523 to \$47,797,929. A roll call vote was taken, and the motion carried unanimously.

BRIEFING ON UNCONTESTED AMERICAN COLLOID STATELINE PERMIT: Mr. Holm reported that pursuant to ARSD 74:29:01:19, the Department of Environment and Natural Resources is required to give the board a report following the issuance of an uncontested permit.

Under ARSD 74:29:01:18, the department's recommendation of conditional approval became final since the board, the applicant, or any person had not contested the permit within seven days after the recommendation was issued. The department's recommendation was issued on December 19, 2017, and the deadline to file a petition contesting the recommendation was December 26, 2017.

On December 27, 2017, the department conditionally approved an uncontested mining permit (Mine Permit 488) for American Colloid Company, Belle Fourche, South Dakota.

ATTENDANCE SHEET
BOARD OF MINERALS AND ENVIRONMENT

DATE 1-18-18
Matthew Training Center

<u>NAME (PLEASE PRINT)</u>	<u>ADDRESS</u>	<u>REPRESENTING</u>
<u>Eric Halm</u>	<u>Pierre</u>	<u>DENR</u>
<u>Kevin Leonard</u>	<u>Rapid City</u>	<u>MMR(SD)</u>
<u>Max Main</u>	<u>Belle Fourche</u>	<u>MMR(SD)</u>
<u>Roberta Hudson</u>	<u>Pierre</u>	<u>DENR</u>
<u>Mark Tieszen</u>	<u>Lead</u>	<u>Homestake Mining Co.</u>
<u>Thomas Clinch JR</u>	<u>Pierre SD</u>	<u>DENR - M+M</u>
<u>Lilias Jarding</u>	<u>Rapid City, SD</u>	<u>CWA</u>
<u>Bret Graves</u>	<u>Pierre SD</u>	<u>DENR - M&M</u>
<u>Sylvia Lambert</u>	<u>Interior SD</u>	<u>CWA</u>
<u>Annette Franman</u>	<u>Rapid City, SD</u>	<u>CWA</u>
<u>Lauren Hawken</u>	<u>Rapid City, SD</u>	<u>IITC</u>
<u>Toma Stands</u>	<u>Rapid City, SD</u>	<u>Pesla</u>
<u>Kevin Wilhelm</u>	<u>Brookings, SD</u>	<u>self</u>
<u>KARLA LAPINE</u>	<u>Hot Spring SD</u>	<u>SELF</u>
<u>Leslie Richard</u>	<u>Oglala Sioux Tribe NRRA</u>	<u>Oglala Sioux Tribe</u>
<u>Cheryl Rowe</u>	<u>Rapid City SD</u>	<u>self</u>
<u>Don Keller</u>	<u>Nemo, SD</u>	<u>self</u>
<u>Andreanne Catt</u>	<u>Kyle, SD</u>	<u>International Indigenous Youth Council</u>
<u>Barb Amiotte</u>	<u>Hot Springs, SD</u>	<u>Self</u>
<u>Mona Benwoutre</u>	<u>Crow Creek</u>	<u>7 generations</u>
<u>Wanyia Lokie</u>	<u>Wakpala S.D.</u>	
<u>Mike Lees</u>	<u>Pierre</u>	<u>DENR</u>

***South Dakota Board of Minerals & Environment
Consent Calendar***

						<i>January 18, 2018</i>
<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Release of Liability and Surety:</u>						
Owen Glissendorf White Lake, SD	10-911		\$5,000	4535149025	BankWest, Mitchell	Release liability and \$5,000.
		911001	SW1/4 Section 8; T103N-R66W, Aurora County			
<u>Transfers of Liability and Releases of Surety:</u>						
Gerald Bachmann Winner, SD	83-64		\$500	1736179191	Wells Fargo Bank, Winner	Transfer liability and release \$2,000.
			\$500	1736179183	Wells Fargo Bank, Winner	
			\$500	300847	First Fidelity Bank, Colome	
			\$500	302322	First Fidelity Bank, Colome	
		64001	NE1/4 NE1/4 Section 21; T97N-R72W, Gregory County			
Transfer to:						
Derald Bachmann Construction Winner, SD	13-951		\$1,000	HGMW-10-206-0088	Hudson Insurance Company	

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<u>Transfers of Liability and Releases of Surety:</u>						
Bjerke Brothers LLC Bradley, SD	08-854		\$1,000	5528707	Dacotah Bank, Bradley	Transfer liability and release \$4,000.
			\$1,000	5558581	Dacotah Bank, Bradley	
			\$2,000	5550978	Dacotah Bank, Clark	
		854001	S1/2 SE1/4 Section 1; T119N-R57W, Clark County			
Transfer to:						
Bjerke Brothers LLC Bradley, SD	17-1028		\$5,500	5561592	Dacotah Bank, Clark	
<u>Transfers of Liability:</u>						
Brownlee Construction, Inc. Watertown, SD	89-393		\$20,000	54-40062	United Fire & Casualty Company	Transfer liability.
		393029	S1/2 NW1/4 Section 10; T110N-R56W, Kingsbury County			
Transfer to:						
Hasche Construction, Inc. Lake Preston, SD	85-292		\$2,064	16353	Citizens State Bank, Arlington	
			\$3,000	0110300	Citizens State Bank, Arlington	

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Consent Calendar***

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<u>Transfers of Liability:</u>						
Carr Towing & Construction Redfield, SD	87-349		\$1,220 \$661 \$649 \$1,500	901737 902424 902551 401003	Heartland State Bank, Tulare Heartland State Bank, Tulare Heartland State Bank, Tulare Heartland State Bank, Redfield	Transfer liability.
		349005	SW1/4 Section 10; T116N-R67W, Hand County			
Transfer to:						
Oakley Gravel & Rock Rockham, SD	15-989		\$1,000	432	Dakotaland Federal Credit Union, Huron	
Southern Hills Rock & Gravel, Inc. Custer, SD	11-926		\$2,000	1375340	Black Hills Federal Credit Union, Custer	Transfer liability.
		926002	N1/2 NW1/4 Section 6; T7S-R4E, Fall River County			
Transfer to:						
Mark Nielsen Custer, SD	17-1018		\$500	5575287	Dacotah Bank, Custer	

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Consent Calendar***

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<u>Releases of Liability:</u>						
City of White River White River, SD	83-238		Exempt	NA	NA	Release liability.
		238001	E1/2 SE1/4, SE1/4 NE1/4 Section 11 & NW1/4 Section 12; T42N-R29W, Mellette County			
		238003	SW1/4 Section 32; T42N-R28W, Mellette County			
		238004	NW1/4 Section 26; T41N-R29W, Mellette County			

South Dakota Board of Minerals & Environment

January 18, 2018

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Transfer of Exploration Notice of Intent EXNI-427:</u>					
Mineral Mountain Resources Ltd. Vancouver BC, Canada	EXNI-427	\$20,000	144240113	Great Western Bank, Rapid City	Transfer EXNI-427 from Mineral Mountain Resources Ltd. to Mineral Mountain Resources (SD), Inc. Accept Irrevocable Letter of Credit No. 833, Great Western Bank, Rapid City, in the amount of \$20,000.
Transfer to:					
Mineral Mountain Resources (SD), Inc. Vancouver BC, Canada		\$20,000	ILOC No. 833	Great Western Bank, Rapid City	
<u>Release of Liability & Surety:</u>					
Mineral Technology Corporation Custer, SD	EXNI-344	\$500	64082	First National Bank, Pierre	Release liability and release CD No. 64082 to the Department of Environment and Natural Resources to be transmitted to the US Bankruptcy Court, Chapter 7 Trustee, Aberdeen, SD.
			Legal:	Section 24; T3N-R3E, Lawrence County	

South Dakota Board of Minerals & Environment

January 18, 2018

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Exchange of Surety:</u>					
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, & 476	\$6,000,000	SUR 20000289	Ironshore Indemnity Inc.	Exchange Bond No. SUR20000289 for Bond No. EACX020000010, Endurance Assurance Corporation, in the amount of \$6,000,000.
<u>Partial Release of Liability:</u>					
Homestake Mining Company Lead, SD	332 & 456	\$1,142,531	5444262	Safeco Insurance Company of America	Partially release reclamation liability for 41.77 acres covered under Permits 332 & 456. Areas to be released include the Sawpit Borrow area, the East Waste Rock Depository topsoil and low-grade stockpiles, the Open Cut Landfill area, Grenstiner Pond, and the Sawpit and East Waste Rock Depository water management areas.
			Legal:	Portions of Sections 27, 28, 29, 32, & 33; T5N-R3E, Lawrence County	

South Dakota Board of Minerals & Environment

January 18, 2018

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Reduction of Reclamation Surety:</u>					
Homestake Mining Company Lead, SD	332	\$1,142,531	5444262	Safeco Insurance Company of America	Reduce reclamation surety from \$1,246,000 to \$178,700 for Permits 332 & 456.
	456	\$103,469	5722945	Safeco Insurance Company of America	
<u>Increase of Postclosure Surety:</u>					
Homestake Mining Company Lead, SD	332 & 456	\$41,979,523	8233-63-10	Federal Insurance Company	Increase Postclosure surety from \$41,979,523 to \$47,797,929.

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<u>Release of Liability and Surety:</u>						
Midwest Development of Pierre, Inc. Pierre, SD	00-697		\$10,000	00758921	Capitol Indemnity Corporation, Madison, WI	Release liability and \$10,000.
		697001	S1/2 SW1/4 Section 27; T111N-R79W, Hughes County			
Darrell's Rock, Sand, & Gravel, Inc. Wessington Springs, SD	86-320		\$20,000	RC-0016	Sun Surety Insurance Company, Rapid City, SD	Release liability and \$20,000.
		320002	NE1/4 Section 14; T107N-R66W, Jerauld County			
<u>Releases of Surety:</u>						
Glen Haines, DBA Haines Trucking LLC Faith, SD	91-422		\$1,000	39663	Farmers State Bank, Faith, SD	Release \$1,000.

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<u>Transfers of Liability:</u>						
Beckler Construction Redfield, SD	98-645		\$20,000	SD 4455	Merchants Bonding Company, Des Moines, IA	Transfer liability.
		645007	W1/2 Section 10; T116N-R67W, Hand County			
Transfer to:						
Oakley Gravel & Rock Rockham, SD	15-989		\$1,000	432	Dakotaland Federal Credit Union, Huron, SD	
LPN Holding, LLC. Sturgis, SD	87-356		\$10,000	8101002584	First Interstate Bank, Sturgis, SD	Transfer liability.
		356003	W1/2 SW1/4, N1/2 NE1/4, E1/2 NW1/4, SW1/4 NW1/4 Section 8; T5N-R5E, Meade County			
Transfer to:						
GCC Dacotah, Inc. Rockham, SD	01-721		\$20,000	0263068553	Wells Fargo Bank, Belle Fourche, SD	
<u>Releases of Liability:</u>						
DOT Mitchell Region Mitchell, SD	83-10		Exempt	NA	NA	Release liability.
		10262	SW1/4 SW1/4 Section 13; T106N-R71W, Buffalo County			

***South Dakota Board of Minerals & Environment
Consent Calendar***

						<i>February 15, 2018</i>
<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Mc Laughlin & Schulz Inc. Watertown, SD	83-5		\$20,000	SD 9006	Merchants Bonding Company, Des Moines, IA	Release liability.
		5001	SW1/4 SW1/4 Section 13; T106N-R71W, Buffalo County			
		5003	SW1/4 Section 33; T117N-R52W, Codington County			
First Rate Excavate, Inc. Sioux Falls, SD	05-817		\$20,000	2047001	North American Specialty Insurance Company, Sioux Falls, SD	Release liability.
		817011	NE1/4 Section 28; T102N-R49W, Minnehaha County			

South Dakota Board of Minerals & Environment

February 15, 2018

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Annual Update of Post Closure Financial Assurance:</u>					
LAC Minerals (USA), LLC Central City, SD	445	\$19,906,292	09177703	Fidelity & Deposit Company of Maryland And Zurich American Insurance Company	Accept rider to Bond No. 09177703, Fidelity & Deposit Company of Maryland and Zurich American Insurance Company, increasing the Post Closure Financial Assurance amount to \$20,503,154.
<u>Acceptance of Reclamation Surety Bond Rider for Homestake Mining Company</u>					
Homestake Mining Company Lead, SD	332	\$1,142,531	5444262	Safeco Insurance Company of America	Accept rider to Bond No. 5444262, Safeco Insurance Company of American, decreasing the Reclamation Surety amount to \$178,700. Release Bond No. 5722945, Safeco Insurance Company of America, in the amount of \$103,469.
	456	\$103,469	5722945	Safeco Insurance Company of America	
<u>Acceptance of Postclosure Financial Assurance Surety Bond Rider for Homestake Mining Company</u>					
Homestake Mining Company Lead, SD	332 & 456	\$41,979,523	8233-63-10	Federal Insurance Company	Accept rider to Bond No. 8233- 63-10, Federal Insurance Company, increasing the Post Closure Financial Assurance amount to \$47,797,929.